

Annual Management Report of Fund Performance

BMO Private Canadian Income 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 BMO Asset Management Inc. ("BMO AM Inc." or the "sub-advisor") as the sub-advisor of BMO Private Canadian Income Equity Portfolio (the "Portfolio").

Investment Objective and Strategies

The Portfolio's investment objective is to provide a higher than average income stream primarily from income, royalties and distributions or dividends of equity securities of Canadian issuers.

To achieve the Portfolio's objectives, the sub-advisor primarily employs bottom-up security selection for its holdings that is based on quantitative and traditional fundamental analyses, including assessment of the company's projected earnings growth, quality of management, and identification of reasonable stock price valuations relative to other companies in the same industry.

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 20.35%, after expenses. The Portfolio's benchmark is the S&P/TSX Composite Dividend Index, which generated a 19.84% total return over the same 12-month period.

Canadian equities were strong in 2024, with the S&P/TSX Composite Index setting multiple record highs. Despite coming off its record high set on December 6, the Canadian equity market delivered a strong 21.65% total return for the year. Financials, Materials and Energy were among the sectors that outperformed, delivering 30.10%, 21.44% and 23.84% total returns, respectively.

An overweight allocation to the Financials sector contributed to the Portfolio's performance as central banks lowered interest rates. An overweight allocation to the Industrials sector and underweight allocation to the Materials sector also contributed to performance. Stock selection within the Consumer Discretionary, Industrials and Energy sectors contributed to the Portfolio's performance as well. Top individual

BMO Private Canadian Income Equity Portfolio

contributors to performance were positions in WSP Global Inc., Brookfield Corp. and Dollarama Inc. WSP Global Inc. was rewarded for progress on its growth strategy though both acquisitions and strong organic growth. Brookfield Corp.'s shares gained on the positive reception to its investor day, the start of central bank monetary policy easing and the continued interest in alternative assets. Dollarama Inc.'s stock appreciated alongside its strong value proposition, which continued to resonant with consumers, its strong business execution and the unveiling of its Dollarcity expansion strategy.

Within the Industrials sector, the Portfolio's overweight exposure to the transportation space detracted from performance as the industry grappled with natural disasters, labour disruptions and a freight recession. An underweight exposure to the Energy sector also detracted from the Portfolio's performance. Stock selection within the Consumer Staples, Utilities and Materials sectors detracted from the Portfolio's performance. The Portfolio's position in Northland Power Inc. was a detractor from performance. The company's stock was weaker due to rising costs associated with its offshore wind projects and the untimely departure of its CEO. A holding in Rogers Communications Inc. detracted from performance amid increased wireless competition and the negative reception of the company's asset monetization plan. A holding in Canadian Apartment Properties REIT was another detractor from the Portfolio's performance. Despite the company's strong operating momentum, its stock was weak due to perceived occupancy risks over changes to the Canadian government's immigration policy and the move higher in long-term bond yields.

The sub-advisor added a new position in Bank of Montreal to the Portfolio, and further increased the weight during the Period. The bank is well positioned to offer attractive returns due to its diversified business mix, above-average earnings prospects, solid capital position and dividend growth. In addition, it has recently acquired Bank of the West. Existing Portfolio holdings in Canadian Apartment Properties REIT, Pembina Pipeline Corp., Constellation Software Inc. and TELUS Corp. were increased given their well-supported dividends and favourable business and valuation characteristics.

The Portfolio's holdings in Empire Co. Ltd. and Tricon Residential Inc. were eliminated. Empire Co. Ltd. was sold because of the mismatch between its business mix and what consumers are looking for in their grocery offerings alongside the underwhelming performance out of the company's differentiated e-commerce platform. The Portfolio's holding in Tricon Residential Inc. was sold following the announcement that the company had agreed to be bought by Blackstone Inc. A Portfolio holding in Dollarama Inc. was trimmed after strong performance.

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

The sub-advisor believes that the outlook for Canadian equities should continue to be positively influenced by the same equity drivers as in the previous year. These drivers are central bank monetary easing, enthusiasm over artificial intelligence and technological innovation, and an economic "soft landing". These themes should lead to a better earnings growth story for Canadian equities, a key driver of stock prices over the long term. Having said that, Canadian equity investors continue to face higher levels of uncertainty ahead over the incoming Trump Administration, brewing trade wars, growing government and consumer debt levels, softening Chinese economic growth, a political election here at home and an unsettling rise in global conflict. These persistent risks should lead to continued volatility in the near and medium term.

Dividend and dividend growth strategies have underperformed on a relative basis over the past few years given interest rate variability and a strong investor bias for momentum stock trades. The sub-advisor's strategy continues to be anchored to investing in high-quality, sustainable businesses with safe and growing dividend streams.

BMO Private Canadian Income 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-advisor

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

Buying and Selling Securities

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

- (a) investments in securities issued by BMO, an affiliate of the Manager, or any other issuer related to the Manager;
- (b) investments in a class of securities of an issuer during the distribution period of those securities or the 60-day period following the completion of the distribution where BMO Nesbitt Burns Inc., an affiliate of the Manager, or any other affiliate of the Manager acts as an underwriter in the distribution of those securities;
- (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	293	351
Brokerage Commissions paid to BMO Nesbitt Burns Inc.	19	38

BMO Private Canadian Income 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	238	229

Management Fee

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

BMO Private Canadian Income 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	\$	11.88	11.42	12.25	10.02	10.37
Increase (decrease) from operations:						
Total revenue	\$	0.40	0.38	0.33	0.31	0.30
Total expenses ⁽²⁾	\$	(0.00)	(0.01)	(0.00)	(0.01)	(0.00)
Realized gains (losses) for the period	\$	0.26	0.03	0.29	0.14	(0.31)
Unrealized gains (losses) for the period	\$	1.72	0.43	(1.10)	2.08	0.04
Total increase (decrease) from operations ⁽³⁾	\$	2.38	0.83	(0.48)	2.52	0.03
Distributions:						
From income (excluding dividends)	\$	0.01	0.02	0.00	0.00	—
From dividends	\$	0.38	0.35	0.33	0.30	0.30
From capital gains	\$	—	—	—	—	—
Return of capital	\$	0.00	0.00	0.00	0.00	0.00
Total Annual Distributions ⁽⁴⁾	\$	0.39	0.37	0.33	0.30	0.30
Net assets, end of period	\$	13.88	11.88	11.42	12.25	10.02

⁽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⁾	\$	3,444,537	2,935,100	2,771,278	3,083,116	2,413,094
Number of units outstanding (000s) ⁽¹⁾		248,217	247,089	242,641	251,730	240,751
Management expense ratio ⁽²⁾	%	0.02	0.02	0.02	0.02	0.02
Management expense ratio before waivers or management absorptions ⁽²⁾	%	0.13	0.13	0.13	0.13	0.13
Trading expense ratio ⁽³⁾	%	0.01	0.01	0.01	0.01	0.02
Portfolio turnover rate ⁽⁴⁾	%	6.67	5.37	2.82	5.89	6.11
Net asset value per unit	\$	13.88	11.88	11.42	12.25	10.02

⁽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 Canadian Income Equity Portfolio

Past Performance

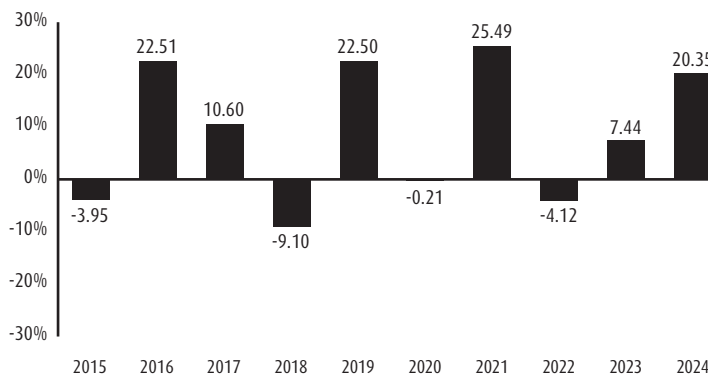
General

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



Annual Compound Returns

This chart compares the historical annual compound returns of the Portfolio with the S&P/TSX Composite Dividend Index and the S&P/TSX Composite Index. The S&P/TSX Composite Dividend Index aims to provide a broad-based benchmark of Canadian dividend-paying stocks. The index includes all stocks in the S&P/TSX Composite with positive annual dividend yields as of the latest rebalancing of the S&P/TSX Composite Index. The S&P/TSX Composite Index reflects the price movements of a floating list of companies on the Toronto Stock Exchange that meet Standard & Poor's criteria for inclusion in the index.

	1 yr %	3 yrs %	5 yrs %	10 yrs %
BMO Private Canadian Income Equity Portfolio‡	20.35	7.43	9.20	8.45
S&P/TSX Composite Dividend Index*	19.84	9.49	11.14	8.61
S&P/TSX Composite Index*	21.65	8.58	11.08	8.65

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

* The Portfolio's benchmark is the S&P/TSX Composite Dividend Index. Prior to January 1, 2018, it was the S&P/TSX Composite Index. The S&P/TSX Composite Index continues to be disclosed because it is an appropriate broad-based market index to compare the Portfolio's performance against.

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 Canadian Income 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
Financials	39.3	Royal Bank of Canada	9.3
Industrials	20.9	Brookfield Corporation, Class A	7.9
Energy	12.8	Toronto-Dominion Bank, The,	5.7
Utilities	6.0	Waste Connections, Inc.	5.1
Materials	5.5	Intact Financial Corporation	4.1
Consumer Discretionary	4.6	WSP Global Inc.	4.1
Consumer Staples	3.1	Enbridge Inc.	3.9
Communication Services	2.8	Bank of Nova Scotia, The,	3.6
Information Technology	2.2	Canadian National Railway Company	3.3
Real Estate	1.4	Brookfield Infrastructure Partners L.P.	3.3
Money Market Investments	1.1	Dollarama Inc.	3.3
Cash/Receivables/Payables	0.3	Canadian Pacific Kansas City Limited	3.1
Total portfolio allocation	100.0	Element Fleet Management Corp.	3.1
		Alimentation Couche-Tard Inc.	3.1
		Bank of Montreal	2.8
		TC Energy Corporation	2.6
		Canadian Natural Resources Limited	2.5
		Constellation Software Inc.	2.2
		Franco-Nevada Corporation	2.2
		Manulife Financial Corporation	2.1
		Thomson Reuters Corporation	2.1
		Pembina Pipeline Corporation	2.0
		Fortis Inc.	2.0
		iA Financial Corporation Inc.	1.9
		Brookfield Asset Management Ltd., Class A	1.9
		Top holdings as a percentage of total net asset value	87.2
		Total Net Asset Value	\$3,444,537,034

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

Manager

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

Trustee

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

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