

Annual Management Report of Fund Performance

BMO Private U.S. Growth Equity Portfolio

For the period ended December 31, 2023

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 Sands Capital Management, LLC (“Sands” or the “sub-advisor”) as the sub-advisor of BMO Private U.S. Growth Equity Portfolio (the “Portfolio”).

Investment Objective and Strategies

The Portfolio's investment objective is to provide above average long-term capital growth by investing in the equity securities of large capitalization, U.S.-based companies.

To achieve the Portfolio's objectives, the sub-advisor primarily analyzes companies with consistently superior growth in revenues and earnings, in promising businesses that have distinct competitive advantages, with proven management and very strong transparent financial statements. The Portfolio may use depository receipts as part of its investment strategy.

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 18, 2023, 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, 2023, the Portfolio returned 48.62% in C\$ (51.83% in US\$), after expenses. The Portfolio's benchmark is the Russell 1000 Growth Index, which generated a 39.21% total return in C\$ (42.68% in US\$) over the same 12-month period.

Growth equities performed strongly during the 12-month period ended December 31, 2023. The Russell 1000 Growth Index made its largest calendar-year gain in the history of the index, but performance was volatile. Equity market strength was primarily driven by changing expectations for monetary policy, signs of falling inflation, resilient economic growth, and an expected end to interest rate increases. Better-than-expected corporate profitability and the emergence of generative artificial intelligence (“AI”) and promising new glucagon-like peptide 1 (“GLP-1”) obesity drugs also aided results.

Market leadership was narrow over much of the year. The six largest businesses (by market capitalization) finished the year with a gain of 76% relative to a 23% advance for the other businesses in the index.



BMO Private U.S. Growth Equity Portfolio

However, investors increasingly embraced riskier stocks towards year-end, with smaller-capitalization, lower-quality and early-stage growth stocks leading markets higher.

Security selection was the primary contributor to the Portfolio's performance, particularly in the Information Technology, Consumer Discretionary and Industrials sectors. Overweight exposure to growth and higher-volatility stocks contributed to performance, as did an underweight allocation to dividend yield. Top individual contributors to the Portfolio's performance included holdings in NVIDIA Corp., ServiceNow Inc., Amazon.com Inc., Shopify Inc. and Uber Technologies Inc.

Holdings in the Communication Services sector detracted the most from the Portfolio's performance. An underweight allocation to profitability and size factors also detracted from performance. The largest individual detractors from the Portfolio's performance included Warner Music Group Corp., Sea Ltd., Match Group Inc., Sarepta Therapeutics Inc. and Charter Communications Inc.

Meta Platforms Inc., Microsoft Corp. and Entegris Inc. were among the new positions added to the Portfolio. The sub-advisor believes that Meta Platforms Inc. is well positioned to benefit from an accelerating pace of content creation enabled by AI. Over the last decade, Microsoft Corp. has successfully shifted from a mainly on-premises vendor to a leading provider of cloud-computing services. Sands believes that the company's growth will be mainly driven by its Azure cloud-computing platform and its Office 365 franchise. Entegris Inc. is a leading provider of mission-critical materials, solutions and tools for semiconductor manufacturing. The sub-advisor believes that semiconductor chip volumes are likely to increase, driven by new chip architectures and the need for more connectivity and computer power, of which Entegris Inc. should be a beneficiary.

Intuit Inc., Charter Communications Inc. and Warner Music Group Corp. were among the holdings exited. Intuit Inc. was eliminated after strong performance. The company expanded internationally, growing its average revenue per customer and leveraging its largely fixed cost base to deliver above-average earnings growth. While Charter Communications Inc. maintained modest revenue growth, its shares faced

pressure as fixed wireless broadband providers gained market share. Warner Music Group Corp. was eliminated as the cyclical nature in its artist release slate and concerns that AI could disrupt the music industry weighed on its shares.

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

Sands is encouraged by the potential for several industry-specific factors and trends to support the Portfolio's performance in 2024. Within cloud-computing infrastructure and software, the sub-advisor believes that companies should get a boost from a slowdown in efforts to optimize consumption, improving customer workforce trends, and new product cycles. Within semiconductors, the sub-advisor believes that end markets, such as smartphones and personal computers, have bottomed.

Sands believes that the influence of AI should persist and impact a broader range of the Portfolio's holdings. AI should amplify the need for enterprises to appropriately warehouse data, accelerating the shift to the cloud. The sub-advisor also believes that businesses will benefit from the launch of AI-enabled products and from leveraging AI to drive internal efficiencies.

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.

BMO Private U.S. Growth Equity Portfolio

Sub-advisor

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

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, 2023 (\$000s)	Period ended Dec. 31, 2022 (\$000s)
Total Brokerage Commissions	128	65
Brokerage Commissions paid to BMO Nesbitt Burns Inc.	1	—

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.

BMO Private U.S. Growth Equity Portfolio

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, 2023 (\$000s)	Period ended Dec. 31, 2022 (\$000s)
Unitholder Services	171	175

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. Growth 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				
		2023	2022	2021	2020	2019
Net assets, beginning of period	\$	18.88	34.58	34.00	20.67	16.29
Increase (decrease) from operations:						
Total revenue	\$	0.05	0.04	0.04	0.09	0.03
Total expenses ⁽²⁾	\$	(0.10)	(0.09)	(0.12)	(0.12)	(0.07)
Realized gains (losses) for the period	\$	1.05	(1.48)	3.37	5.64	1.92
Unrealized gains (losses) for the period	\$	8.32	(14.56)	(1.89)	7.30	2.43
Total increase (decrease) from operations ⁽³⁾	\$	9.32	(16.09)	1.40	12.91	4.31
Distributions:						
From income (excluding dividends)	\$	—	—	—	—	—
From dividends	\$	—	—	—	—	—
From capital gains	\$	—	—	1.04	—	—
Return of capital	\$	—	—	—	—	—
Total Annual Distributions ⁽⁴⁾	\$	—	—	1.04	—	—
Net assets, end of period	\$	28.06	18.88	34.58	34.00	20.67

⁽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				
		2023	2022	2021	2020	2019
Total net asset value (000s) ⁽¹⁾	\$	505,847	482,889	955,316	836,300	546,781
Number of units outstanding (000s) ⁽¹⁾		18,028	25,573	27,627	24,594	26,446
Management expense ratio ⁽²⁾	%	0.36	0.35	0.33	0.35	0.35
Management expense ratio before waivers or management absorptions ⁽²⁾	%	0.53	0.52	0.50	0.52	0.52
Trading expense ratio ⁽³⁾	%	0.03	0.01	0.01	0.02	0.01
Portfolio turnover rate ⁽⁴⁾	%	35.16	32.44	24.00	49.95	27.04
Net asset value per unit	\$	28.06	18.88	34.58	34.00	20.67

⁽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. Growth Equity Portfolio

Past Performance

General

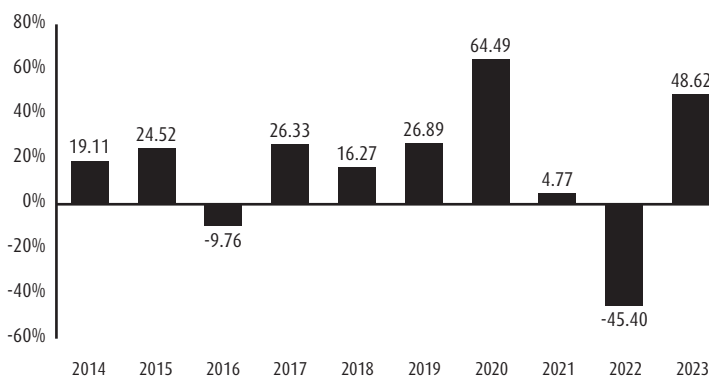
The Portfolio's performance information assumes that all distributions made by the Portfolio in the periods shown were reinvested in additional units of the Portfolio and is based on the net asset value of the Portfolio. The reinvestment of distributions increases returns.

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.

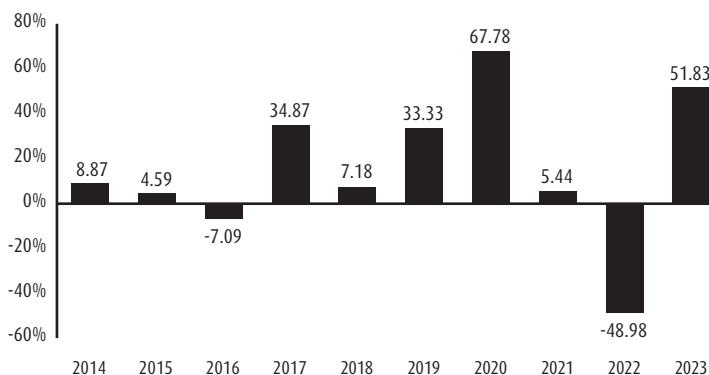
Year-by-Year Returns

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. Growth Equity Portfolio (C\$)



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



Annual Compound Returns

These charts compare the historical annual compound returns of the Portfolio with the Russell 1000 Growth Index, which measures the performance of those Russell 1000 Index companies with higher price-to-book ratios and higher earnings and sales growth rates.

	1 yr %	3 yrs %	5 yrs %	10 yrs %
BMO Private U.S. Growth Equity Portfolio (C\$)‡	48.62	-5.27	12.15	13.31
Russell 1000 Growth Index (C\$)	39.21	10.13	18.72	17.38

	1 yr %	3 yrs %	5 yrs %	10 yrs %
BMO Private U.S. Growth Equity Portfolio (US\$)‡	51.83	-6.52	12.81	10.82
Russell 1000 Growth Index (US\$)	42.68	8.86	19.50	14.86

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

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. Growth Equity Portfolio

Summary of Investment Portfolio

as at December 31, 2023

Portfolio Allocation	% of Net Asset Value	Top 25 Holdings Issuer	% of Net Asset Value
Information Technology	46.6	Microsoft Corporation	8.1
Consumer Discretionary	13.3	Amazon.com, Inc.	7.9
Health Care	13.1	ServiceNow, Inc.	7.1
Financials	11.3	DexCom, Inc.	6.8
Communication Services	10.2	NVIDIA Corporation	5.5
Industrials	2.9	Meta Platforms Inc., Class A	4.9
Real Estate	2.1	Visa Inc., Class A	4.7
Cash/Receivables/Payables	0.5	Snowflake Inc., Class A	4.6
Total portfolio allocation	100.0	Block, Inc., Class A	4.2
		Atlassian Corporation PLC, Class A	4.0
		Datadog, Inc., Class A	3.8
		Shopify Inc., Class A	3.4
		Lam Research Corporation	3.2
		Uber Technologies, Inc.	2.9
		Entegris, Inc.	2.8
		Netflix, Inc.	2.8
		Nu Holdings Ltd., Class A	2.4
		Okta, Inc., Class A	2.2
		Edwards Lifesciences Corporation	2.2
		DoorDash, Inc., Class A	2.2
		CoStar Group, Inc.	2.1
		Cloudflare, Inc., Class A	1.9
		Floor & Decor Holdings, Inc., Class A	1.8
		10x Genomics, Inc., Class A	1.5
		Ultragenyx Pharmaceutical Inc.	1.5
		Top holdings as a percentage of total net asset value	94.5
		Total Net Asset Value	\$505,847,314

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

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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.

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