

# Semi-Annual Management Report of Fund Performance

## BMO Private Canadian Core Equity Portfolio

For the period ended June 30, 2025

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](mailto: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.bmo.com/privatewealth/regulatory-documents/bpic/](http://www.bmo.com/privatewealth/regulatory-documents/bpic/) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). You may also contact us using one of these methods to request a copy of the Portfolio's interim financial report, 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 BMO Asset Management Inc. ("BMO AM Inc." or the "sub-advisor") as the sub-advisor of BMO Private Canadian Core Equity Portfolio (the "Portfolio").*

*The Portfolio utilizes two distinct investment strategies (managed by different portfolio management teams of BMO AM Inc.) to achieve its investment objectives. The Quantitative Investments team uses a quantitative framework to incorporate fundamental insights, as it believes that fundamentally strong, attractively valued companies with growing investor interest will outperform over the long run. The Fundamental Equity team believes in identifying high-quality, under-followed companies with high growth potential which, when combined with a disciplined portfolio construction methodology and a unique risk management approach, will lead to superior performance over the long term.*

### Results of Operations

Over the six-month period ended June 30, 2025, the Portfolio returned 9.97%, after expenses. The Portfolio's benchmark is the S&P/TSX Composite Index (the "S&P/TSX"), which generated a 10.17% total return over the same six-month period.

Canadian equities, as measured by the S&P/TSX, gained over the period. The Materials and Industrials sectors drove performance as global demand for commodities recovered. The Bank of Canada's (the "BoC") interest rate cuts supported domestic economic activity and lifted rate-sensitive sectors like Utilities and Real Estate. The Financials sector also gained, buoyed by stable margins and improving credit trends. Canadian growth stocks rebounded later in the period, helping to broaden market participation. Investor sentiment improved as inflation moderated and global growth showed signs of stabilization. Canadian equities outperformed many developed market peers.

### Quantitative Investments Component

Security selection in the Utilities and Materials sectors detracted from the component's performance. The top individual detractors were TransAlta Corp. and West Fraser Timber Co. Ltd.

Security selection in the Industrials, Information Technology and Energy sectors contributed to the Quantitative Investments component's performance. Top individual contributors to the component's performance were Finning International Inc., Celestica Inc. and Cameco Corp.

The sub-advisor added a new holding in Keyera Corp. to the Quantitative Investments component. As a leading Canadian midstream energy company, it is a high-quality replacement for Parkland Corp. The company offers a compelling combination of stable cash flows and long-term growth potential through its natural gas processing and natural gas liquids ("NGL")



Private Wealth

## BMO Private Canadian Core Equity Portfolio

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infrastructure assets. The company demonstrates disciplined capital allocation, a strong balance sheet and an attractive valuation. Its recent acquisition of a Canadian NGL business enhances its scale, diversification and earnings visibility.

An existing position in Power Corp. of Canada, a diversified holding company with core interests in financial services, was increased to reflect its compelling U.S. growth exposure. Through subsidiaries, the company has become a major player in the U.S. retirement and wealth management markets, benefitting from structural tailwinds such as aging demographics, rising retirement savings, and digital adoption.

A position in National Bank of Canada, one of Canada's six major banks, was decreased after a period of strong performance and elevated valuation. While the bank continues to deliver solid earnings and maintain a strong capital position, its announced acquisition of Canadian Western Bank introduced integration and execution risks, particularly in aligning systems, cultures, and client servicing models across distinct regional markets. Given the scale and complexity of the integration, there appears to be higher uncertainty around near-term operational performance.

The component's holding in Parkland Corp., a leading fuel marketer and refiner, was sold. Sentiment had turned negative following operational missteps and underwhelming earnings. An activist campaign by a major shareholder added further uncertainty. Despite a compelling cash-and-stock offer from Sunoco LP, there appears to be limited potential for a bidding war or improved terms. With shares trading near the sub-advisor's fair value estimate, the position was sold to reallocate capital to higher-conviction opportunities.

### *Fundamental Equity Component*

The component's overweight exposure to, and security selection in, the Industrials sector detracted from performance, as did its security selection in the Consumer Staples sector, since it had no exposure to grocery retailers. The top individual detractors from the component's performance included TFI International Inc., North American Construction Group Ltd. and Alimentation Couche-Tard Inc.

The Fundamental Equity component's security selection in the Financials, Consumer Discretionary and Communication Services sectors contributed to performance. The top individual contributors to the component's performance included Alamos Gold Inc., Franco-Nevada Corp. and Element Fleet Management Corp.

The sub-advisor added a new position in Fortis Inc. to the Fundamental Equity component. It has outperformed its peers due to its strong operational execution track record, prudently conservative balance sheet management and 51 consecutive years of dividend growth. While it is not a high-earnings growth business, the market appears to be underappreciating the longer-term opportunity for incremental rate base growth, particularly around artificial intelligence and data centre demand.

The component's existing position in Element Fleet Management Corp., the world's largest commercial vehicle fleet manager, was increased. The business appears to have a lot of momentum as it continues to grow its client base and expand wallet share with new services. The company should be able to compound earnings per share in the low to mid-teens over the next few years and has good defensive elements.

The component's position in Pembina Pipeline Corp. was trimmed to help fund other opportunities. The sub-advisor continues to favour the company's long-term outlook, as it has several organic growth projects in the pipeline and a long-term track record of operational execution and management conservatism.

The component's position in Osisko Gold Royalties Ltd. was sold. While the stock has seen some multiple expansion since the position was purchased, and the company's forward production growth guidance is similar to peers, the company has a relatively high proportion of later-dated development projects that are likely to experience delays. They pose a risk to guidance. As such, the position was sold, and the component will concentrate more in higher-conviction opportunities.

*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.*

# BMO Private Canadian Core Equity Portfolio

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## Recent Developments

### *Quantitative Investments Component*

While trade policy uncertainties, slower immigration and regional housing market softness remain structural challenges, the sub-advisor is cautiously optimistic about the Canadian equity market. Falling interest rates should gradually stimulate consumer spending and business activity, while easing inflationary pressures give policymakers room to maintain accommodative conditions.

The component remains anchored in its disciplined focus on quality, growth and value, and has been positioned to thrive in this fragile macroeconomic backdrop by emphasizing companies with strong balance sheets, resilient earnings, sustainable growth drivers and attractive valuations, where market dislocations have created compelling entry points. This approach allows the component to balance downside protection with upside participation, while remaining selective and forward-looking in its capital allocation.

### *Fundamental Equity Component*

The outlook for Canadian equities appears mixed after a strong first half of the year. On the positive side, monetary policy may be accommodative as the BoC is expected to cut interest rates in the second half of the year. Certain commodity prices have demonstrated continued resilience, which could continue to support stocks in those sectors. Additionally, valuation levels have rebounded significantly from the 2022 lows, although they are still close to the long-term average and remain close to multi-year lows relative to the S&P 500 Index. On the negative side, overall Canadian gross domestic product growth is expected to slow, as are corporate earnings, which could put some pressure on stock prices. Meanwhile, potential tariffs may still pose some risk.

As always, the sub-advisor will seek opportunities to take advantage of short-term volatility while maintaining a longer-term focus on companies with strong competitive advantages and attractive long-term growth profiles.

In January 2025, U.S. President Donald Trump was inaugurated. Subsequently, the U.S. government has made sweeping policy changes. These policy changes include both an increase in existing tariffs and the invocation of new tariffs on many countries, including Canada. In response, both domestic and global financial markets have reacted with increased

volatility. As at the current date, President Trump's policy changes are continuously shifting. It is uncertain how long the market instability will continue and whether it will escalate further.

## Related Party Transactions

BMO Trust Company, an indirect, wholly-owned subsidiary of Bank of Montreal ("BMO"), 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.

### *Sub-advisor*

BPIC has hired BMO AM Inc., a related party, to provide investment advice and make investment decisions for the Portfolio's investment portfolio. BMO AM Inc. receives a sub-advisory fee based on assets under management, which is paid monthly. BMO AM Inc. is paid by BPIC.

### *Buying and Selling Securities*

During the period, the Manager relied on Standing Instructions provided by the Portfolio's IRC for any of the following related party transactions that may have occurred in the Portfolio:

- (a) investments in securities issued by BMO, an affiliate of the Manager, or any other issuer related to the Manager;
- (b) investments in a class of securities of an issuer during the distribution period of those securities or the 60-day period following the completion of the distribution where BMO Nesbitt Burns Inc., an affiliate of the Manager, or any other affiliate of the Manager acts as an underwriter in the distribution of those securities;

## BMO Private Canadian Core Equity Portfolio

- (c) trades in over-the-counter debt securities in the secondary market with BMO Nesbitt Burns Inc., or any other affiliate of the Manager, acting as principal in the Canadian debt securities market; and
  - (d) trades of a security of any issuer from or to, another investment fund managed by the Manager or an affiliate of the Manager or a managed account managed by an affiliate of the Manager
- (each, a “Related Party Transaction”).

In accordance with the IRC’s Standing Instructions, in making a decision to cause the Portfolio to make a Related Party Transaction, the Manager and the sub-advisor of the Portfolio are required to comply with the Manager’s written policies and procedures governing the Related Party Transaction and report periodically to the IRC, describing each instance that the Manager and/or the sub-advisor relied on the Standing Instructions and their compliance or non-compliance with the governing policies and procedures. The governing policies and procedures are designed to ensure that each Related Party Transaction (i) is made free from any influence of BMO, BMO Nesbitt Burns Inc. or an associate or affiliate of BMO and/or BMO Nesbitt Burns Inc. and without taking into account any considerations relevant to BMO, BMO Nesbitt Burns Inc. or an associate or affiliate of BMO and/or BMO Nesbitt Burns Inc., (ii) represents the business judgment of the Manager and/or the sub-advisor, uninfluenced by considerations other than the best interests of the Portfolio, and (iii) achieves a fair and reasonable result for the Portfolio. The IRC has reviewed the related party transactions described above and has provided an approval that each transaction achieves a fair and reasonable result for the Portfolio.

### Brokerage Commissions

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

	Period ended June 30, 2025 (\$000s)	Period ended June 30, 2024 (\$000s)
Total Brokerage Commissions	291	229
Brokerage Commissions paid to BMO Nesbitt Burns Inc.	49	19

### 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, 2025 (\$000s)	Period ended June 30, 2024 (\$000s)
Unitholder Services	88	80

### 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.

## BMO Private Canadian Core Equity Portfolio

### Financial Highlights

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

The Portfolio's Net Assets Per Unit <sup>(1)</sup>	Six months ended	Years ended December 31				
	June 30, 2025	2024	2023	2022	2021	2020
Net assets, beginning of period	\$ 25.17	21.58	20.08	22.23	18.88	19.72
<b>Increase (decrease) from operations:</b>						
Total revenue	\$ 0.32	0.65	0.63	0.55	0.50	0.54
Total expenses <sup>(2)</sup>	\$ (0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Realized gains (losses) for the period	\$ 0.90	1.28	0.63	0.76	2.24	(0.39)
Unrealized gains (losses) for the period	\$ 1.31	2.63	1.07	(2.89)	2.10	(0.35)
<b>Total increase (decrease) from operations <sup>(3)</sup></b>	<b>\$ 2.52</b>	<b>4.55</b>	<b>2.32</b>	<b>(1.59)</b>	<b>4.83</b>	<b>(0.21)</b>
<b>Distributions:</b>						
From income (excluding dividends)	\$ —	0.01	0.01	—	0.00	—
From dividends	\$ —	0.65	0.64	0.58	0.54	0.51
From capital gains	\$ —	0.33	0.19	0.02	0.91	—
Return of capital	\$ —	0.00	0.00	0.00	0.01	0.00
<b>Total Annual Distributions <sup>(4)</sup></b>	<b>\$ —</b>	<b>0.99</b>	<b>0.84</b>	<b>0.60</b>	<b>1.46</b>	<b>0.51</b>
<b>Net assets, end of period</b>	<b>\$ 27.68</b>	<b>25.17</b>	<b>21.58</b>	<b>20.08</b>	<b>22.23</b>	<b>18.88</b>

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

<sup>(2)</sup> Includes commissions and other portfolio transaction costs and withholding taxes.

<sup>(3)</sup> 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.

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

Ratios and Supplemental Data	Six months ended	Years ended December 31				
	June 30, 2025	2024	2023	2022	2021	2020
Total net asset value (000s) <sup>(1)</sup>	\$ 1,534,451	1,433,242	1,239,985	1,168,348	1,456,686	1,140,572
Number of units outstanding (000s) <sup>(1)</sup>	55,430	56,946	57,464	58,177	65,536	60,403
Management expense ratio <sup>(2)</sup>	% 0.03	0.03	0.03	0.03	0.02	0.03
Management expense ratio before waivers or management absorptions <sup>(2)</sup>	% 0.14	0.14	0.14	0.14	0.13	0.14
Trading expense ratio <sup>(3)</sup>	% 0.04	0.03	0.04	0.04	0.04	0.03
Portfolio turnover rate <sup>(4)</sup>	% 18.40	28.13	28.96	28.24	53.49	22.13
Net asset value per unit	\$ 27.68	25.17	21.58	20.08	22.23	18.88

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

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

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

# BMO Private Canadian Core Equity Portfolio

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## Past Performance

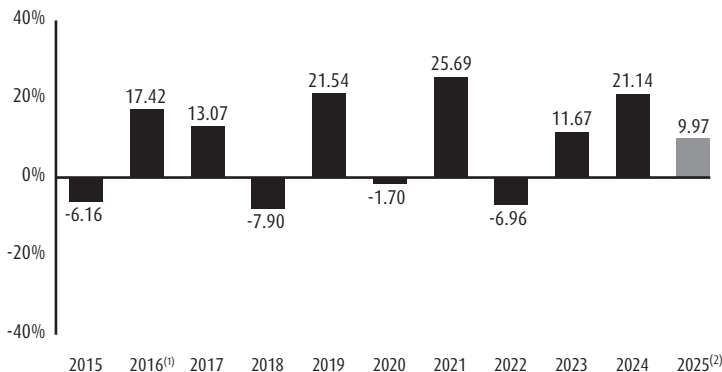
### General

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

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 chart shows the performance for each of the financial years shown and for the six-month period ended June 30, 2025, and illustrates how the performance has changed from year to year. The bar chart shows 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.



<sup>(1)</sup> On July 8, 2016, BMO Private Canadian Growth Equity Portfolio merged into the Portfolio, which changed its name to BMO Private Canadian Core Equity Portfolio at the time of the merger.

<sup>(2)</sup> For the six-month period ended June 30, 2025.

## BMO Private Canadian Core Equity Portfolio

### Summary of Investment Portfolio

as at June 30, 2025

Portfolio Allocation	% of Net Asset Value	Top 25 Holdings Issuer	% of Net Asset Value
Financials	30.6	Royal Bank of Canada	7.5
Energy	15.8	Shopify Inc., Class A	5.1
Industrials	14.2	Toronto-Dominion Bank, The,	4.5
Materials	13.0	Constellation Software Inc.	4.0
Information Technology	10.9	Brookfield Corporation, Class A	3.7
Utilities	4.3	Canadian Natural Resources Limited	3.6
Consumer Staples	3.0	Canadian Pacific Kansas City Limited	3.3
Consumer Discretionary	2.9	Bank of Montreal	3.1
Real Estate	1.9	Waste Connections, Inc.	2.7
Communication Services	1.8	Wheaton Precious Metals Corp.	2.7
Cash/Receivables/Payables	0.9	Agnico Eagle Mines Limited	2.6
Health Care	0.4	Bank of Nova Scotia, The,	2.1
Money Market Investments	0.3	Alamos Gold Inc., Class A	2.0
<b>Total portfolio allocation</b>	<b>100.0</b>	Cameco Corporation	2.0
		Enbridge Inc.	1.9
		Alimentation Couche-Tard Inc.	1.9
		TC Energy Corporation	1.9
		Intact Financial Corporation	1.8
		Franco-Nevada Corporation	1.8
		Dollarama Inc.	1.7
		Element Fleet Management Corp.	1.7
		Canadian National Railway Company	1.6
		Teck Resources Limited, Class B	1.6
		WSP Global Inc.	1.5
		Canadian Imperial Bank of Commerce	1.4
		<b>Top holdings as a percentage of total net asset value</b>	<b>67.7</b>
		<b>Total Net Asset Value</b>	<b>\$1,534,450,918</b>

*The Summary of Investment Portfolio may change due to the Portfolio's ongoing portfolio transactions. Updates are available quarterly.*

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