

Annual Management Report of Fund Performance

BMO Private U.S. Equity Portfolio

For the period ended December 31, 2024

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

Management Discussion of Fund Performance

BMO Private Investment Counsel Inc. (“BPIC” or the “Manager”), the manager and portfolio manager, is responsible for the management of the overall business, investments and operations of the BMO Private Portfolios and has engaged Columbia Management Investment Advisers, LLC (“CMIA”) and Vontobel Asset Management, Inc. (“Vontobel”) as the sub-advisors (each, a “sub-advisor” and collectively, the “sub-advisors”) of BMO Private U.S. Equity Portfolio (the “Portfolio”).

Investment Objective and Strategies

The Portfolio's investment objective is to provide long-term capital appreciation by investing primarily in larger capitalization U.S. equity securities.

The Portfolio utilizes three distinct investment strategies to achieve its investment objectives. As one of the Portfolio's sub-advisors, Vontobel's stock selection process emphasizes a growth-oriented investment approach that focuses on investing in high-quality companies. CMIA, another of the Portfolio's sub-advisors, uses a disciplined quantitative approach to invest in companies whose equity value looks attractive in the context of the company's fundamentals with favourable investor interests. In addition, the Portfolio may invest up to 40% of the Portfolio's assets in securities of exchange traded funds, including exchange traded funds that are managed by one of BPIC's affiliates or associates.

Risk

The risks associated with an investment in the Portfolio remain as disclosed in the Portfolio's most recent simplified prospectus or any amendments thereto and fund facts. During the period, there were no changes to the Portfolio's investment objective, strategies or management that materially affected the overall risk level associated with an investment in the Portfolio. The Manager reviewed the Portfolio using the standardized investment risk classification methodology prescribed by National Instrument 81-102 *Investment Funds* and determined on May 17, 2024 that the risk rating of the Portfolio had not changed. The Manager reviews the Portfolio's investment risk level and reference index, if any, at least annually.

Results of Operations

Over the 12-month period ended December 31, 2024, the Portfolio returned 31.16% in C\$ (20.92% in US\$), after expenses. The Portfolio's benchmark is the S&P 500 Index, which generated a 36.37% total return in C\$ (25.02% in US\$) over the same 12-month period.

U.S. equity markets, as measured by the S&P 500 Index, rose 36.4% during the 12-month period ended December 31, 2024. Corporate earnings were driven higher on the backs of a stronger-than-expected economic environment. Equity market performance was driven by a few main themes, including enthusiasm around artificial intelligence (“AI”), interest rate cuts by the U.S. Federal Reserve Board (the “Fed”) and the potential for regulatory overhaul from the incoming Trump Administration.



BMO Private U.S. Equity Portfolio

The Communication Services sector posted the highest return, at 52.7%, followed by the Information Technology sector (48.7%) and the Financials sector (41.8%). The lowest sector performers were Materials, Health Care and Real Estate, which posted returns of 8.5%, 11.3% and 13.6%, respectively.

Vontobel Component

Stock selection in the Information Technology and Consumer Staples sectors detracted from the Vontobel component's performance. An underweight allocation to the Information Technology sector also detracted from performance, as did an overweight allocation to the Consumer Staples sector. A lack of exposure to NVIDIA Corp. was the largest individual detractor from the component's relative performance. The company performed well on the back of robust demand for its graphics processing units needed for AI. A position in Adobe Inc. detracted from the component's performance. The company is still growing but has seen its valuation contract as investors have grown impatient with monetization of its AI tools.

An underweight allocation to the Energy sector contributed to the Vontobel component's performance, as did stock selection within the Materials sector. A holding in Boston Scientific Corp. contributed to performance. The company reported strong results ahead of consensus estimates, with well-rounded performance across its different businesses. The component's position in Casey's General Stores Inc. was another contributor to performance. The company continued to deliver strong profit growth, driven by prepared foods and beverages. The company has expanded its food menu, which has been well received by customers.

Vontobel added new positions in Union Pacific Corp., Zoetis Inc. and Accenture PLC to the component. Union Pacific Corp. was added based on its scale. The company should benefit from higher network efficiency being driven by its newly appointed CEO. Zoetis Inc. was added based on its scale advantages, brand loyalty and patent protections. The sub-advisor believes that Accenture PLC's growth will be driven by a shift of its revenue mix away from some commoditized outsourcing services as it expands higher-value-add areas.

Existing component holdings in Alphabet Inc., Copart Inc. and Synopsys Inc. were increased. Alphabet Inc.'s valuations came under pressure as investors questioned its role in a world powered by AI. Copart Inc. is one of two main players in the auto salvage market in the United States. After a strong run in 2023, the company's shares declined, which created an opportunity to add to the Vontobel component's position in the company. The component's position in Synopsys Inc. was increased as the sub-advisor believes the company is uniquely positioned within the semiconductor design industry. The position was increased on share price weakness.

A holding in UnitedHealth Group Inc. was eliminated from the Vontobel component in response to the potential for a regulatory impact on the pharmacy benefits manager business. A holding in Visa Inc. was sold as Vontobel prefers the business mix in Mastercard Inc., which has the potential for greater digital payment penetration. A position in Humana Inc. was also sold from the component. The sub-advisor believes that near-term earnings volatility for the company will likely be higher than typical.

A component position in Thermo Fisher Scientific Inc. was trimmed amid sluggish Chinese growth. The component's holding in Mondelez International Inc. was reduced as the company faces potential margin impacts from higher cocoa prices. The component's position in Casey's General Stores Inc. was trimmed following strong share price performance.

CMIA Component

Stock selection within the Information Technology, Consumer Discretionary and Financials sectors detracted from the CMIA component's performance. The largest individual detractors from the component's relative performance were holdings in Adobe Inc., Tesla Inc. and D.R. Horton Inc.

An underweight allocation to the Materials sector contributed to the component's performance. Security selection within the Consumer Staples and Communication Services sectors contributed to performance. The largest individual contributors to performance included overweight holdings in Walmart Inc., Deckers Outdoor Corp. and Meta Platforms Inc., all of which had good performance for the year.

BMO Private U.S. Equity Portfolio

The sub-advisor added to the CMIA component a new position in footwear company Deckers Outdoor Corp. based on the company's attractive profitability, quality and growth. The company has also increased its market share in the running shoe category with its Hoka brand as well as its highly profitable Ugg brand. An existing component holding in American Express Co. was increased for the company's earnings stability and credit risk, both of which are better than its peers.

CMIA component's position in Lululemon Athletica Inc. was eliminated after the company reported softening demand for its products, leading to weaker-than-expected earnings and lowered forecasts. The component's holding in Meta Platforms Inc. was trimmed after significant share price outperformance.

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

Recent Developments

Vontobel Component

In 2025, the sub-advisor believes that U.S. consumer spending will be a function of the employment landscape. Even though the U.S. labour market has cooled, it has not yet resulted in a significant rise in unemployment.

The incoming Trump Administration's policies evoke both optimism and apprehension among investors. While deregulation and tax cuts are generally stimulative, tariffs are potentially disruptive to global trade and global growth.

Vontobel aims to find opportunities in the Health Care and Consumer Staples sectors that are underappreciated by the market, and which offer persistent growth rates, even in an uncertain environment. The Consumer Staples sector in the United States is particularly attractive. The sub-advisor remains selective within the Information Technology sector and prefers well-positioned software businesses with strong competitive advantages and favourable valuations.

CMIA Component

For the second year in a row, equity markets have rebounded substantially. In 2024 alone, the S&P 500 Index made 57 new all-time highs. Expected actions of the incoming U.S. administration, the Fed's ongoing interest rate policy and the resilience of the consumer will determine which direction the equity markets take in 2025.

The incoming U.S. administration should bring substantial changes in government policy. An emphasis on deregulation and a focus on economic growth and energy production are likely to be a boost for corporate profitability. A friendlier approach to corporate mergers and acquisitions may also be a positive for the markets. However, U.S. president-elect Donald Trump's focus on tariffs, especially with close trading partners like Canada and Mexico, could dampen economic activity and increase inflation.

The Fed seems to have successfully avoided a recession for now. As the last mile of the inflation reduction journey continues to be challenging, the Fed is reconsidering the pace and trajectory of interest rate cuts. However, despite inflation remaining stubborn at around 3%, CMIA believes that there are likely to be interest rate cuts in 2025 that can support equity markets.

The impacts from government policy, Fed actions and other risks are likely to be uneven across industries. There could be wide dispersion among the prospects of different economic sectors. Focusing on stock selection and staying roughly sector neutral can remove one source of volatility from performance. In such an environment, the sub-advisor will take a multi-factor stock selection approach focusing on quality, valuation and catalysts.

BMO Private U.S. Equity Portfolio

Related Party Transactions

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

Sub-advisors

BPIC has hired CMIA and Vontobel to provide investment advice and make investment decisions for the Portfolio’s investments. Each sub-advisor receives sub-advisory fees based on assets under management, which are paid quarterly. The sub-advisors are paid by BPIC, and BPIC charges a portion of the sub-advisory fees as an expense to the Portfolio.

Buying and Selling Securities

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

- (a) investments in securities issued by BMO, an affiliate of the Manager, or any other issuer related to the Manager;
- (b) investments in a class of securities of an issuer during the distribution period of those securities or the 60-day period following the completion of the distribution where BMO Nesbitt Burns Inc., an affiliate of the Manager, or any other affiliate of the Manager acts as an underwriter in the distribution of those securities;
- (c) trades in over-the-counter debt securities in the secondary market with BMO Nesbitt Burns Inc., or any other affiliate of the Manager, acting as principal in the Canadian debt securities market; and

- (d) trades of a security of any issuer from or to, another investment fund managed by the Manager or an affiliate of the Manager or a managed account managed by an affiliate of the Manager

(each, a “Related Party Transaction”).

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

Brokerage Commissions

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

	Period ended Dec. 31, 2024 (\$000s)	Period ended Dec. 31, 2023 (\$000s)
Total Brokerage Commissions	605	372
Brokerage Commissions paid to BMO Nesbitt Burns Inc.	10	19

BMO Private U.S. Equity Portfolio

Wealth Management Fee

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

Unitholder Services

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

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

	Period ended Dec. 31, 2024 (\$000s)	Period ended Dec. 31, 2023 (\$000s)
Unitholder Services	339	327

Management Fee

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

BMO Private U.S. Equity Portfolio

Financial Highlights

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

The Portfolio's Net Assets Per Unit ⁽¹⁾	Years ended December 31				
	2024	2023	2022	2021	2020
Net assets, beginning of period	\$ 37.93	31.17	35.46	29.44	25.87
Increase (decrease) from operations:					
Total revenue	\$ 0.49	0.43	0.43	0.39	0.39
Total expenses ⁽²⁾	\$ (0.05)	(0.04)	(0.04)	(0.03)	(0.04)
Realized gains (losses) for the period	\$ 4.20	1.69	0.78	2.07	0.56
Unrealized gains (losses) for the period	\$ 7.22	5.13	(4.86)	4.77	2.82
Total increase (decrease) from operations ⁽³⁾	\$ 11.86	7.21	(3.69)	7.20	3.73
Distributions:					
From income (excluding dividends)	\$ 0.00	0.00	0.01	—	—
From dividends	\$ 0.48	0.42	0.39	0.33	0.37
From capital gains	\$ 0.86	—	0.15	0.84	—
Return of capital	\$ 0.01	0.02	0.02	0.00	0.02
Total Annual Distributions ⁽⁴⁾	\$ 1.35	0.44	0.57	1.17	0.39
Net assets, end of period	\$ 48.43	37.93	31.17	35.46	29.44

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

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

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

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

Ratios and Supplemental Data	Years ended December 31				
	2024	2023	2022	2021	2020
Total net asset value (000s) ⁽¹⁾	\$ 6,947,054	5,731,358	5,241,096	5,768,955	4,329,595
Number of units outstanding (000s) ⁽¹⁾	143,454	151,118	168,159	162,670	147,068
Management expense ratio ⁽²⁾	0.02	0.02	0.02	0.02	0.02
Management expense ratio before waivers or management absorptions ⁽²⁾	0.19	0.19	0.19	0.18	0.19
Trading expense ratio ⁽³⁾	0.01	0.01	0.01	0.01	0.03
Portfolio turnover rate ⁽⁴⁾	25.03	19.47	27.55	28.10	37.26
Net asset value per unit	\$ 48.43	37.93	31.17	35.46	29.44

⁽¹⁾ This information is provided as at December 31 of the period shown.

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

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

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

BMO Private U.S. Equity Portfolio

Past Performance

General

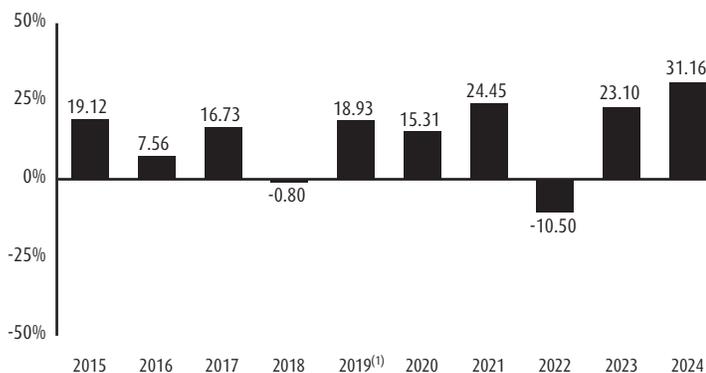
The Portfolio's performance information assumes that all distributions made by the Portfolio in the periods shown were reinvested in additional units of the Portfolio and is based on the net asset value of the Portfolio. The reinvestment of distributions increases returns.

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

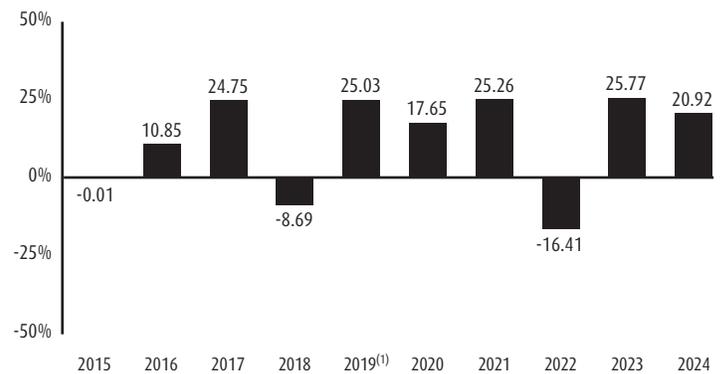
Year-by-Year Returns

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

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



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



⁽¹⁾ On July 19, 2019, Vontobel was appointed as an additional sub-advisor for the Portfolio and the Portfolio's investment strategies were changed. Accordingly, the Portfolio's performance prior to this date would have been different under the current two sub-advisors and investment strategies.

Annual Compound Returns

These charts compare the historical annual compound returns of the Portfolio with the S&P 500 Index, which reflects changes in the performance of 500 widely-held U.S. common stocks.

	1 yr %	3 yrs %	5 yrs %	10 yrs %
BMO Private U.S. Equity Portfolio (C\$) ^{††*}	31.16	13.06	15.71	13.85
S&P 500 Index (C\$)	36.37	13.74	16.96	15.58
	1 yr %	3 yrs %	5 yrs %	10 yrs %
BMO Private U.S. Equity Portfolio (US\$) ^{††*}	20.92	8.33	13.38	11.45
S&P 500 Index (US\$)	25.02	8.94	14.53	13.10

[‡] The Portfolio's return is after the deduction of expenses, while the benchmark does not include any costs of investing.

[†] On July 19, 2019, an additional Portfolio sub-advisor was appointed and the Portfolio's investment strategies were changed.

^{*} On December 16, 2021, CMIA replaced BMO Asset Management Corp. as sub-advisor of the Portfolio.

A commentary on the market and/or information regarding the relative performance of the Portfolio as compared to its benchmark can be found under the Results of Operations section of this report.

BMO Private U.S. Equity Portfolio

Summary of Investment Portfolio

as at December 31, 2024

Portfolio Allocation	% of Net Asset Value	Top 25 Holdings Issuer	% of Net Asset Value
U.S. Equity Fund	32.5	BMO S&P 500 Index ETF, Listed USD Units ⁺	32.5
Information Technology	16.5	Amazon.com, Inc.	4.4
Financials	10.2	Microsoft Corporation	3.9
Consumer Discretionary	8.6	Alphabet Inc.	3.7
Health Care	8.2	NVIDIA Corporation	2.6
Consumer Staples	6.6	Mastercard Incorporated, Class A	2.1
Communication Services	5.9	Apple Inc.	2.0
Industrials	5.6	Cash/Receivables/Payables	1.7
Materials	1.7	Coca-Cola Company, The,	1.5
Cash/Receivables/Payables	1.7	Intercontinental Exchange, Inc.	1.4
Real Estate	0.9	RB Global Inc.	1.3
Energy	0.8	Adobe Inc.	1.3
Utilities	0.8	Meta Platforms Inc., Class A	1.3
Total portfolio allocation	100.0	CME Group Inc., Class A	1.1
		Becton, Dickinson and Company	1.1
		Abbott Laboratories	1.1
		Intuit Inc.	1.0
		ServiceNow, Inc.	1.0
		PepsiCo, Inc.	0.9
		Walmart Inc.	0.9
		Union Pacific Corporation	0.8
		American Express Company	0.8
		Ferguson Enterprises Inc.	0.8
		Zoetis Inc., Class A	0.8
		Mondelez International, Inc., Class A	0.8
		Top holdings as a percentage of total net asset value	70.8
		Total Net Asset Value	\$6,947,053,812

⁺ The prospectus and other information about the underlying exchange traded fund(s) held in the Portfolio are available at www.sedarplus.ca and www.bmo.com/etflegal.

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

Manager

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

Trustee

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

BMO Private Wealth is a brand name for a business group consisting of Bank of Montreal and certain of its affiliates in providing private wealth management products and services. Not all products and services are offered by all legal entities within BMO Private Wealth. Banking services are offered through Bank of Montreal. Investment management, wealth planning, tax planning, and philanthropy planning services are offered through BMO Nesbitt Burns Inc. and BMO Private Investment Counsel Inc. Estate, trust, and custodial services are offered through BMO Trust Company. BMO Private Wealth legal entities do not offer tax advice.

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Portfolio may invest and the risks detailed from time to time in the simplified prospectus of the BMO Private Portfolios. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the Portfolio, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, BMO Private Investment Counsel Inc. does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

“BMO (M-bar roundel symbol)” is a registered trademark of Bank of Montreal, used under license.

www.bmo.com/privatewealth/
For more information please call 1-800-361-1392