

Annual Financial Statements

BMO Private Portfolios

December 31, 2018

BMO Private Canadian Corporate Bond Portfolio

Independent Auditor's Report

To the Unitholders and Trustee of

BMO Private Canadian Money Market Portfolio
BMO Private Canadian Special Equity Portfolio
BMO Private U.S. Equity Portfolio
BMO Private International Equity Portfolio
BMO Private U.S. Growth Equity Portfolio
BMO Private Canadian Income Equity Portfolio
BMO Private Canadian Short-Term Bond Portfolio

BMO Private Canadian Core Equity Portfolio
BMO Private Canadian Mid-Term Bond Portfolio
BMO Private Canadian Corporate Bond Portfolio
BMO Private Diversified Yield Portfolio
BMO Private Emerging Markets Equity Portfolio
BMO Private U.S. Special Equity Portfolio
(collectively the Portfolios, individually the Portfolio)

Our opinion

In our opinion, the accompanying financial statements of each of the Portfolios present fairly, in all material respects, the financial position of each Portfolio as at December 31, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board (IFRS).

What we have audited

The financial statements of each of the Portfolios comprise:

- the statements of financial position as at December 31, 2018 and 2017;
- the statements of comprehensive income for the years then ended;
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements section* of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of each of the Portfolios in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Independent Auditor's Report

Other information

Management is responsible for the other information of each of the Portfolios. The other information comprises the Annual Management Report of Fund Performance of each of the Portfolios.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of each of the Portfolios, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of each of the Portfolios or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each of the Portfolios in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of each of the Portfolios to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any of the Portfolios or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each of the Portfolios.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole for each Portfolio are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of each of the Portfolios.

Independent Auditor's Report

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of each of the Portfolios, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of each of the Portfolios.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each of the Portfolios to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of each of the Portfolios or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any of the Portfolios to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of each of the Portfolios, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

March 22, 2019

BMO Private Canadian Corporate Bond Portfolio

STATEMENT OF FINANCIAL POSITION

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

As at	December 31 2018	December 31 2017
Assets		
Current Assets		
Cash	1,687	5,639
Investments		
Non-derivative financial assets	1,578,209	1,410,274
Subscriptions receivable	1,347	369
Interest receivable	12,125	11,324
Total assets	1,593,368	1,427,606
Liabilities		
Current Liabilities		
Payable for investments purchased	—	3,962
Redemptions payable	1,206	507
Accrued expenses	105	101
Total liabilities	1,311	4,570
Net assets attributable to holders of redeemable units	1,592,057	1,423,036
Net assets attributable to holders of redeemable units per unit	\$ 10.06	\$ 10.23

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

BMO Private Canadian Corporate Bond Portfolio

STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	December 31 2018	December 31 2017
Income		
Interest income	46,470	36,303
Other changes in fair value of investments and derivatives		
Net realized (loss) gain	(8,467)	3,457
Change in unrealized depreciation	(14,126)	(15,041)
Net gain in fair value of investments and derivatives	23,877	24,719
Securities lending (note 8)	30	12
Foreign exchange gain	0	0
Total other income	30	12
Total income	23,907	24,731
Expenses		
Sub-advisory fees	1,840	1,545
Audit fees	11	10
Independent review committee fees	3	4
Withholding taxes	0	2
Custodian fees	22	19
Legal and filing fees	80	67
Unitholder servicing fees	442	452
Printing and stationery fees	13	14
Operating expenses absorbed by the Manager	(1,840)	(1,545)
Total expenses	571	568
Increase in net assets attributable to holders of redeemable units	23,336	24,163
Increase in net assets attributable to holders of redeemable units per unit (note 8)	0.15	0.18

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BMO Private Canadian Corporate Bond Portfolio

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

(All amounts in thousands of Canadian dollars)

For the periods ended	December 31 2018	December 31 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	23,336	24,163
Distributions to holders of redeemable units		
From net investment income	(50,679)	(42,820)
Return of capital	(213)	(214)
Total distributions paid to holders of redeemable units	(50,892)	(43,034)
Redeemable unit transactions		
Proceeds from redeemable units issued	437,223	294,171
Reinvestments of distributions to holders of redeemable units	48,826	41,393
Redemption of redeemable units	(289,472)	(192,952)
Net increase from redeemable unit transactions	196,577	142,612
Net increase in net assets attributable to holders of redeemable units	169,021	123,741
Net assets attributable to holders of redeemable units at end of period	1,592,057	1,423,036

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

BMO Private Canadian Corporate Bond Portfolio

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

For the periods ended	December 31 2018	December 31 2017
Cash flows from operating activities		
Increase in net assets attributable to holders of redeemable units	23,336	24,163
Adjustments for:		
Net realized loss (gain) on sale of investments and derivatives	8,467	(3,457)
Change in unrealized depreciation of investments and derivatives	14,126	15,041
Increase in interest receivable	(801)	(476)
Increase in accrued expenses	4	15
Amortization of premium and discount	5,040	7,183
Purchases of investments	(733,295)	(655,383)
Proceeds from sale and maturity of investments	533,765	512,678
Net cash from operating activities	(149,358)	(100,236)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(2,066)	(1,641)
Proceeds from issuances of redeemable units	436,245	295,373
Amounts paid on redemption of redeemable units	(288,773)	(192,894)
Net cash from financing activities	145,406	100,838
Net (decrease) increase in cash	(3,952)	602
Cash at beginning of period	5,639	5,037
Cash at end of period	1,687	5,639
Supplementary Information		
Interest received, net of withholding taxes*	50,709	43,010

*These items are from operating activities

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

BMO Private Canadian Corporate Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 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 — 97.6%</i>			
407 International Inc., Series 10-A2, Medium Term Notes, Senior, Secured, 4.990% Jun 16, 2020	800	841	828
407 International Inc., Series 10-A3, Medium Term Notes, Senior, Secured, 4.300% May 26, 2021	1,237	1,287	1,279
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	3,164	3,069
407 International Inc., Series 16-A2, Medium Term Notes, Secured, Callable, 2.430% May 4, 2027	6,500	6,380	6,192
AIMCo Realty Investors L.P., Series 1, Senior, Unsecured, Notes, Callable, 2.266% Jun 26, 2024	4,600	4,516	4,426
AIMCo Realty Investors L.P., Series 3, Senior, Unsecured, Notes, Callable, 3.367% Jun 1, 2027	5,800	5,800	5,854
AIMCo Realty Investors L.P., Series 2, Senior, Unsecured, Notes, Callable, 3.043% Jun 1, 2028	2,000	1,920	1,961
Alectra Inc., Series A, Senior, Unsecured, Debentures, Callable, 2.488% May 17, 2027	10,000	9,918	9,570
Algonquin Power Co., Senior, Unsecured, Notes, 4.650% Feb 15, 2022	1,500	1,558	1,553
Alimentation Couche-Tard Inc., Series 4, Senior, Unsecured, Notes, 4.214% Aug 21, 2020	1,000	1,037	1,021
Alimentation Couche-Tard Inc., Series 6, Senior, Unsecured, Notes, Callable, 3.056% Jul 26, 2024	5,580	5,535	5,389
Alimentation Couche-Tard Inc., Series 5, Senior, Unsecured, Notes, Callable, 3.600% Jun 2, 2025	9,200	9,349	9,061
Alliance Pipelines Limited Partnership, Sinking Funds, Senior, Secured, Notes, Callable, 7.217% Dec 31, 2025	169	192	196
Allied Properties Real Estate Investment Trust, Series A, Senior, Unsecured, Notes, 3.748% May 13, 2020	750	758	757
Allied Properties Real Estate Investment Trust, Series B, 3.934% Nov 14, 2022	2,300	2,356	2,318
Allied Properties Real Estate Investment Trust, Series C, Senior, Unsecured, Notes, Callable, 3.636% Apr 21, 2025	2,500	2,510	2,404
AltaGas Canada Inc., Medium Term Notes, Senior, Unsecured, Callable, 4.260% Dec 5, 2028	3,900	3,897	3,958
AltaGas Ltd., Series 8, Medium Term Notes, Unsecured, 3.720% Sep 28, 2021	2,100	2,130	2,111
AltaGas Ltd., Series 10, Medium Term Notes, Unsecured, Callable, 3.570% Jun 12, 2023	600	611	592
AltaGas Ltd., Series 11, Medium Term Notes, Senior, Unsecured, Callable, 4.400% Mar 15, 2024	4,000	4,238	4,067
AltaGas Ltd., Series 15, Medium Term Notes, Senior, Unsecured, Callable, 3.840% Jan 15, 2025	4,000	4,123	3,936
AltaGas Ltd., Series 17, Medium Term Notes, Senior, Unsecured, Callable, 4.120% Apr 7, 2026	2,000	2,032	1,972
AltaGas Ltd., Series 18, Medium Term Notes, Senior, Unsecured, Callable, 3.980% Oct 4, 2027	100	100	96

BMO Private Canadian Corporate Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
AltaLink, L.P., Series 2012-2, Medium Term Notes, Secured, 2.978% Nov 28, 2022	1,000	990	1,008
AltaLink, L.P., Series 2013-4, Medium Term Notes, Secured, 3.668% Nov 6, 2023	3,800	3,980	3,948
AltaLink, L.P., Series 2014-1, Medium Term Notes, Secured, 3.399% Jun 6, 2024	3,100	3,195	3,180
AltaLink, L.P., Series 2016-1, Medium Term Notes, Secured, Callable, 2.747% May 29, 2026	2,800	2,868	2,752
ATCO Ltd., Series 18-1, Fixed to Floating, Unsecured, Notes, Subordinated, Callable, 5.500% Nov 1, 2078	1,000	1,000	998
Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.840% Jun 4, 2020	9,490	9,603	9,528
Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.100% Oct 6, 2020	4,400	4,417	4,361
Bank of Montreal, Senior, Unsecured, Notes, 1.880% Mar 31, 2021	4,300	4,324	4,224
Bank of Montreal, Deposit Notes, Senior, Unsecured, 3.400% Apr 23, 2021	3,450	3,517	3,503
Bank of Montreal, Senior, Unsecured, Notes, 1.610% Oct 28, 2021	9,750	9,683	9,446
Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.120% Mar 16, 2022	10,100	10,121	9,887
Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.270% Jul 11, 2022	3,000	2,977	2,942
Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.890% Jun 20, 2023	3,450	3,455	3,446
Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.700% Sep 11, 2024	12,000	11,951	11,817
Bank of Montreal, Deposit Notes, Senior, Unsecured, 4.609% Sep 10, 2025	9,250	10,342	10,125
Bank of Montreal, Fixed to Floating, Notes, Subordinated, Callable, 3.340% Dec 8, 2025	2,250	2,282	2,261
Bank of Montreal, Medium Term Notes, Fixed to Floating, Subordinated, Callable, 3.320% Jun 1, 2026	3,250	3,282	3,259
Bank of Montreal, Senior, Unsecured, Notes, 2.700% Dec 9, 2026	8,600	8,479	8,352
Bank of Montreal, Medium Term Notes, Fixed to Floating, Unsecured, Subordinated, Callable, 2.570% Jun 1, 2027	4,750	4,653	4,620
Bank of Montreal, Deposit Notes, Senior, Unsecured, 3.190% Mar 1, 2028	16,575	16,474	16,577
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.270% Jan 13, 2020	3,000	3,008	2,995
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.130% Jun 15, 2020	5,000	4,996	4,969
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.090% Sep 9, 2020	6,450	6,496	6,393
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 3.270% Jan 11, 2021	4,950	5,076	5,005
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.873% Jun 4, 2021	3,750	3,808	3,761
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 1.900% Dec 2, 2021	4,900	4,886	4,776

BMO Private Canadian Corporate Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 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	7,977	7,841
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.360% Nov 8, 2022	5,500	5,408	5,390
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.980% Apr 17, 2023	5,850	5,831	5,859
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.290% Jun 28, 2024	14,000	13,740	13,498
Bank of Nova Scotia, The, Fixed to Floating, Notes, Subordinated, Callable, 3.367% Dec 8, 2025	4,000	4,047	4,021
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.620% Dec 2, 2026	17,850	17,737	17,216
Bank of Nova Scotia, The, Fixed to Floating, Notes, Subordinated, Callable, 2.580% Mar 30, 2027	4,000	3,916	3,898
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 3.100% Feb 2, 2028	17,500	17,368	17,372
Bankers Hall LP, Sinking Funds, Secured, Notes, 4.377% Nov 20, 2023	455	455	459
bcIMC Realty Corp., Series 12, Unsecured, Notes, 2.100% Jun 3, 2021	700	699	690
bcIMC Realty Corp., Series 10, Unsecured, Notes, 3.510% Jun 29, 2022	1,850	1,910	1,892
bcIMC Realty Corp., Series A, Senior, Unsecured, Notes, Callable, 2.150% Aug 11, 2022	1,500	1,511	1,465
bcIMC Realty Corp., Medium Term Notes, Senior, Unsecured, Callable, 2.840% Jun 3, 2025	3,000	3,026	2,963
bcIMC Realty Corp., Senior, Unsecured, Notes, Callable, 3.000% Mar 31, 2027	4,500	4,493	4,439
Bell Canada, Series M-37, Medium Term Notes, Senior, Unsecured, 3.540% Jun 12, 2020	2,400	2,432	2,425
Bell Canada, Series M-27, Medium Term Notes, Senior, Unsecured, 3.250% Jun 17, 2020	2,375	2,406	2,390
Bell Canada, Series M-24, Medium Term Notes, Senior, Unsecured, 4.950% May 19, 2021	1,833	1,920	1,914
Bell Canada, Series M-30, Medium Term Notes, Senior, Unsecured, Callable, 3.150% Sep 29, 2021	2,400	2,435	2,405
Bell Canada, Series M-42, Medium Term Notes, Senior, Unsecured, 2.000% Oct 1, 2021	4,750	4,711	4,616
Bell Canada, Series M-40, Medium Term Notes, Senior, Unsecured, Callable, 3.000% Oct 3, 2022	3,500	3,539	3,467
Bell Canada, Series M-26, Medium Term Notes, Senior, Unsecured, 3.350% Mar 22, 2023	3,700	3,770	3,699
Bell Canada, Series M-44, Medium Term Notes, Senior, Unsecured, Callable, 2.700% Feb 27, 2024	5,400	5,336	5,208
Bell Canada, Series M-47, Medium Term Notes, Senior, Unsecured, Callable, 3.350% Mar 12, 2025	4,250	4,232	4,191
Bell Canada, Series M-41, Medium Term Notes, Senior, Unsecured, Callable, 3.550% Mar 2, 2026	11,600	11,918	11,505
Bell Canada, Series M-43, Medium Term Notes, Senior, Unsecured, Callable, 2.900% Aug 12, 2026	8,900	8,809	8,407
Bell Canada, Series M-46, Medium Term Notes, Senior, Unsecured, Callable, 3.600% Sep 29, 2027	6,700	6,673	6,577

BMO Private Canadian Corporate Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Bell Canada Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.800% Aug 21, 2028	8,500	8,472	8,399
BMW Canada Inc., Series Q, Senior, Unsecured, Notes, 1.880% Dec 11, 2020	1,500	1,492	1,474
BMW Canada Inc., Series O, Senior, Unsecured, Notes, 1.830% Jun 15, 2021	1,800	1,800	1,755
Bow Centre Street LP, Series C, Secured, Notes, 3.797% Jun 13, 2023	3,400	3,374	3,323
Brookfield Asset Management Inc., Medium Term Notes, Senior, Unsecured, 5.300% Mar 1, 2021	1,000	1,048	1,042
Brookfield Asset Management Inc., Medium Term Notes, Senior, Unsecured, 4.540% Mar 31, 2023	1,500	1,585	1,551
Brookfield Asset Management Inc., Medium Term Notes, Senior, Unsecured, Callable, 5.040% Mar 8, 2024	3,850	4,028	4,054
Brookfield Asset Management Inc., Medium Term Notes, Senior, Unsecured, Callable, 4.820% Jan 28, 2026	8,000	8,490	8,299
Brookfield Asset Management Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.800% Mar 16, 2027	6,500	6,538	6,255
Brookfield Infrastructure Finance ULC, Medium Term Notes, Senior, Unsecured, Callable, 3.452% Mar 11, 2022	2,700	2,719	2,697
Brookfield Infrastructure Finance ULC, Medium Term Notes, Senior, Unsecured, Callable, 3.315% Feb 22, 2024	6,204	6,244	6,052
Brookfield Infrastructure Finance ULC, Senior, Unsecured, Notes, Callable, 4.193% Sep 11, 2028	5,362	5,313	5,289
Brookfield Property Finance ULC, Medium Term Notes, Senior, Unsecured, 4.115% Oct 19, 2021	613	613	618
Brookfield Property Finance ULC, Medium Term Notes, Senior, Unsecured, Callable, 4.346% Jul 3, 2023	2,500	2,499	2,504
Brookfield Renewable Energy Partners ULC, Medium Term Notes, Senior, Unsecured, Callable, 3.752% Jun 2, 2025	6,700	6,775	6,617
Brookfield Renewable Energy Partners ULC, Medium Term Notes, Unsecured, Callable, 3.630% Jan 15, 2027	2,000	1,996	1,915
BRP Finance ULC, Series 7, Medium Term Notes, Unsecured, 5.140% Oct 13, 2020	1,000	1,044	1,034
BRP Finance ULC, Series 8, Medium Term Notes, Unsecured, 4.790% Feb 7, 2022	1,600	1,690	1,659
Bruce Power L.P., Series 2017-1, Senior, Unsecured, Notes, Callable, 3.000% Jun 21, 2024	2,200	2,210	2,151
Bruce Power L.P., Senior, Unsecured, Notes, 3.969% Jun 23, 2026	7,000	7,245	7,112
Caisse centrale Desjardins, Medium Term Notes, Senior, Unsecured, 1.748% Mar 2, 2020	5,650	5,655	5,600
Cameco Corporation, Series E, Senior, Unsecured, Notes, 3.750% Nov 14, 2022	3,000	2,988	2,976
Cameco Corporation, Series G, Senior, Unsecured, Notes, Callable, 4.190% Jun 24, 2024	7,400	7,543	7,366
Canadian Imperial Bank of Commerce, Deposit Notes, Unsecured, 1.660% Jan 20, 2020	1,700	1,698	1,686
Canadian Imperial Bank of Commerce, Deposit Notes, Unsecured, 1.850% Jul 14, 2020	7,800	7,785	7,713
Canadian Imperial Bank of Commerce, Deposit Notes, Unsecured, 1.900% Apr 26, 2021	5,000	5,013	4,908

BMO Private Canadian Corporate Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 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	6,000	5,929	5,836
Canadian Imperial Bank of Commerce, Deposit Notes, Senior, Unsecured, 2.900% Sep 14, 2021	2,112	2,112	2,118
Canadian Imperial Bank of Commerce, Deposit Notes, Senior, Unsecured, 2.040% Mar 21, 2022	4,700	4,643	4,586
Canadian Imperial Bank of Commerce, Deposit Notes, Senior, Unsecured, 2.300% Jul 11, 2022	5,750	5,730	5,640
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, Deposit Notes, Senior, Unsecured, 2.970% Jul 11, 2023	3,000	2,999	3,003
Canadian Imperial Bank of Commerce, Deposit Notes, Unsecured, 3.300% May 26, 2025	15,603	15,717	15,807
Canadian Imperial Bank of Commerce, Fixed to Floating, Notes, Subordinated, Callable, 3.420% Jan 26, 2026	4,200	4,252	4,223
Canadian Imperial Bank of Commerce, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.450% Apr 4, 2028	2,000	1,999	1,976
Canadian National Railway Company, Senior, Unsecured, Notes, Callable, 2.750% Feb 18, 2021	600	610	602
Canadian National Railway Company, Senior, Unsecured, Notes, Callable, 2.800% Sep 22, 2025	4,100	4,116	4,086
Canadian National Railway Company, Senior, Unsecured, Notes, Callable, 3.200% Jul 31, 2028	3,275	3,262	3,296
Canadian Natural Resources Limited, Medium Term Notes, Senior, Unsecured, 2.050% Jun 1, 2020	2,000	1,997	1,972
Canadian Natural Resources Limited, Medium Term Notes, Unsecured, 2.890% Aug 14, 2020	2,800	2,804	2,790
Canadian Natural Resources Limited, Medium Term Notes, Senior, Unsecured, 3.310% Feb 11, 2022	4,300	4,308	4,293
Canadian Natural Resources Limited, Medium Term Notes, Senior, Unsecured, Callable, 3.550% Jun 3, 2024	7,400	7,447	7,330
Canadian Natural Resources Limited, Medium Term Notes, Senior, Unsecured, Callable, 3.420% Dec 1, 2026	2,500	2,519	2,398
Canadian Tire Corporation, Limited, Medium Term Notes, Senior, Unsecured, 2.646% Jul 6, 2020	571	571	570
Canadian Tire Corporation, Limited, Medium Term Notes, Senior, Unsecured, 3.167% Jul 6, 2023	857	857	847
Canadian Utilities Limited, Senior, Unsecured, Debentures, 3.122% Nov 9, 2022	1,000	1,006	1,011
Canadian Western Bank, Deposit Notes, Senior, Unsecured, 2.751% Jun 29, 2020	2,000	2,002	1,994
Canadian Western Bank, Deposit Notes, Senior, Unsecured, 2.788% Sep 13, 2021	1,000	1,004	989
Canadian Western Bank, Deposit Notes, Senior, Unsecured, 2.737% Jun 16, 2022	2,750	2,727	2,700
Canadian Western Bank, Deposit Notes, Senior, Unsecured, 2.924% Dec 15, 2022	1,000	1,000	983
Capital Desjardins Inc., Series G, Senior, Secured, Notes, 5.187% May 5, 2020	4,600	4,794	4,744

BMO Private Canadian Corporate Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 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	3,000	3,249	3,157
Capital Power Corporation, Series 2, Medium Term Notes, Senior, Unsecured, 5.276% Nov 16, 2020	1,000	1,027	1,034
Capital Power Corporation, Medium Term Notes, Senior, Unsecured, Callable, 4.284% Sep 18, 2024	7,000	7,104	6,923
CCL Industries Inc., Series 1, Senior, Unsecured, Notes, Callable, 3.864% Apr 13, 2028	2,750	2,725	2,750
Centre Street Trust, Series B, Sinking Funds, Secured, Notes, 3.693% Jun 14, 2022	184	184	181
Chartwell Retirement Residences, Series B, Senior, Unsecured, Debentures, Callable, 4.211% Apr 28, 2025	2,506	2,505	2,529
Choice Properties L.P., Series 8, Senior, Unsecured, Notes, 3.600% Apr 20, 2020	800	809	806
Choice Properties L.P., Series 10, Senior, Unsecured, Notes, Callable, 3.600% Sep 20, 2022	1,500	1,519	1,507
Choice Properties Real Estate Investment Trust, Series C, Senior, Unsecured, Notes, 3.498% Feb 8, 2021	970	993	977
Choice Properties Real Estate Investment Trust, Series G, Senior, Unsecured, Notes, Callable, 3.196% Mar 7, 2023	950	971	935
Choice Properties Real Estate Investment Trust, Series B, Senior, Unsecured, Notes, Callable, 4.903% Jul 5, 2023	1,000	1,063	1,048
Choice Properties Real Estate Investment Trust, Series D, Senior, Unsecured, Notes, Callable, 4.293% Feb 8, 2024	1,000	1,037	1,022
Choice Properties Real Estate Investment Trust, Series K, Senior, Unsecured, Debentures, Callable, 3.556% Sep 9, 2024	2,660	2,657	2,617
Choice Properties Real Estate Investment Trust, Series J, Senior, Unsecured, Debentures, Callable, 3.546% Jan 10, 2025	3,500	3,526	3,432
Choice Properties Real Estate Investment Trust, Series F, Senior, Unsecured, Notes, Callable, 4.055% Nov 24, 2025	5,000	5,115	5,001
Choice Properties Real Estate Investment Trust, Series L, Senior, Unsecured, Debentures, Callable, 4.178% Mar 8, 2028	6,440	6,419	6,366
CI Financial Corp., Senior, Unsecured, Debentures, Callable, 3.520% Jul 20, 2023	2,619	2,619	2,603
CI Financial Corp., Senior, Unsecured, Notes, Callable, 3.904% Sep 27, 2027	1,315	1,334	1,287
Coast Capital Savings Credit Union, Fixed to Floating, Unsecured, Notes, Subordinated, Callable, 5.000% May 3, 2028	250	251	253
Coast Capital Savings Credit Union, Series 2, Fixed to Floating, Unsecured, Notes, Subordinated, Callable, 5.250% Oct 29, 2030	1,867	1,867	1,901
Cogeco Communications Inc., Series 4, Senior, Secured, Notes, Callable, 4.175% May 26, 2023	3,900	3,994	3,976
Consumers' Gas Company Ltd., The, Medium Term Notes, 6.050% Jul 5, 2023	1,500	1,672	1,686
Crombie Real Estate Investment Trust, Series B, Unsecured, Notes, 3.962% Jun 1, 2021	1,500	1,510	1,510
Crombie Real Estate Investment Trust, Series D, Senior, Unsecured, Notes, Callable, 4.066% Nov 21, 2022	500	500	499
Crombie Real Estate Investment Trust, Series E, Senior, Unsecured, Notes, Callable, 4.800% Jan 31, 2025	225	225	228

BMO Private Canadian Corporate Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 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 D, Senior, Unsecured, Notes, Callable, 3.289% Jun 1, 2026	2,500	2,486	2,378
CT Real Estate Investment Trust, Series E, Senior, Unsecured, Notes, Callable, 3.469% Jun 16, 2027	2,400	2,397	2,278
CT Real Estate Investment Trust, Series F, Senior, Unsecured, Notes, Callable, 3.865% Dec 7, 2027	3,550	3,570	3,438
CU Inc., Senior, Unsecured, Debentures, 4.801% Nov 22, 2021	1,500	1,622	1,589
CU Inc., Medium Term Notes, Senior, Unsecured, 5.563% May 26, 2028	1,000	1,159	1,184
Daimler Canada Finance Inc., Senior, Unsecured, Notes, 1.910% Jul 8, 2021	4,500	4,498	4,377
Daimler Canada Finance Inc., Euro Medium Term Notes, Senior, Unsecured, 2.230% Dec 16, 2021	2,000	1,969	1,953
Daimler Canada Finance Inc., Medium Term Notes, Senior, Unsecured, 2.570% Nov 22, 2022	3,500	3,422	3,416
Dollarama Inc., Senior, Unsecured, Notes, 2.337% Jul 22, 2021	1,500	1,504	1,466
Dollarama Inc., Senior, Unsecured, Notes, Callable, 3.550% Nov 6, 2023	3,186	3,172	3,177
Dream Office REIT, Series C, Senior, Unsecured, Notes, 4.074% Jan 21, 2020	1,000	1,003	1,001
Emera Inc., Series 2016-1, Senior, Unsecured, Notes, 2.900% Jun 16, 2023	2,485	2,499	2,435
Empire Life Insurance Company, The, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.664% Mar 15, 2028	2,000	2,006	2,008
Enbridge Gas Distribution Inc., Medium Term Notes, Senior, Unsecured, 4.040% Nov 23, 2020	1,000	1,034	1,025
Enbridge Gas Distribution Inc., Medium Term Notes, Senior, Unsecured, 4.770% Dec 17, 2021	1,000	1,084	1,056
Enbridge Gas Distribution Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.150% Aug 22, 2024	3,400	3,473	3,415
Enbridge Gas Distribution Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.310% Sep 11, 2025	3,300	3,445	3,327
Enbridge Gas Distribution Inc., Medium Term Notes, Senior, Unsecured, Callable, 2.500% Aug 5, 2026	3,750	3,597	3,568
Enbridge Inc., Medium Term Notes, Unsecured, 4.530% Mar 9, 2020	1,000	1,025	1,019
Enbridge Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.160% Mar 11, 2021	1,500	1,510	1,502
Enbridge Inc., Medium Term Notes, Senior, Unsecured, 3.190% Dec 5, 2022	2,900	2,903	2,889
Enbridge Inc., Medium Term Notes, Senior, Unsecured, 3.940% Jan 13, 2023	2,000	2,058	2,042
Enbridge Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.940% Jun 30, 2023	3,800	3,891	3,883
Enbridge Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.950% Nov 19, 2024	6,500	6,719	6,620
Enbridge Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.200% Jun 8, 2027	4,700	4,554	4,464
Enbridge Inc., Fixed to Floating, Notes, Subordinated, Callable, 5.375% Sep 27, 2077	8,850	8,796	8,155

BMO Private Canadian Corporate Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Enbridge Inc., Series C, Fixed to Floating, Unsecured, Notes, Subordinated, Callable, 6.625% Apr 12, 2078	8,750	8,947	8,772
Enbridge Pipelines Inc., Medium Term Notes, Senior, Unsecured, 4.450% Apr 6, 2020	1,000	1,028	1,021
Enbridge Pipelines Inc., Medium Term Notes, Senior, Unsecured, 2.930% Nov 30, 2022	1,000	1,000	997
Enbridge Pipelines Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.450% Sep 29, 2025	5,750	5,901	5,751
Enbridge Pipelines Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.000% Aug 10, 2026	5,000	5,051	4,822
Energcare Solutions Inc., Series 2017-1, Senior, Unsecured, Notes, Callable, 3.380% Feb 21, 2022	2,000	2,025	1,988
Energcare Solutions Inc., Series 2017-2, Senior, Unsecured, Notes, Callable, 3.990% Feb 21, 2024	2,000	2,017	1,985
ENMAX Corporation, Series 4, Senior, Unsecured, Debentures, Callable, 3.836% Jun 5, 2028	812	812	827
Fairfax Financial Holdings Limited, Senior, Unsecured, Notes, 4.500% Mar 22, 2023	4,600	4,762	4,755
Fairfax Financial Holdings Limited, Senior, Unsecured, Notes, Callable, 4.700% Dec 16, 2026	9,600	9,877	9,810
Fairfax Financial Holdings Limited, Senior, Unsecured, Notes, Callable, 4.250% Dec 6, 2027	7,100	7,009	6,940
Federated Co-Operatives Limited, Senior, Unsecured, Notes, Callable, 3.917% Jun 17, 2025	1,350	1,371	1,316
Federation des caisses Desjardins du Quebec, Medium Term Notes, Senior, Unsecured, 2.091% Jan 17, 2022	1,000	1,008	979
Federation des caisses Desjardins du Quebec, Medium Term Notes, Senior, Unsecured, 2.394% Aug 25, 2022	2,000	2,000	1,965
Federation des caisses Desjardins du Quebec, Medium Term Notes, Senior, Unsecured, 3.056% Sep 11, 2023	6,095	6,095	6,120
Finning International Inc., Medium Term Notes, Unsecured, 3.232% Jul 3, 2020	1,000	1,012	1,006
First Capital Realty, Inc., Series M, Senior, Unsecured, Debentures, 5.600% Apr 30, 2020	800	833	828
First Capital Realty, Inc., Series O, Senior, Unsecured, Debentures, 4.430% Jan 31, 2022	500	523	515
First Capital Realty, Inc., Series P, Senior, Unsecured, Debentures, 3.950% Dec 5, 2022	2,000	2,008	2,025
First Capital Realty, Inc., Series Q, Senior, Unsecured, Debentures, 3.900% Oct 30, 2023	3,150	3,183	3,167
First Capital Realty, Inc., Series R, Senior, Unsecured, Debentures, 4.790% Aug 30, 2024	5,500	5,980	5,752
First Capital Realty, Inc., Series S, Senior, Unsecured, Debentures, 4.323% Jul 31, 2025	2,700	2,864	2,742
First Capital Realty, Inc., Series T, Senior, Unsecured, Debentures, Callable, 3.604% May 6, 2026	4,000	4,090	3,869
Ford Credit Canada Company, Senior, Unsecured, Notes, 2.450% May 7, 2020	3,800	3,791	3,739
Ford Credit Canada Company, Senior, Unsecured, Notes, 2.923% Sep 16, 2020	3,550	3,565	3,494

BMO Private Canadian Corporate Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 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	2,005	1,929
Ford Credit Canada Company, Senior, Unsecured, Notes, 3.279% Jul 2, 2021	2,250	2,263	2,197
Ford Credit Canada Company, Senior, Unsecured, Notes, 2.710% Feb 23, 2022	4,100	4,059	3,886
Ford Credit Canada Company, Senior, Unsecured, Notes, 2.766% Jun 22, 2022	3,700	3,712	3,486
Fortified Trust, Series A, Secured, Notes, 2.161% Oct 23, 2020	900	902	892
FortisAlberta Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.300% Sep 30, 2024	4,000	4,226	4,076
FortisBC Energy Inc., Series 27, Medium Term Notes, Senior, Unsecured, Callable, 2.580% Apr 8, 2026	3,000	2,933	2,913
Gaz Metro inc., Series J, First Mortgage, Secured, 5.450% Jul 12, 2021	1,000	1,084	1,069
GE Capital Canada Funding Company, Series A, Medium Term Notes, Senior, Unsecured, 4.600% Jan 26, 2022	3,000	3,210	3,011
General Motors Financial of Canada, Ltd., Senior, Unsecured, Notes, 3.080% May 22, 2020	3,600	3,638	3,590
General Motors Financial of Canada, Ltd., Senior, Unsecured, Notes, 2.600% Jun 1, 2022	1,000	957	959
Granite REIT Holdings Limited Partnership, Series 3, Senior, Unsecured, Notes, Callable, 3.873% Nov 30, 2023	1,000	998	1,002
Greater Toronto Airports Authority, Series 2016-1, Medium Term Notes, Secured, 1.510% Feb 16, 2021	1,000	999	979
Greater Toronto Airports Authority, Series 2012-1, Medium Term Notes, Secured, Callable, 3.040% Sep 21, 2022	1,250	1,286	1,267
Greater Toronto Airports Authority, Series 1997-3, Revenue Bonds, 6.450% Dec 3, 2027	3,250	4,130	4,116
Great-West Lifeco Inc., Senior, Unsecured, Notes, 4.650% Aug 13, 2020	1,750	1,805	1,805
Great-West Lifeco Inc., Senior, Unsecured, Debentures, Callable, 3.337% Feb 28, 2028	5,500	5,480	5,516
H&R Real Estate Investment Trust, Series F, Senior, Unsecured, Notes, 4.450% Mar 2, 2020	750	764	762
H&R Real Estate Investment Trust, Series L, Senior, Unsecured, Notes, 2.923% May 6, 2022	1,550	1,543	1,515
H&R Real Estate Investment Trust, Series O, Senior, Unsecured, Notes, Callable, 3.416% Jan 23, 2023	1,500	1,491	1,475
H&R Real Estate Investment Trust, Series N, Senior, Unsecured, Notes, Callable, 3.369% Jan 30, 2024	4,000	3,959	3,878
Honda Canada Finance, Inc., Series 2016-2, Senior, Unsecured, Notes, 2.155% Feb 18, 2021	2,000	2,016	1,972
Honda Canada Finance, Inc., Series 16-4, Senior, Unsecured, Notes, 1.823% Dec 7, 2021	2,000	2,004	1,938
Honda Canada Finance, Inc., Senior, Unsecured, Notes, 2.268% Jul 15, 2022	2,500	2,505	2,437
Honda Canada Finance, Inc., Senior, Unsecured, Notes, 2.537% Mar 1, 2023	2,000	1,990	1,957
Honda Canada Finance, Inc., Senior, Unsecured, Notes, 3.444% May 23, 2025	4,595	4,617	4,630

BMO Private Canadian Corporate Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 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, 2.938% Jan 14, 2020	3,500	3,530	3,512
HSBC Bank Canada, Deposit Notes, Senior, Unsecured, 2.908% Sep 29, 2021	6,500	6,606	6,493
HSBC Bank Canada, Deposit Notes, Senior, Unsecured, 2.170% Jun 29, 2022	3,000	2,973	2,914
HSBC Bank Canada, Deposit Notes, Senior, Unsecured, 3.245% Sep 15, 2023	3,000	3,012	3,009
HSBC Bank of Canada, Deposit Notes, Senior, Unsecured, 1.816% Jul 7, 2020	2,850	2,832	2,811
HSBC Bank of Canada, Senior, Unsecured, Notes, 2.449% Jan 29, 2021	3,700	3,692	3,669
HSBC Bank of Canada, Senior, Unsecured, Notes, 2.542% Jan 31, 2023	3,000	3,005	2,934
Husky Energy Inc., Medium Term Notes, Senior, Unsecured, 5.000% Mar 12, 2020	800	825	819
Husky Energy Inc., Senior, Unsecured, Notes, Callable, 3.550% Mar 12, 2025	10,400	10,532	10,215
Husky Energy Inc., Senior, Unsecured, Notes, Callable, 3.600% Mar 10, 2027	1,500	1,497	1,439
Hydro One Inc., Series 33, Medium Term Notes, Unsecured, 1.620% Apr 30, 2020	750	749	741
Hydro One Inc., Series 20, Medium Term Notes, Senior, Unsecured, 4.400% Jun 1, 2020	1,000	1,034	1,025
Hydro One Inc., Series 34, Medium Term Notes, Senior, Unsecured, 1.840% Feb 24, 2021	1,200	1,199	1,179
Hydro One Inc., Medium Term Notes, Senior, Unsecured, 2.570% Jun 25, 2021	2,800	2,800	2,789
Hydro One Inc., Series 25, Medium Term Notes, Unsecured, 3.200% Jan 13, 2022	1,850	1,875	1,869
Hydro One Inc., Medium Term Notes, Senior, Unsecured, Callable, 2.970% Jun 26, 2025	4,750	4,748	4,702
Hydro One Inc., Series 35, Medium Term Notes, Senior, Unsecured, Callable, 2.770% Feb 24, 2026	600	601	584
Hydro Ottawa Holdings, Inc., Senior, Unsecured, Notes, Callable, 2.614% Feb 3, 2025	5,000	4,934	4,865
IGM Financial, Inc., Senior, Unsecured, Notes, Callable, 3.440% Jan 26, 2027	3,200	3,199	3,163
IGM Financial Inc., Series 1997, Senior, Unsecured, Debentures, 6.650% Dec 13, 2027	4,000	4,838	4,860
Industrial Alliance Insurance and Financial Services Inc., Fixed to Floating, Notes, Subordinated, Callable, 2.640% Feb 23, 2027	2,000	1,981	1,969
Industrial Alliance Insurance and Financial Services Inc., Fixed to Floating, Notes, Subordinated, Callable, 3.300% Sep 15, 2028	1,250	1,274	1,250
Intact Financial Corporation, Series 4, Medium Term Notes, Senior, Unsecured, 4.700% Aug 18, 2021	1,200	1,263	1,256
Intact Financial Corporation, Series 6, Medium Term Notes, Senior, Unsecured, Callable, 3.770% Mar 2, 2026	1,000	1,045	1,024
Intact Financial Corporation, Series 7, Medium Term Notes, Senior, Unsecured, Callable, 2.850% Jun 7, 2027	1,680	1,680	1,598
Inter Pipeline Ltd., Series 4, Medium Term Notes, Senior, Unsecured, 3.448% Jul 20, 2020	2,000	2,022	2,014

BMO Private Canadian Corporate Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Inter Pipeline Ltd., Series 3, Medium Term Notes, Senior, Unsecured, 3.776% May 30, 2022	3,500	3,612	3,540
Inter Pipeline Ltd., Series 10, Medium Term Notes, Senior, Unsecured, Callable, 2.734% Apr 18, 2024	1,900	1,847	1,808
Inter Pipeline Ltd., Series 7, Medium Term Notes, Senior, Unsecured, Callable, 3.173% Mar 24, 2025	3,000	3,035	2,887
Inter Pipeline Ltd., Series 9, Medium Term Notes, Senior, Unsecured, Callable, 3.484% Dec 16, 2026	8,750	8,742	8,404
Ivanhoe Cambridge II Inc, Series 1, Senior, Unsecured, Debentures, Callable, 2.909% Jun 27, 2023	1,500	1,500	1,499
John Deere Canada Funding Inc., Series 15-02, Senior, Unsecured, Notes, 2.050% Sep 17, 2020	2,000	1,998	1,980
John Deere Canada Funding Inc., Series 17-01 Senior, Unsecured, Notes, 1.850% Mar 24, 2021	2,550	2,541	2,501
John Deere Canada Funding Inc., Medium Term Notes, Senior, Unsecured, 2.630% Sep 21, 2022	1,000	982	990
John Deere Canada Funding Inc., Series 18-01 Senior, Unsecured, Notes, 2.700% Jan 17, 2023	1,600	1,582	1,587
John Deere Canada Funding Inc., Medium Term Notes, Senior, Unsecured, 3.020% Jul 13, 2023	1,000	990	1,002
John Deere Financial Inc., Senior, Unsecured, Notes, 3.070% Jul 23, 2021	83	83	84
Keyera Corp., Medium Term Notes, Senior, Unsecured, Callable, 3.934% Jun 21, 2028	5,889	5,906	5,789
Kraft Canada Inc., Senior, Unsecured, Notes, Callable, 2.700% Jul 6, 2020	1,500	1,502	1,495
Laurentian Bank of Canada, Deposit Notes, Senior, Unsecured, 2.750% Apr 22, 2021	3,300	3,288	3,258
Laurentian Bank of Canada, Deposit Notes, Senior, Unsecured, 3.000% Sep 12, 2022	2,000	1,984	1,958
Loblaw Companies Limited, Series 2-B, Medium Term Notes, Senior, Unsecured, 5.220% Jun 18, 2020	1,450	1,511	1,499
Loblaw Companies Limited, Series 2023, Senior, Unsecured, Notes, Callable, 4.860% Sep 12, 2023	2,500	2,693	2,637
Loblaw Companies Limited, Senior, Unsecured, Notes, Callable, 3.918% Jun 10, 2024	4,000	4,000	4,067
Loblaw Companies Limited, Senior, Unsecured, Notes, Callable, 4.488% Dec 11, 2028	4,000	4,000	4,114
Lower Mattagami Energy L.P., Series 2014-1, Secured, Notes, 3.416% Jun 20, 2024	3,525	3,733	3,615
Magna International Inc., Senior, Unsecured, Notes, Callable, 3.100% Dec 15, 2022	3,100	3,139	3,088
Manitoba Telecom Services Inc., Series 10, Medium Term Notes, Senior, Unsecured, Callable, 4.000% May 27, 2024	2,650	2,823	2,709
Manufacturers Life Insurance Company, The, Fixed to Floating, Notes, Subordinated, Callable, 2.640% Jan 15, 2025	2,900	2,920	2,898
Manufacturers Life Insurance Company, The, Fixed to Floating, Notes, Subordinated, Callable, 2.100% Jun 1, 2025	3,750	3,738	3,711
Manufacturers Life Insurance Company, The, Fixed to Floating, Notes, Subordinated, Callable, 2.389% Jan 5, 2026	3,000	3,010	2,968

BMO Private Canadian Corporate Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Manufacturers Life Insurance Company, The, Fixed to Floating, Notes, Subordinated, Callable, 3.181% Nov 22, 2027	1,600	1,626	1,604
Manulife Bank of Canada, Deposit Notes, Senior, Unsecured, 2.082% May 26, 2022	2,000	1,962	1,943
Manulife Financial Corporation, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.317% May 9, 2028	1,680	1,680	1,671
Manulife Financial Corporation, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.049% Aug 20, 2029	4,600	4,571	4,481
MCAP Commercial L.P., Senior, Secured, Notes, 5.000% Dec 14, 2022	1,500	1,500	1,492
Metro Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.200% Dec 1, 2021	1,350	1,365	1,351
Metro Inc., Medium Term Notes, Senior, Unsecured, Callable, 2.680% Dec 5, 2022	1,000	1,000	976
Metro Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.390% Dec 6, 2027	4,550	4,547	4,347
Morguard Corporation, Series D, Senior, Unsecured, Notes, 4.085% May 14, 2021	1,134	1,134	1,135
Morguard Corporation, Series C, Senior, Unsecured, Notes, Callable, 4.333% Sep 15, 2022	1,000	1,000	1,001
National Bank of Canada, Deposit Notes, Senior, Unsecured, 1.742% Mar 3, 2020	4,000	3,992	3,965
National Bank of Canada, Deposit Notes, Senior, Unsecured, 1.809% Jul 26, 2021	3,000	2,953	2,929
National Bank of Canada, Deposit Notes, Senior, Unsecured, 2.105% Mar 18, 2022	3,800	3,802	3,714
National Bank of Canada, Deposit Notes, Senior, Unsecured, 1.957% Jun 30, 2022	1,000	1,000	970
National Bank of Canada, Fixed to Floating, Medium Term Notes, Unsecured, Subordinated, Callable, 3.183% Feb 1, 2028	5,000	5,000	4,881
NAV Canada, Series 2011-1, Medium Term Notes, Senior, Unsecured, 4.397% Feb 18, 2021	1,500	1,546	1,555
Nissan Canada Financial Services, Inc., Series C, Senior, Unsecured, Notes, 1.750% Apr 9, 2020	2,000	1,981	1,972
Nissan Canada Financial Services, Inc., Series D, Senior, Unsecured, Notes, 2.420% Oct 19, 2020	1,250	1,250	1,236
Nissan Canada Financial Services, Inc., Series E, Senior, Unsecured, Notes, 2.606% Mar 5, 2021	833	833	824
Nissan Canada Financial Services Inc., Series F, Senior, Unsecured, Notes, 3.150% Sep 14, 2021	1,464	1,464	1,463
North West Redwater Partnership/NWR Financing Co., Ltd., Series C, Secured, Notes, Callable, 2.100% Feb 23, 2022	2,750	2,759	2,671
North West Redwater Partnership/NWR Financing Co., Ltd., Series A, Secured, Notes, Callable, 3.200% Jul 22, 2024	3,750	3,802	3,734
North West Redwater Partnership/NWR Financing Co., Ltd., Series A, Secured, Notes, Callable, 3.200% Apr 24, 2026	5,000	5,073	4,919
North West Redwater Partnership/NWR Financing Co., Ltd., Series J, Senior, Secured, Notes, Callable, 2.800% Jun 1, 2027	6,670	6,566	6,308
Nova Scotia Power Inc., Medium Term Notes, Senior, Unsecured, 8.850% May 19, 2025	2,600	3,461	3,359

BMO Private Canadian Corporate Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 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	1,000	1,013	1,006
OMERS Realty Corporation, Series 8, Senior, Unsecured, Notes, Callable, 1.823% May 9, 2022	1,000	992	969
OMERS Realty Corporation, Series 2, Senior, Unsecured, Notes, 3.358% Jun 5, 2023	2,400	2,483	2,445
OMERS Realty Corporation, Series 7, Senior, Unsecured, Notes, Callable, 2.858% Feb 23, 2024	4,150	4,170	4,134
OMERS Realty Corporation, Series 6, Senior, Unsecured, Notes, 3.328% Nov 12, 2024	5,200	5,401	5,284
OMERS Realty Corporation, Series 10, Senior, Unsecured, Debentures, Callable, 3.331% Jun 5, 2025	814	814	826
OMERS Realty Corporation, Series 9, Senior, Unsecured, Notes, Callable, 3.244% Oct 4, 2027	5,725	5,743	5,741
Ontario Power Generation Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.315% Oct 4, 2027	5,700	5,700	5,663
Pembina Pipeline Corporation, Series 1, Medium Term Notes, Unsecured, 4.890% Mar 29, 2021	1,250	1,296	1,295
Pembina Pipeline Corporation, Series 2, Medium Term Notes, Unsecured, 3.770% Oct 24, 2022	3,950	4,046	3,995
Pembina Pipeline Corporation, Series 8, Medium Term Notes, Senior, Unsecured, Callable, 2.990% Jan 22, 2024	6,000	6,024	5,828
Pembina Pipeline Corporation, Series 5, Medium Term Notes, Unsecured, Callable, 3.540% Feb 3, 2025	9,500	9,671	9,383
Pembina Pipeline Corporation, Series 7, Medium Term Notes, Senior, Unsecured, Callable, 3.710% Aug 11, 2026	1,600	1,600	1,577
Pembina Pipeline Corporation, Series 6, Medium Term Notes, Unsecured, Callable, 4.240% Jun 15, 2027	4,900	5,052	4,976
Pembina Pipeline Corporation, Series 10, Senior, Unsecured, Notes, Callable, 4.020% Mar 27, 2028	2,500	2,490	2,480
Penske Truck Leasing Canada Inc., Senior, Unsecured, Notes, Callable, 2.850% Dec 7, 2022	1,000	1,000	981
Reliance L.P., Secured, Notes, 3.813% Sep 15, 2020	700	700	707
Reliance L.P., Senior, Secured, Notes, Callable, 3.836% Mar 15, 2025	1,000	1,000	981
RioCan Real Estate Investment Trust, Series U, Senior, Unsecured, Notes, 3.620% Jun 1, 2020	1,100	1,115	1,110
RioCan Real Estate Investment Trust, Series X, Senior, Unsecured, Notes, 2.185% Aug 26, 2020	1,600	1,591	1,579
RioCan Real Estate Investment Trust, Series R, Senior, Unsecured, Notes, 3.716% Dec 13, 2021	1,200	1,221	1,214
RioCan Real Estate Investment Trust, Series V, Senior, Unsecured, Notes, 3.746% May 30, 2022	1,000	1,042	1,010
RioCan Real Estate Investment Trust, Series T, Senior, Unsecured, Notes, 3.725% Apr 18, 2023	1,350	1,361	1,356
RioCan Real Estate Investment Trust, Series AA, Senior, Unsecured, Debentures, Callable, 3.209% Sep 29, 2023	1,450	1,428	1,422
RioCan Real Estate Investment Trust, Series W, Senior, Unsecured, Notes, 3.287% Feb 12, 2024	3,000	3,026	2,937
Rogers Communications, Inc., Senior, Unsecured, Notes, 4.700% Sep 29, 2020	2,000	2,060	2,060

BMO Private Canadian Corporate Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 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	3,130	3,146
Rogers Communications, Inc., Senior, Unsecured, Notes, 4.000% Jun 6, 2022	3,250	3,468	3,332
Rogers Communications, Inc., Medium Term Notes, Senior, Unsecured, Callable, 4.000% Mar 13, 2024	4,200	4,418	4,304
Royal Bank of Canada, Secured, Notes, 1.590% Mar 23, 2020	3,500	3,486	3,468
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 1.920% Jul 17, 2020	1,000	1,001	990
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.860% Mar 4, 2021	5,250	5,294	5,268
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.030% Mar 15, 2021	7,400	7,420	7,296
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 1.650% Jul 15, 2021	7,000	6,904	6,813
Royal Bank of Canada, Senior, Unsecured, Notes, 1.583% Sep 13, 2021	3,600	3,548	3,490
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 1.968% Mar 2, 2022	22,870	22,821	22,294
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.000% Mar 21, 2022	6,400	6,317	6,239
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.360% Dec 5, 2022	7,700	7,599	7,553
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.949% May 1, 2023	4,500	4,462	4,507
Royal Bank of Canada, Senior, Unsecured, Notes, 3.296% Sep 26, 2023	4,540	4,531	4,558
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.333% Dec 5, 2023	8,650	8,557	8,410
Royal Bank of Canada, Fixed to Floating, Notes, Subordinated, Callable, 2.480% Jun 4, 2025	2,000	1,993	1,987
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 4.930% Jul 16, 2025	7,950	9,074	8,841
Royal Bank of Canada, Fixed to Floating, Notes, Subordinated, Callable, 3.310% Jan 20, 2026	2,000	2,023	2,009
Royal Bank of Canada, Fixed to Floating, Unsecured, Notes, Subordinated, Callable, 3.450% Sep 29, 2026	2,500	2,540	2,515
Saputo Inc., Medium Term Notes, Senior, Unsecured, Callable, 2.827% Nov 21, 2023	6,250	6,239	6,067
Saputo Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.603% Aug 14, 2025	4,500	4,502	4,474
Shaw Communications Inc., Senior, Unsecured, Notes, 5.500% Dec 7, 2020	650	686	679
Shaw Communications Inc., Medium Term Notes, Senior, Unsecured, 3.150% Feb 19, 2021	1,000	1,016	1,000
Shaw Communications Inc., Senior, Unsecured, Notes, Callable, 3.800% Nov 2, 2023	3,636	3,636	3,655
Shaw Communications Inc., Senior, Unsecured, Notes, 4.350% Jan 31, 2024	5,300	5,467	5,451
Shaw Communications Inc., Senior, Unsecured, Notes, Callable, 3.800% Mar 1, 2027	2,250	2,257	2,200

BMO Private Canadian Corporate Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 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, Callable, 4.400% Nov 2, 2028	4,250	4,238	4,251
SmartCentres Real Estate Investment Trust, Series H, Senior, Unsecured, Debentures, 4.050% Jul 27, 2020	1,400	1,435	1,421
SmartCentres Real Estate Investment Trust, Series L, Senior, Unsecured, Notes, 3.749% Feb 11, 2021	1,165	1,202	1,178
SmartCentres Real Estate Investment Trust, Series O, Senior, Unsecured, Notes, Callable, 2.987% Aug 28, 2024	1,750	1,720	1,665
SmartCentres Real Estate Investment Trust, Series N, Senior, Unsecured, Notes, 3.556% Feb 6, 2025	3,000	2,993	2,927
SmartCentres Real Estate Investment Trust, Series P, Senior, Unsecured, Notes, Callable, 3.444% Aug 28, 2026	1,700	1,701	1,615
SmartCentres Real Estate Investment Trust, Series S, Senior, Unsecured, Debentures, Callable, 3.834% Dec 21, 2027	3,000	2,977	2,881
SNC-Lavalin Group Inc., Series 1, Senior, Unsecured, Debentures, 2.689% Nov 24, 2020	200	200	198
SNC-Lavalin Group Inc., Series 4, Senior, Unsecured, Debentures, Callable, 3.235% Mar 2, 2023	333	333	328
Sun Life Financial Inc., Series E, Senior, Unsecured, Debentures, 4.570% Aug 23, 2021	2,000	2,101	2,089
Sun Life Financial Inc., Series 2015-1, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 2.600% Sep 25, 2025	1,500	1,492	1,492
Sun Life Financial Inc., Series 2016-1, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.100% Feb 19, 2026	2,000	2,026	2,005
Sun Life Financial Inc., Fixed to Floating, Medium Term Notes, Unsecured, Subordinated, Callable, 2.750% Nov 23, 2027	1,000	1,000	983
Sun Life Financial Inc., Series 2016-2, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.050% Sep 19, 2028	3,000	3,025	2,967
Suncor Energy, Inc., Series 5, Medium Term Notes, Unsecured, Callable, 3.100% Nov 26, 2021	2,000	2,056	2,007
Suncor Energy, Inc., Series 5, Medium Term Notes, Senior, Unsecured, Callable, 3.000% Sep 14, 2026	7,000	6,891	6,762
Sysco Canada, Inc., Senior, Unsecured, Notes, Callable, 3.650% Apr 25, 2025	4,333	4,328	4,347
TD Capital Trust IV, Series 3, CaTS, Fixed to Floating, Unsecured, Notes, Subordinated, Callable, 6.631% Jun 30, 2108	4,500	5,396	4,875
TELUS Corporation, Series CH, Senior, Unsecured, Notes, 5.050% Jul 23, 2020	2,000	2,086	2,068
TELUS Corporation, Series CM, Senior, Unsecured, Notes, 3.600% Jan 26, 2021	1,500	1,534	1,519
TELUS Corporation, Series CO, Unsecured, Notes, Callable, 3.200% Apr 5, 2021	3,000	3,041	3,012
TELUS Corporation, Series CT, Unsecured, Notes, Callable, 2.350% Mar 28, 2022	3,850	3,820	3,756
TELUS Corporation, Series CJ, Unsecured, Notes, Callable, 3.350% Mar 15, 2023	2,250	2,277	2,251
TELUS Corporation, Series CK, Unsecured, Notes, Callable, 3.350% Apr 1, 2024	11,000	11,174	10,936
TELUS Corporation, Series CQ, Unsecured, Notes, Callable, 3.750% Jan 17, 2025	4,950	5,163	4,996

BMO Private Canadian Corporate Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
TELUS Corporation, Series CV, Senior, Unsecured, Notes, Callable, 3.750% Mar 10, 2026	8,950	9,193	8,979
TELUS Corporation, Series CX, Senior, Unsecured, Notes, Callable, 3.625% Mar 1, 2028	4,535	4,472	4,439
Teranet Holdings L.P., Senior, Secured, Notes, 4.807% Dec 16, 2020	1,500	1,548	1,542
Teranet Holdings L.P., Secured, Notes, Callable, 3.646% Nov 18, 2022	2,000	2,028	1,991
Thomson Reuters Corporation, Senior, Unsecured, Notes, Callable, 3.309% Nov 12, 2021	2,500	2,571	2,522
TMX Group Limited, Series D, Senior, Unsecured, Debentures, Callable, 2.997% Dec 11, 2024	6,000	5,956	5,910
TMX Group Limited, Series E, Senior, Unsecured, Debentures, Callable, 3.779% Jun 5, 2028	1,155	1,155	1,166
Toromont Industries Ltd., Senior, Unsecured, Notes, Callable, 3.710% Sep 30, 2025	1,000	1,007	1,014
Toromont Industries Ltd., Senior, Unsecured, Notes, Callable, 3.842% Oct 27, 2027	2,450	2,481	2,458
Toronto Hydro Corporation, Series 7, Senior, Unsecured, Debentures, 3.540% Nov 18, 2021	1,150	1,202	1,178
Toronto Hydro Corporation, Series 8, Senior, Unsecured, Debentures, Callable, 2.910% Apr 10, 2023	1,250	1,271	1,257
Toronto Hydro Corporation, Series 12, Senior, Unsecured, Notes, Callable, 2.520% Aug 25, 2026	1,300	1,280	1,260
Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 1.693% Apr 2, 2020	7,700	7,716	7,624
Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 2.563% Jun 24, 2020	8,500	8,575	8,502
Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 2.045% Mar 8, 2021	10,200	10,253	10,067
Toronto-Dominion Bank, The, Series CBL14, Secured, Notes, 1.680% Jun 8, 2021	4,000	3,975	3,917
Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 2.621% Dec 22, 2021	6,000	6,104	5,976
Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 1.994% Mar 23, 2022	9,550	9,354	9,318
Toronto-Dominion Bank, The, Deposit Notes, Unsecured, 3.005% May 30, 2023	5,909	5,919	5,940
Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 1.909% Jul 18, 2023	6,000	5,979	5,750
Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 3.226% Jul 24, 2024	21,250	22,021	21,538
Toronto-Dominion Bank, The, Medium Term Notes, Fixed to Floating, Subordinated, Callable, 2.692% Jun 24, 2025	5,000	4,998	4,980
Toronto-Dominion Bank, The, Medium Term Notes, Fixed to Floating, Subordinated, Callable, 2.982% Sep 30, 2025	4,000	4,027	3,998
Toronto-Dominion Bank, The, Medium Term Notes, Fixed to Floating, Unsecured, Subordinated, Callable, 3.589% Sep 14, 2028	4,250	4,241	4,229
Toronto-Dominion Bank, The, Medium Term Notes, Fixed to Floating, Subordinated, Callable, 3.224% Jul 25, 2029	12,900	12,842	12,547
Toronto-Dominion Bank, The, Fixed to Floating, Medium Term Notes, Unsecured, Subordinated, Callable, 4.859% Mar 4, 2031	6,250	6,745	6,628

BMO Private Canadian Corporate Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Toyota Credit Canada Inc., Senior, Unsecured, Notes, 1.800% Feb 19, 2020	4,000	4,002	3,967
Toyota Credit Canada Inc., Euro Medium Term Notes, Senior, Unsecured, 2.050% May 20, 2020	1,000	1,001	992
Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 1.750% Jul 21, 2021	2,500	2,471	2,433
Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 2.350% Jul 18, 2022	1,200	1,200	1,175
Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 2.620% Oct 11, 2022	2,000	1,972	1,970
Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 2.700% Jan 25, 2023	1,000	996	986
Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 3.040% Jul 12, 2023	1,080	1,080	1,078
TransAlta Corporation, Medium Term Notes, Senior, Unsecured, 5.000% Nov 25, 2020	2,000	2,017	2,059
TransCanada PipeLines Limited, Medium Term Notes, Unsecured, 3.650% Nov 15, 2021	2,000	2,096	2,040
TransCanada PipeLines Limited, Medium Term Notes, Senior, Unsecured, Callable, 3.690% Jul 19, 2023	3,000	3,126	3,060
TransCanada PipeLines Limited, Medium Term Notes, Senior, Unsecured, Callable, 3.300% Jul 17, 2025	9,550	9,752	9,495
TransCanada PipeLines Limited, Medium Term Notes, Senior, Unsecured, 8.290% Feb 5, 2026	1,000	1,256	1,279
TransCanada PipeLines Limited, Medium Term Notes, Senior, Unsecured, 7.900% Apr 15, 2027	680	900	871
TransCanada PipeLines Limited, Medium Term Notes, Senior, Unsecured, Callable, 3.390% Mar 15, 2028	7,409	7,251	7,187
TransCanada Trust, Series 2017-A, Fixed to Floating, Junior, Notes, Subordinated, Callable, 4.650% May 18, 2077	19,000	18,998	16,984
Union Gas Limited, Series 11, Medium Term Notes, Senior, Unsecured, Callable, 2.760% Jun 2, 2021	1,000	1,023	1,001
Union Gas Limited, Series 10, Medium Term Notes, Unsecured, Callable, 3.790% Jul 10, 2023	1,000	1,012	1,035
Union Gas Limited, Series 13, Medium Term Notes, Senior, Unsecured, Callable, 3.190% Sep 17, 2025	4,700	4,833	4,713
Union Gas Limited, Medium Term Notes, Senior, Unsecured, Callable, 2.880% Nov 22, 2027	5,400	5,400	5,228
Ventas Canada Finance Ltd., Series D, Senior, Unsecured, Notes, Callable, 2.550% Mar 15, 2023	1,000	975	966
Ventas Canada Finance Ltd., Series B, Senior, Unsecured, Notes, Callable, 4.125% Sep 30, 2024	3,275	3,336	3,354
VW Credit Canada Inc., Senior, Unsecured, Notes, 2.150% Jun 24, 2020	1,500	1,511	1,481
VW Credit Canada Inc., Senior, Unsecured, Notes, 2.900% Mar 29, 2021	2,000	1,994	1,986
VW Credit Canada Inc., Senior, Unsecured, Notes, 3.250% Mar 29, 2023	1,000	999	987
Wells Fargo Canada Corporation, Medium Term Notes, Unsecured, 3.040% Jan 29, 2021	6,100	6,227	6,126

BMO Private Canadian Corporate Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
West Edmonton Mall Property Inc., Series B1, Secured, Notes, 4.309% Feb 13, 2024	2,500	2,605	2,547
Westcoast Energy Inc., Series 10, Medium Term Notes, Senior, Unsecured, 4.570% Jul 2, 2020	1,250	1,280	1,281
Westcoast Energy Inc., Series 15, Medium Term Notes, Senior, Unsecured, Callable, 3.430% Sep 12, 2024	9,000	9,192	9,066
Westcoast Energy Inc., Series 16, Medium Term Notes, Senior, Unsecured, Callable, 3.770% Dec 8, 2025	1,700	1,760	1,737
Winnipeg Airports Authority Inc., Series E, Secured, Notes, 3.039% Apr 14, 2023	2,000	1,980	2,021
		1,580,842	1,553,821
<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	2,998	2,974
CARDS II Trust, Series 2015-3, Class A, Credit Card Receivables- Backed Notes, Sinkable, 2.155% Oct 15, 2020	3,750	3,773	3,717
Eagle Credit Card Trust, Credit Card Receivables- Backed, Series 2018-1, Class A, Senior, Secured, Notes, 3.042% Jul 17, 2023	417	417	418
Ford Floorplan Auto Securitization Trust, Series 2017-F1, Class A, Asset-Backed Notes, 2.197% Jul 15, 2020	1,500	1,503	1,488
Fortified Trust, Series 2016-1, Class A, Real Estate Secured Line of Credit-Backed Notes, 1.670% Jul 23, 2021	2,500	2,484	2,432
Genesis Trust II, Series 2015-1, Class A, Real Estate Secured Line of Credit-Backed Notes, 1.699% Apr 15, 2020	4,900	4,872	4,849
Glacier Credit Card Trust, Series 2015-1, Credit Card Asset-Backed Notes, Senior, 2.237% Sep 20, 2020	2,050	2,059	2,034
Glacier Credit Card Trust, Series 2017-1, Credit Card Asset-Backed Notes, Senior, Secured, 2.048% Sep 20, 2022	3,000	2,988	2,903
Hollis Receivables Term Trust II, Series 2015-1, Class A, Receivables- Backed Notes, 1.788% Feb 26, 2020	2,000	1,998	1,983
NBC Asset Trust, Trust Capital Securities, Series 2, Fixed to Floating, Asset-Backed, Perpetual, Callable, 7.447% Jun 30, 2049	1,500	1,823	1,590
		24,915	24,388
Total Investment Portfolio — 99.1%		1,605,757	1,578,209
Other Assets Less Liabilities — 0.9%			13,848
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS — 100.0%			1,592,057

BMO Private Canadian Corporate Bond Portfolio

Annual Financial Statements

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

December 31, 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 December 31, 2018 and December 31, 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 December 31, 2018 and December 31, 2017.

These financial statements were authorized for issuance by the Board of Directors of the Manager on March 7, 2019.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) 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. 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. Investments and derivatives are subsequently measured as fair value through profit or loss (“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 investments.

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 daily equities traded in countries outside of North America, 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 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

BMO Private Canadian Corporate Bond Portfolio

Annual Financial Statements (cont'd)

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

December 31, 2018

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. 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 investments 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

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 are created from many types of assets, including auto loans, credit card receivables, home equity loans, and student loans.

BMO Private Canadian Corporate Bond Portfolio

Annual Financial Statements (cont'd)

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

December 31, 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. Realized 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 December 31, 2018 and December 31, 2017 are disclosed in Note 8, where applicable.

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.

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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.

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. Refer to Note 8 for details.

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 investment portfolio

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 instruments and the contractual cash flow characteristics 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. The collection of principal and interest is incidental to the fair value business model. Further information related to the Portfolio's transition to IFRS 9 is detailed in Note 9.

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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 financial 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 as disclosed in Note 8. The relevant movements in redeemable units are shown in 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 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.

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(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 December 31, 2018 and December 31, 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 subsidiaries 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 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. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Manager monitors the exposure on all foreign currency denominated assets and liabilities. 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 cash flow or 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

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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, and other liabilities. The Portfolio primarily invests in securities that are traded in active markets and can be readily disposed. In addition, the Portfolio retains sufficient cash 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 in 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)	Dec. 31, 2018	Dec. 31, 2017
Units issued and outstanding, beginning of period	139,054	125,328
Issued for cash	43,064	28,318
Issued on reinvestment of distributions	4,840	3,989
Redeemed during the period	(28,679)	(18,581)
Units issued and outstanding, end of period	158,279	139,054

(b) Reconciliation of NAV to Net Assets

As at December 31, 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 December 31, 2018 and December 31, 2017 is calculated as follows:

For the periods ended	Dec. 31, 2018	Dec. 31, 2017
Increase in net assets attributable to holders of redeemable units	23,336	24,163
Weighted average units outstanding during the period (in thousands of units)	159,774	132,910
Increase in net assets attributable to holders of redeemable units per unit	0.15	0.18

(d) Income taxes

As at the tax year-ended December 2018, 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		
		2029 (\$)	2030 (\$)	2031 and thereafter (\$)
17,758	—	—	—	—

(e) Related party transactions

Unitholder servicing

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

For the periods ended	Dec. 31, 2018	Dec. 31, 2017
Unitholder servicing (\$)	266	253

Brokerage commissions and soft dollars

There were no brokerage commissions charged to the Portfolio during the periods ended December 31, 2018 and December 31, 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 December 31, 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	
	Dec. 31, 2018	Dec. 31, 2017
Less than one year	—	—
One to three years	365,717	308,394
Three to five years	337,031	343,557
Five to ten years	808,530	687,758
Greater than ten years	66,931	70,565
Total	1,578,209	1,410,274

As at December 31, 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 \$69,026 (December 31, 2017 — \$62,533). The Portfolio's interest rate sensitivity was determined based on portfolio

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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 December 31, 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	
	Dec. 31, 2018	Dec. 31, 2017
AAA	2.0	2.5
AA	21.9	15.5
A	30.0	36.6
BBB	45.2	44.5
Total	99.1	99.1

Securities lending

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

	Aggregate Value of Securities on Loan (\$)	Aggregate Value of Collateral Received for the Loan (\$)
December 31, 2018	84,700	89,044
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 December 31, 2018 and December 31, 2017:

For the periods ended	Dec. 31, 2018		Dec. 31, 2017	
	Amount	% of Gross Securities Lending Revenue	Amount	% of Gross Securities Lending Revenue
Gross securities lending revenue	43	100.0	16	100.0
Withholding taxes	0	0.2	2	13.3
	43	99.8	14	86.7
Payment to securities lending agents	13	30.0	4	26.0
Net securities lending revenue*	30	69.8	10	60.7

* Amount shown on the Statement of Comprehensive Income is gross of withholding taxes of \$0 (December 31, 2017 – \$2).

Concentration risk

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

As at	Dec. 31, 2018	Dec. 31, 2017
Bonds & Debentures		
Corporate Bonds & Debentures	97.6%	97.2%
Asset-Backed Securities	1.5%	1.9%
Other Assets Less Liabilities	0.9%	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.

As at Dec. 31, 2018

Financial assets	Level 1	Level 2	Level 3	Total
Debt Securities	1,578,209	—	—	1,578,209

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.

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(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	
	Dec. 31, 2018	Dec. 31, 2017
Canadian Credit Card Trust II, Series 2015-1, Class A, Credit Card Receivables-Backed Notes, 1.829% Mar 24, 2020	2,974	2,970
CARDS II Trust, Series 2015-3, Class A, Credit Card Receivables-Backed Notes, Sinkable, 2.155% Oct 15, 2020	3,717	3,733
Eagle Credit Card Trust, Credit Card Receivables- Backed, Series 2018-1, Class A, Senior, Secured, Notes, 3.042% Jul 17, 2023	418	—
Ford Floorplan Auto Securitization Trust, Series 2017-F1, Class A, Asset-Backed Notes, 2.197% Jul 15, 2020	1,488	1,491
Fortified Trust, Series 2016-1, Class A, Real Estate Secured Line of Credit-Backed Notes, 1.670% Jul 23, 2021	2,432	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	4,849	2,073
Glacier Credit Card Trust, Series 2015-1, Credit Card Asset-Backed Notes, Senior, 2.237% Sep 20, 2020	2,034	4,033
Glacier Credit Card Trust, Series 2017-1, Credit Card Asset-Backed Notes, Senior, Secured, 2.048% Sep 20, 2022	2,903	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	1,983	1,979
NBC Asset Trust, Trust Capital Securities, Series 2, Fixed to Floating, Asset-Backed, Perpetual, Callable, 7.447% Jun 30, 2049	1,590	1,644
Total	24,388	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 for financial assets and financial liabilities differs from the classification under the previous IAS 39. 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 (including 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.

As at Jan. 1, 2018	Held for Trading	Amortized Cost**	FVTPL
Financial Liabilities			
Opening balance - under IAS 39	—	4,570	—
On the basis of change from IAS 39 to IFRS 9:			
- reclassification of securities sold short and derivatives*	—	—	—
Total change on transition to IFRS 9		—	—
Opening balance - under IFRS 9	—	4,570	—

* These are financial liabilities (such as securities sold short and derivatives) classified as held for trading under IAS 39.

** These were classified as other financial liabilities under IAS 39, now classified as amortized cost under IFRS 9.

Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by management of BMO Private Investment Counsel Inc. Management is responsible for the information and representations contained in these financial statements.

Management has maintained appropriate processes to ensure that relevant and reliable information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and include certain amounts that are based on estimates and judgements. The significant accounting policies which management believes are appropriate for the Portfolio are described in Note 3 of the financial statements. The Trustee (BMO Trust Company) is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities. The Trustee reviews the financial statements of the Portfolios, adequacy of the internal controls, the audit process and financial reporting with management and external auditor.

PricewaterhouseCoopers LLP is the external auditor of the Portfolios. The auditor has been appointed by Board of the Manager and of the Trustees and cannot be changed without the prior approval for the Independent Review Committee and 60 days notice to the Unitholders. They have audited the financial statements in accordance with generally accepted auditing standards in Canada to enable them to express to the unitholders and trustee their opinion on the financial statements. Their report is included as an integral part of the financial statements.

Bruce Ferman

President and Chief Executive Officer
BMO Private Investment Counsel Inc.
March 7, 2019

Robert J. Schauer

Chief Financial Officer
BMO Private Portfolios
March 7, 2019

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