

Semi-Annual Management Report of Fund Performance

BMO Private Canadian Core Equity Portfolio

For the period ended June 30, 2024

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.bmo.com/privatewealth/regulatory-documents/bpic/ or SEDAR+ at 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, 2024, the Portfolio returned 6.58%, after expenses. The Portfolio's benchmark is the S&P/TSX Composite Index (the “S&P/TSX”), which generated a 6.05% total return over the same six-month period.

During the period, Canadian equity markets gained, driven by higher commodity prices and lower inflation. The Bank of Canada (the “BoC”) cut its policy interest rate as inflation cooled. The S&P/TSX gained during the period but underperformed many other developed markets. Energy and Materials were the strongest-performing sectors. Communication Services was the weakest-performing sector.

Quantitative Investments Component

Stock selection within the Information Technology, Consumer Discretionary and Utilities sectors contributed to the Quantitative Investments component's performance. Top individual contributors to the component's performance were overweight positions in Celestica Inc., Constellation Software Inc., Dollarama Inc. and AltaGas Ltd.

An underweight allocation to the Materials sector detracted from the Quantitative Investments component's performance, as did stock selection within that sector. The Materials sector outperformed the broader Canadian market. Security selection within the Industrials sector also detracted from the component's performance. The largest individual detractors from performance included overweight holdings in Interfor Corp. and West Fraser Timber Co. Ltd., which were affected by weak lumber prices, and an overweight position in Russel Metals Inc.



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The sub-advisor added to the Quantitative Investments component a new holding in Fairfax Financial Holdings Ltd., a global property and casualty insurance holding company. The company generates two-thirds of its insurance premiums from the United States and aims to grow its book value per share by 15% annually. Its underwriting business and investment portfolios continue to deliver improving results. The sub-advisor also likes the company's deep cash position and the financial flexibility to pursue growth initiatives and acquisitions.

An existing Quantitative Investments component position in Wheaton Precious Metals Corp. was increased. The company holds long-term purchase agreements with top-tier precious and base metal miners to purchase silver and gold as part of a well-diversified portfolio. It has a solid balance sheet and ample liquidity to pursue mergers and acquisitions, generates strong cash flow and pays increasing dividends throughout the commodity cycle.

The component's holding in Magna International Inc. was eliminated. While the company invests for future growth in areas such as Advanced Driver Assistance Systems and electrification, Magna's management has revised its sales forecast and pushed back the timeline for these programs to become profitable, citing delayed electric vehicle rollouts. The company's debt level is high following its Veoneer Inc. transaction, and its free cash flow in the next three years is expected to remain low. With increasing competition from Chinese electric vehicles, the sub-advisor is also concerned about the demand risks from the company's primary customers.

Generative artificial intelligence is speeding up the commoditization of business process outsourcing and managed services, which has brought deflationary pressure to CGI Inc.'s core revenue. After reporting a weak second quarter in 2024, CGI Inc.'s management offered limited visibility to the company's organic growth amid industry challenges. While the sub-advisor remains constructive on the company's long-term track record, the sub-advisor took advantage of the first-quarter 2024 rebound in the company's stock to trim the Quantitative Investments component's position in CGI Inc. to help manage risk.

Fundamental Equity Component

Stock selection within the Information Technology, Industrials and Consumer Discretionary sectors contributed to the Fundamental Equity component's performance. Top individual contributors to the component's performance were positions in Waste Connections Inc., Constellation Software Inc. and Teck Resources Ltd. Waste Connections Inc.'s stock performed well following two strong quarters, one of which included the strongest year-over-year margin expansion in a decade. Constellation Software Inc. continued to execute well on its acquisition-led growth strategy as well as a growing list of potential targets that points to a long runway of future growth. Teck Resources Ltd.'s stock price was up as a result of higher copper prices and the anticipated closing of the sale of the company's coal business later in 2024.

Security selection within the Materials, Consumer Staples and Financials sectors detracted from the Fundamental Equity component's performance. A holding in The Toronto-Dominion Bank detracted from performance as the stock underperformed amid concerns regarding outstanding U.S. anti-money-laundering issues that may result in significant regulatory fines and other penalties. TELUS Corp. detracted from the component's performance. Its stock underperformed along with other Canadian telecommunications carriers due to an unusually high degree of price competition in the market as well as higher long-term interest rates. A holding in Brookfield Infrastructure Partners L.P. was another detractor from performance as its stock was weighed down by higher long-term interest rates.

The sub-advisor added to the Fundamental Equity component a new holding in Alamos Gold Inc. based on its production growth over the next few years and track record of consistently driving value-enhancing organic growth and acquisitions. The sub-advisor believes it is one of the best-in-class gold producers in Canada that deserves to trade at a premium to the group. An existing position in Descartes Systems Group Ltd. was increased. The company continues to execute well on its growth strategy that includes strong organic growth as well as acquisitions. The sub-advisor believes that it has a long runway for growth given a fragmented market and growing demand for the company's suite of software solutions.

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A holding in Loblaw Cos. Ltd. was eliminated from the component. Following the recent rebound in its share price, the company's stock is now trading near the top end of its historical valuation range. This could be challenged as its year-over-year earnings growth rate is expected to slow. A holding in Intact Financial Corp. was trimmed following strong share price performance. The stock rebounded following the company's fourth-quarter 2023 earnings release and was trading at the high end of its historical valuation range.

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

Quantitative Investments Component

The sub-advisor believes the interest rate will remain high despite BoC's steady rate cuts in 2024. This leads to weak consumer spending (as mortgages are renewed at the current interest rates) and muted business investments (new opportunities must meet an elevated hurdle rate). While the sub-advisor is cautiously optimistic about lower interest rates driving economic recovery, recession risks and market volatilities should pick up if inflation remains sticky and the BoC's restrictive monetary policy starts to damage growth.

With weak domestic demand, companies with pricing power, operating efficiencies and export revenues should outperform. The large inflow of immigrants to Canada should support the revenue growth of essential service sectors, such as Utilities, Communication Services and Real Estate. These stable sectors also carry high debt, which should benefit from lower interest rates over the next two years.

The sub-advisor's analysis points to significant growth opportunities in the defensive sectors. The sub-advisor is confident that a focus on high-quality earnings, attractive valuation and the growing interest of investors should continue to be a source of reassurance and confidence in this market environment.

Fundamental Equity Component

The sub-advisor has a mixed outlook for Canadian equities. Central bank interest-rate-cut expectations have shifted lower compared to the start of 2024 while consumer confidence and spending expectations have diminished. This has negatively impacted Canadian bank stock performance as well as other non-resource cyclicals. Resource stocks continue to be the Canadian market leaders, but there are questions as to whether the demand side of industrial commodities will hold if the global economy slows.

On a positive note, the sub-advisor continues to see several individual stock opportunities in the market that offer significant upside potential for investors. These are the opportunities where the sub-advisor has been adding to the Fundamental Equity component's exposure, continuing to focus on high-quality companies with the strongest long-term fundamentals.

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.

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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;
 - (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, 2024 (\$000s)	Period ended June 30, 2023 (\$000s)
Total Brokerage Commissions	229	243
Brokerage Commissions paid to BMO Nesbitt Burns Inc.	19	27

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.

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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, 2024 (\$000s)	Period ended June 30, 2023 (\$000s)
Unitholder Services	80	81

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.

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Financial Highlights

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

The Portfolio's Net Assets Per Unit ⁽¹⁾	Six months ended June 30, 2024	Years ended December 31				
		2023	2022	2021	2020	2019
Net assets, beginning of period	\$ 21.58	20.08	22.23	18.88	19.72	16.58
Increase (decrease) from operations:						
Total revenue	\$ 0.32	0.63	0.55	0.50	0.54	0.47
Total expenses ⁽²⁾	\$ (0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Realized gains (losses) for the period	\$ 0.58	0.63	0.76	2.24	(0.39)	0.35
Unrealized gains (losses) for the period	\$ 0.53	1.07	(2.89)	2.10	(0.35)	2.73
Total increase (decrease) from operations ⁽³⁾	\$ 1.42	2.32	(1.59)	4.83	(0.21)	3.54
Distributions:						
From income (excluding dividends)	\$ —	0.01	—	0.00	—	—
From dividends	\$ —	0.64	0.58	0.54	0.51	0.43
From capital gains	\$ —	0.19	0.02	0.91	—	—
Return of capital	\$ —	0.00	0.00	0.01	0.00	0.00
Total Annual Distributions ⁽⁴⁾	\$ —	0.84	0.60	1.46	0.51	0.43
Net assets, end of period	\$ 23.00	21.58	20.08	22.23	18.88	19.72

⁽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, 2024	Years ended December 31				
		2023	2022	2021	2020	2019
Total net asset value (000s) ⁽¹⁾	\$ 1,272,948	1,239,985	1,168,348	1,456,686	1,140,572	1,080,765
Number of units outstanding (000s) ⁽¹⁾	55,356	57,464	58,177	65,536	60,403	54,795
Management expense ratio ⁽²⁾	% 0.03	0.03	0.03	0.02	0.03	0.03
Management expense ratio before waivers or management absorptions ⁽²⁾	% 0.14	0.14	0.14	0.13	0.14	0.14
Trading expense ratio ⁽³⁾	% 0.04	0.04	0.04	0.04	0.03	0.02
Portfolio turnover rate ⁽⁴⁾	% 15.02	28.96	28.24	53.49	22.13	19.30
Net asset value per unit	\$ 23.00	21.58	20.08	22.23	18.88	19.72

⁽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.

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Past Performance

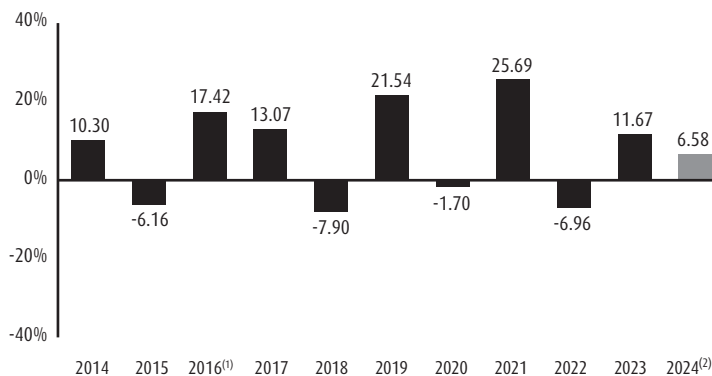
General

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, 2024, 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.



⁽¹⁾ 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.

⁽²⁾ For the six-month period ended June 30, 2024.

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Summary of Investment Portfolio

as at June 30, 2024

Portfolio Allocation	% of Net Asset Value	Top 25 Holdings Issuer	% of Net Asset Value
Financials	29.2	Royal Bank of Canada	7.7
Energy	16.6	Toronto-Dominion Bank, The,	4.9
Industrials	15.7	Canadian Natural Resources Limited	4.5
Materials	11.7	Constellation Software Inc.	4.2
Information Technology	9.5	Canadian Pacific Kansas City Limited	4.1
Utilities	3.8	Shopify Inc., Class A	3.9
Consumer Discretionary	3.7	Waste Connections, Inc.	3.1
Consumer Staples	3.2	Brookfield Corporation, Class A	3.0
Communication Services	2.8	Bank of Montreal	2.8
Real Estate	2.0	Agnico Eagle Mines Limited	2.3
Cash/Receivables/Payables	0.7	Intact Financial Corporation	2.2
Other	1.1	Alimentation Couche-Tard Inc.	2.2
Total portfolio allocation	100.0	Teck Resources Limited, Class B	2.0
		Franco-Nevada Corporation	1.9
		Tourmaline Oil Corp.	1.7
		Brookfield Infrastructure Partners L.P.	1.7
		Element Fleet Management Corp.	1.7
		Dollarama Inc.	1.6
		Cameco Corporation	1.6
		Enbridge Inc.	1.5
		Pembina Pipeline Corporation	1.5
		Suncor Energy Inc.	1.5
		TELUS Corporation	1.4
		Canadian National Railway Company	1.4
		WSP Global Inc.	1.4
		Top holdings as a percentage of total net asset value	65.8
		Total Net Asset Value	\$1,272,948,129

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

Manager

BMO Private Investment Counsel Inc.
1 First Canadian Place
100 King Street West, 41st Floor
Toronto, Ontario M5X 1A1

Trustee

BMO Trust Company
1 First Canadian Place
100 King Street West, 41st Floor
Toronto, Ontario M5X 1A1

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For more information please call 1-855-852-1026