

ANNUAL INFORMATION FORM

BMO PRIVATE PORTFOLIOS

BMO PRIVATE CANADIAN MONEY MARKET PORTFOLIO

BMO PRIVATE CANADIAN SHORT-TERM BOND PORTFOLIO

BMO PRIVATE CANADIAN MID-TERM BOND PORTFOLIO

BMO PRIVATE CANADIAN CORPORATE BOND PORTFOLIO

BMO PRIVATE DIVERSIFIED YIELD PORTFOLIO

BMO PRIVATE CANADIAN INCOME EQUITY PORTFOLIO

BMO PRIVATE CANADIAN CORE EQUITY PORTFOLIO

(formerly, BMO Private Canadian Conservative Equity Portfolio)

BMO PRIVATE CANADIAN SPECIAL EQUITY PORTFOLIO

BMO PRIVATE U.S. EQUITY PORTFOLIO

BMO PRIVATE U.S. GROWTH EQUITY PORTFOLIO

BMO PRIVATE U.S. SPECIAL EQUITY PORTFOLIO

BMO PRIVATE INTERNATIONAL EQUITY PORTFOLIO

BMO PRIVATE EMERGING MARKETS EQUITY PORTFOLIO

May 5, 2017

No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise. The funds and the securities of the funds offered under this document are not registered with the United States Securities and Exchange Commission and they may be sold in the United States only in reliance on exemptions from registration.

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INTRODUCTION

This annual information form contains important information about the BMO Private Portfolios and is designed to supplement the information presented in the Portfolios' simplified prospectus. In this annual information form, *you* and *your* refer to you, the investor, *we*, *us*, *our* and *the manager* refer to BMO Private Investment Counsel Inc., the manager of the Portfolios, and *Portfolios* refers to the BMO Private Portfolios.

THE BMO PRIVATE PORTFOLIOS

The Portfolios consist of the following:

| Name of Portfolio | Date Established |
|--|-------------------------|
| BMO Private Canadian Money Market Portfolio ¹ (“Canadian Money Market Portfolio”) | May 15, 1997 |
| BMO Private Canadian Short-Term Bond Portfolio ¹ (“Canadian Short-Term Bond Portfolio”) | May 15, 1997 |
| BMO Private Canadian Mid-Term Bond Portfolio (“Canadian Mid-Term Bond Portfolio”) | June 28, 2000 |
| BMO Private Canadian Corporate Bond Portfolio (“Canadian Corporate Bond Portfolio”) | March 1, 2002 |
| BMO Private Diversified Yield Portfolio (“Diversified Yield Portfolio”) | November 1, 2002 |
| BMO Private Canadian Income Equity Portfolio ² (“Canadian Income Equity Portfolio”) | May 15, 1997 |
| BMO Private Canadian Core Equity Portfolio ³ (“Canadian Core Equity Portfolio”) | January 4, 1999 |
| BMO Private Canadian Special Equity Portfolio ¹ (“Canadian Special Equity Portfolio”) | May 15, 1997 |
| BMO Private U.S. Equity Portfolio ¹ (“U.S. Equity Portfolio”) | May 15, 1997 |
| BMO Private U.S. Growth Equity Portfolio (“U.S. Growth Equity Portfolio”) | June 28, 2000 |

¹ Prior to February 25, 1998, units in these Portfolios were offered by way of private placement.

² BMO Harris Canadian Income Equity Portfolio and Monogram Canadian Income Equity Fund II, both of which were offered by way of private placement, merged to form Canadian Income Equity Portfolio on February 28, 2002.

³ BMO Harris Canadian Conservative Equity Portfolio, Monogram Canadian Conservative Equity Fund II and Monogram Canadian Conservative Equity Fund III, all of which were offered by way of private placement, merged to form BMO Private Canadian Conservative Equity Portfolio on February 28, 2002 which on July 8, 2016 changed its name to BMO Private Canadian Core Equity Portfolio.

| Name of Portfolio | Date Established |
|--|-------------------------|
| BMO Private U.S. Special Equity Portfolio (“ U.S. Special Equity Portfolio ”) | September 29, 2006 |
| BMO Private International Equity Portfolio ¹ (“ International Equity Portfolio ”) | January 28, 1998 |
| BMO Private Emerging Markets Equity Portfolio (“ Emerging Markets Equity Portfolio ”) | September 29, 2006 |

Each Portfolio is a mutual fund trust established under the laws of the Province of Ontario and governed by a declaration of trust (the “**Declaration of Trust**”) dated as of May 15, 1997, as amended and restated February 20, 1998. The Declaration of Trust was amended on January 4, 1999 (to add new funds), June 28, 2000 (to add new funds), December 5, 2001 (to allow for the distribution of portfolio securities to the unitholders in the Portfolios, to allow the Portfolios to return capital, to amend the names of certain Portfolios⁴ and to change the investment objectives of Canadian Core Equity Portfolio, previously named BMO Private Canadian Conservative Equity Portfolio, to its current investment objectives), January 7, 2002 (to change the name of certain Portfolios⁵), March 1, 2002 (to add a new fund and to change the name of the Portfolios⁶), November 1, 2002 (to add a new fund), July 10, 2003 (to correct an ambiguity), October 26, 2004 (to correct an ambiguity), April 5, 2005 (to allow for the appointment of officers), November 1, 2005 (to add a new fund), February 1, 2006 (to add new funds), September 29, 2006 (to add new funds), February 6, 2007 (to allow for an independent review committee), September 18, 2007 (to change the name and investment objectives of Diversified Yield Portfolio, previously named BMO Harris Diversified Trust Portfolio, to its current investment objectives), September 25, 2009 (to merge certain

⁴ The names of certain Portfolios were changed as follows: Monogram Canadian Growth Equity Fund (formerly, Monogram Canadian Balanced Growth Fund); Monogram Canadian Growth Equity Fund II (formerly, Monogram Growth Equity Fund); Monogram Canadian Growth Equity Fund III (formerly, Monogram Canadian Equity Fund); Monogram Canadian Growth Equity Fund IV (formerly, Monogram Balanced Growth Fund); Monogram Canadian Conservative Equity Fund (formerly, Monogram Canadian Conservative Equity Portfolio); Monogram Canadian Conservative Equity Fund II (formerly, Monogram Canadian Balanced Fund); Monogram Canadian Conservative Equity Fund III (formerly, Monogram Conservative Equity Fund); Monogram Canadian Income Equity Fund (formerly, Monogram Balanced Conservative Fund) and Monogram Canadian Income Equity Fund II (formerly, Monogram Canadian Income Fund).

⁵ The names of certain Portfolios were changed as follows: Monogram Canadian Growth Equity Portfolio (formerly, Monogram Canadian Growth Equity Fund); Monogram Canadian Conservative Equity Portfolio (formerly, Monogram Canadian Conservative Equity Fund) and Monogram Canadian Income Equity Portfolio (formerly, Monogram Canadian Income Equity Fund).

⁶ The names of certain Portfolios were changed as follows: BMO Harris Canadian Money Market Portfolio (formerly, Monogram Canadian Money Market Fund); BMO Harris Canadian Bond Income Portfolio (formerly, Monogram Canadian Fixed Income Fund); BMO Harris Canadian Total Return Bond Portfolio (formerly, Monogram Canadian Bond Fund); BMO Harris Canadian Dividend Income Portfolio (formerly, Monogram Canadian Dividend Fund); BMO Harris Canadian Income Equity Portfolio (formerly, Monogram Canadian Income Equity Portfolio); BMO Harris Canadian Conservative Equity Portfolio (formerly, Monogram Canadian Conservative Equity Portfolio); BMO Harris Canadian Growth Equity Portfolio (formerly, Monogram Canadian Growth Equity Portfolio); BMO Harris Canadian Special Growth Portfolio (formerly, Monogram Canadian Special Growth Fund); BMO Harris U.S. Equity Portfolio (formerly, Monogram U.S. Equity Fund); BMO Harris U.S. Growth Portfolio (formerly, Monogram U.S. Growth Fund) and BMO Harris International Equity Portfolio (formerly, Monogram International Equity Fund).

funds⁷), September 24, 2010 (to merge BMO Harris Growth Opportunities Portfolio into BMO Harris Canadian Growth Equity Portfolio), October 1, 2012 (to change the expenses payable by the Portfolios to include sub-advisory fees), October 26, 2012 (to change the name of U.S. Special Equity Portfolio from BMO Harris International Special Equity Portfolio, and to change its investment objectives), January 25, 2013 (to change the name of Canadian Short-Term Bond Portfolio from BMO Harris Canadian Bond Income Portfolio and of Canadian Mid-Term Bond Portfolio from BMO Harris Canadian Total Return Bond Portfolio), February 2, 2015 (to change the name of each Portfolio by replacing “Harris” with “Private” and making certain other changes⁸) and July 8, 2016 (to merge BMO Private Canadian Growth Equity Portfolio into BMO Private Canadian Conservative Equity Portfolio and, following the merger, to change its name to BMO Private Canadian Core Equity Portfolio).

BMO Trust Company is currently the trustee (the “**trustee**”) of the Portfolios and has overall authority over the assets and affairs of each of the Portfolios. BMO Trust Company also acted as manager of the Portfolios until June 29, 2001 when BMO Trust Company appointed the manager, an affiliate of BMO Trust Company, as the manager of the Portfolios. The manager manages the Portfolios’ investments and directs and administers the day-to-day affairs of each Portfolio. See *Management and Administration of the Portfolios* for additional details.

The principal office of the Portfolios is located at 1 First Canadian Place, 41st Floor, Toronto, Ontario, M5X 1A1.

On January 16, 2017, the manager (acting as portfolio manager) appointed William Blair Investment Management, LLC (“**William Blair**”) as sub-advisor for U.S. Special Equity Portfolio, replacing BMO Asset Management Corp. (“**BMO AM Corp.**”).

On April 20, 2015, the manager (acting as portfolio manager) appointed BMO AM Corp. and WCM Investment Management (“**WCM**”) as sub-advisors for International Equity Portfolio, replacing Thornburg Investment Management, Inc. (“**Thornburg**”) and McKinley Capital Management, LLC (“**McKinley**”), respectively.

On October 26, 2012, the manager (acting as portfolio manager) appointed BMO AM Corp. as sub-advisor for U.S. Special Equity Portfolio, replacing GlobeFlex Capital, L.P.

⁷ BMO Harris Canadian Dividend Income Portfolio merged into Canadian Income Equity Portfolio, BMO Harris Opportunity Bond Portfolio merged into Canadian Mid-Term Bond Portfolio and BMO Harris Income Opportunity Bond Portfolio merged into Canadian Short-Term Bond Portfolio.

⁸ The name of each Portfolio was changed as follows: BMO Private Canadian Money Market Portfolio (formerly, BMO Harris Canadian Money Market Portfolio); BMO Private Canadian Short-Term Bond Portfolio (formerly, BMO Harris Canadian Short-Term Bond Portfolio); BMO Private Canadian Mid-Term Bond Portfolio (formerly, BMO Harris Canadian Mid-Term Bond Portfolio); BMO Private Canadian Corporate Bond Portfolio (formerly, BMO Harris Canadian Corporate Bond Portfolio); BMO Private Diversified Yield Portfolio (formerly, BMO Harris Diversified Yield Portfolio); BMO Private Canadian Income Equity Portfolio (formerly, BMO Harris Canadian Income Equity Portfolio); BMO Private Canadian Conservative Equity Portfolio (formerly, BMO Harris Canadian Conservative Equity Portfolio); BMO Private Canadian Special Equity Portfolio (formerly, BMO Harris Canadian Special Growth Portfolio); BMO Private U.S. Equity Portfolio (formerly, BMO Harris U.S. Equity Portfolio); BMO Private U.S. Growth Equity Portfolio (formerly, BMO Harris U.S. Growth Portfolio); BMO Private U.S. Special Equity Portfolio (formerly, BMO Harris U.S. Special Equity Portfolio); BMO Private International Equity Portfolio (formerly, BMO Harris International Equity Portfolio) and BMO Private Emerging Markets Equity Portfolio (formerly, BMO Harris Emerging Markets Equity Portfolio).

On March 26, 2012, and in connection with the movement of the portfolio managers of Diversified Yield Portfolio, Canadian Income Equity Portfolio and Canadian Core Equity Portfolio from the manager to BMO Asset Management Inc. (“**BMO AM**”), BMO AM became the sub-advisor of these Portfolios.

On February 1, 2008, the manager (acting as portfolio manager) appointed McKinley Capital Management, Inc., now, McKinley Capital Management, LLC, Pyrford International Limited (“**Pyrford**”) and Thornburg as the sub-advisors for International Equity Portfolio, replacing The Boston Company Asset Management, LLC (“**TBCAM**”).

On November 1, 2006, the manager (acting as portfolio manager) appointed TBCAM as sub-advisor for International Equity Portfolio, replacing JP Morgan Investment Management Inc., which had been appointed on January 28, 1998 as a sub-advisor for International Equity Portfolio and on June 28, 2000 as portfolio manager in connection with the Portfolio’s investments in derivatives.

On September 28, 2004, the manager (acting as portfolio manager) appointed Sands Capital Management, LLC (“**Sands Capital**”) as sub-advisor for U.S. Growth Equity Portfolio, replacing Harris Brettal Sullivan & Smith LLC.

Wealth Management Service

The units of the Portfolios are only available for purchase if you have entered into an investment management agreement with the manager. The investment management agreement gives us the investment authority to purchase and redeem units of the Portfolios on your behalf, in accordance with your investment objectives.

INVESTMENT OBJECTIVES AND POLICIES

The assets of each Portfolio are invested in accordance with the investment objectives and policies and in compliance with the investment practices and restrictions adopted by that Portfolio. The investment objectives and policies of each of the Portfolios are summarized in the simplified prospectus. See below for a discussion of the situations where the Portfolios are entitled to deviate from the standard investment restrictions and practices otherwise applicable to mutual funds under Canadian securities legislation.

Unitholder approval is required for a change to the fundamental investment objectives of a Portfolio unless otherwise permitted by exemptive relief from Canadian securities regulatory authorities. See *Unitholder Rights* for details about your entitlement to vote on certain matters.

INVESTMENT RESTRICTIONS

Each of the Portfolios is subject to certain standard investment restrictions and practices contained in Canadian securities legislation, including National Instrument 81-102 – *Investment Funds* (“**NI 81-102**”). The legislation is designed in part to ensure that the Portfolios’ investments are diversified and relatively liquid and to ensure proper administration of the Portfolios. Except as specifically noted, each of the Portfolios adheres to these standard investment restrictions and practices.

Self-dealing restrictions and related party investments

The Portfolios have received exemptive relief from Canadian securities regulatory authorities to deviate from the standard investment restrictions and practices governing mutual funds, subject to certain conditions, including obtaining the approval of the independent review committee (“**IRC**”) of the Portfolios. Each of the transactions described below is referred to as a “**Related Party Transaction**”.

Securities legislation prohibits the Portfolios from investing in securities of certain related issuers, unless such investment is made in accordance with National Instrument 81-107 – *Independent Review Committee for Investment Funds* (“**NI 81-107**”). The IRC of the Portfolios has granted approval, pursuant to NI 81-107, to permit the Portfolios to make and hold investments in the securities of issuers related to the Portfolios, the manager of the Portfolios or an entity related to the manager, provided that such purchase is made on an exchange on which the securities of the issuer are listed and traded.

The Portfolios are deemed to be “dealer managed mutual funds” under securities legislation. As a result, the Portfolios may not, unless otherwise permitted by exemptive relief from Canadian securities regulatory authorities, knowingly make an investment in any issuer if a partner, director, officer or employee of the Portfolios’ portfolio manager, or a partner, director, officer or employee of an affiliate or associate of the Portfolios’ portfolio manager is also a partner, director, officer or employee of the issuer of those securities (such issuer is referred to as a “**Related Issuer**”) unless that partner, director, officer or employee:

- does not participate in the formulation of investment decisions made on behalf of the dealer managed mutual fund;
- does not have access before implementation to information concerning investment decisions made on behalf of the dealer managed mutual fund; and
- does not influence, other than through research, statistical and other reports generally available to clients, the investment decisions made on behalf of the dealer managed mutual fund.

In addition, the Portfolios, as dealer managed mutual funds, are not permitted to make an investment in securities of an issuer during, or for 60 days after, the period in which the dealer manager of the Portfolio (or an associate or affiliate of the dealer manager) acts as an underwriter in the distribution of such securities, except in certain circumstances provided under securities legislation.

The Portfolios have received exemptive relief from Canadian securities regulatory authorities from the restrictions described above, subject to certain conditions including the approval of the Portfolios’ IRC, so that the Portfolios may engage in the following transactions:

- purchase non-exchange-traded debt securities that have a term to maturity of 365 days or more, other than asset-backed commercial paper, of a Related Issuer under primary offerings;
- purchase exchange-traded securities and non-exchange-traded securities issued by a Related Issuer in the secondary market;
- purchase equity securities during the period of distribution of such securities, and during the 60-day period following the distribution, where the distribution of those securities is made by “private placement” (an offering exempted from the prospectus requirements), notwithstanding that an underwriter related to the portfolio manager of the Portfolios has acted as underwriter in such offering;
- purchase non-exchange-traded securities issued by entities related to the manager or the sub-advisor of the Portfolios in the secondary market;
- purchase debt securities from a related dealer that holds such debt securities as principal, or the sale of debt securities to a related dealer that purchases such debt securities as principal; and

- purchase debt securities from, or sell debt securities to, mutual funds and pooled funds managed by the manager or by BMO AM or another affiliate.

IRC approval for Related Party Transactions

Subject to certain conditions, the IRC of the Portfolios has provided the manager with approval to enable the Portfolios to:

- invest in or continue to invest in securities of Bank of Montreal or another Related Issuer (the manager is an indirect wholly-owned subsidiary of Bank of Montreal);
- invest in securities during the period of distribution of those securities or during the period of 60 days following the distribution period where the sub-advisor of a Portfolio or an entity that is related to the sub-advisor acted as an underwriter in the distribution of those securities; and
- purchase debt securities from a related dealer that holds such debt securities as principal and/or sell debt securities to a related dealer that purchases such debt securities as principal.

A Portfolio may engage in a Related Party Transaction only if: (i) such transaction is consistent with the Portfolio's investment objectives and strategies; (ii) the IRC has approved the transaction; (iii) the manager complies with certain obligations in connection with these types of transactions; and (iv) the IRC and manager comply with certain requirements under NI 81-107, among other conditions.

For each Related Party Transaction, the IRC has provided its approval and issued standing instructions. In each case, the standing instructions require the manager to follow governing policies and procedures and to report periodically to the IRC. The policies and procedures are designed to ensure, among other things, that the Related Party Transactions: (i) are consistent with, or are necessary to meet, the investment objectives of the Portfolios; (ii) are free from any influence by an entity related to the manager or the portfolio manager (an "**Affiliate**") and without taking into account any consideration relevant to the manager or an Affiliate; (iii) represent the business judgment of the manager uninfluenced by considerations other than the best interests of the Portfolios; and (iv) achieve a fair and reasonable result for the Portfolios. In the event an investment decision in respect of a Related Party Transaction is not made in accordance with the foregoing requirements, the manager is required to notify the IRC and the IRC, as soon as practicable, is required to notify the Canadian securities regulators. The IRC is also required to report such a transaction in its annual report to the securityholders of the Portfolios.

Additional information about the mandate, duties and responsibilities of the IRC is disclosed under *Portfolio Governance*.

Other exemptions for the Portfolios

The Portfolios have obtained exemptive relief, subject to certain conditions, to permit them to purchase securities of exchange-traded funds ("**ETFs**") managed by an Affiliate or associate of the manager and to pay the applicable brokerage commissions associated with such purchases in the secondary market.

The Portfolios have received exemptive relief from Canadian securities regulatory authorities, subject to certain conditions, to invest in certain ETFs. A Portfolio may invest in these ETFs only if: (i) immediately after the purchase, not more than 10% of the net asset value of the Portfolio, taken at market value at the time of the purchase, would consist of securities of these ETFs; and (ii) the investment in securities of these ETFs is in accordance with the Portfolio's investment objectives. Furthermore, a Portfolio will not

invest in these ETFs with an underlying index based (directly or indirectly through a specified derivative or otherwise) on a physical commodity other than gold.

The Portfolios have received an exemption to enable them, in certain circumstances, to engage in *in specie* transactions in respect of the purchase and redemption of units of a Portfolio by an account managed by BMO AM or an Affiliate (a “**managed account**”) and in respect of the purchase and redemption of units of a Portfolio by another Portfolio, another mutual fund that is subject to NI 81-102 for which BMO AM or an Affiliate acts as portfolio advisor (a “**related fund**”) or a pooled fund for which BMO AM or an Affiliate acts as portfolio advisor (a “**pooled fund**”), subject to certain conditions.

The Portfolios have also received an exemption to enable them, in certain circumstances, to purchase or sell securities to another Portfolio, a related fund, a pooled fund or to a managed account, subject to certain conditions, including the requirement for IRC approval (for mutual funds and pooled funds) and client consent (for managed accounts). Trades involving exchange-traded securities are permitted to occur at the last sale price as defined in the Universal Market Integrity Rules, subject to pricing and transparency conditions.

The Portfolios have received exemptive relief from the Canadian securities regulatory authorities to permit the Lipper Fund Awards, the Lipper Leader Ratings, the FundGrade A+ Awards and the FundGrade Ratings to be referenced in sales communications relating to a Portfolio, subject to certain conditions.

Canadian Short-Term Bond Portfolio, Canadian Mid-Term Bond Portfolio and Canadian Corporate Bond Portfolio

The manager, on behalf of Canadian Short-Term Bond Portfolio, Canadian Mid-Term Bond Portfolio and Canadian Corporate Bond Portfolio, has obtained exemptive relief from the Canadian securities regulators from the self-dealing prohibition in Section 4.2 of NI 81-102 to enable these Portfolios to purchase mortgages from, or sell mortgages to, certain related parties, including Bank of Montreal, in accordance with the following conditions:

- the purchase or sale is consistent with, or is necessary to meet, the investment objectives of the Portfolios;
- the IRC of the Portfolios approves the transaction in accordance with section 5.2(2) of NI 81-107;
- the manager complies with its obligations under section 5.1 of NI 81-107;
- the manager and the IRC of the Portfolios comply with section 5.4 of NI 81-107 for any standing instructions the IRC provides in connection with the transactions;
- the Portfolios keep the written records required by section 6.1(2)(g) of NI 81-107; and
- the mortgages are purchased from, or sold to, Bank of Montreal and/or MCAP Financial Corporation in accordance with National Policy Statement 29 *Mutual Funds Investing in Mortgages*.

Diversified Yield Portfolio and U.S. Special Equity Portfolio

The manager received an exemption from the requirement in NI 81-102 to obtain unitholder approval to change the fundamental investment objectives of BMO Harris Diversified Trust Portfolio. Effective

September 18, 2007, the investment objectives of BMO Harris Diversified Trust Portfolio were changed and the Portfolio's name was changed to BMO Harris Diversified Yield Portfolio to better reflect the new investment objectives. Effective February 2, 2015, the Portfolio's name was changed to BMO Private Diversified Yield Portfolio.

The manager received an exemption from the requirement in NI 81-102 to obtain unitholder approval to change the fundamental investment objectives of BMO Harris International Special Equity Portfolio. Effective October 26, 2012, the investment objectives of BMO Harris International Special Equity Portfolio were changed and the Portfolio's name was changed to BMO Harris U.S. Special Equity Portfolio to better reflect the new investment objectives. Effective February 2, 2015, the Portfolio's name was changed to BMO Private U.S. Special Equity Portfolio.

Registered Plans, Eligibility for Investment

Units of each Portfolio are a "qualified investment" under the *Income Tax Act* (Canada) (the "**Tax Act**") for registered retirement savings plans ("**RRSP**"), registered retirement income funds ("**RRIF**"), tax-free savings accounts ("**TFSA**"), registered education savings plans ("**RESP**"), registered disability savings plans ("**RDSP**") and deferred profit sharing plans (collectively, "**registered plans**").

Units of a Portfolio may be a prohibited investment under the Tax Act for an RRSP, RRIF or TFSA even when the units are a qualified investment. The 2017 Federal Budget proposed to extend these prohibited investment rules to RESPs and RDSPs effective March 23, 2017. Units of a Portfolio will generally not be a prohibited investment for a registered plan of a planholder if the planholder and persons (and partnerships) who do not deal at arm's length with the planholder do not, in total, own directly or indirectly 10% or more of the fair market value of that Portfolio.

Investors should consult their own tax advisor for advice on whether or not units of a Portfolio are at risk of being or becoming a "prohibited investment" for their registered plans.

Derivatives

Each Portfolio, except for BMO Private Canadian Money Market Portfolio, may invest in or use options, futures, forwards, options on futures or other derivative instruments that are consistent with the investment objectives of the Portfolio.

If a Portfolio implements the use of derivatives, the Portfolio may use such derivatives:

- to offset or reduce risks associated with currency value fluctuations, market fluctuations and interest rate changes;
- to reduce transaction costs;
- to achieve greater liquidity;
- to create exposure to financial markets or increase the speed and flexibility in making portfolio changes;
- to enhance returns by accepting a more certain lower return in exchange for a less certain, but higher return;

- to position a Portfolio's investment portfolio so that it may profit from gains or declines in financial markets; and
- to increase income or reduce loss potential in the Portfolio from changes in interest rates.

Derivatives will not be used for speculative trading. If a Portfolio uses derivatives for non-hedging purposes, it must hold enough cash and securities to cover its obligations under the derivatives contract.

A Portfolio may only use derivatives when such use is consistent with the fundamental investment objectives of the Portfolio and in accordance with NI 81-102 or as otherwise permitted by Canadian securities regulators. See *Policies Related to Derivatives*.

Securities Lending, Repurchase and Reverse Repurchase Transactions

On behalf of the Portfolios, the manager and the trustee have entered into a securities lending agreement (the "**Securities Lending Agreement**") with the CIBC Mellon Trust Company (the "**Custodian**"), Canadian Imperial Bank of Commerce ("**CIBC**"), The Bank of New York Mellon (the "**Securities Lending Agent**"), and CIBC Mellon Global Securities Services Company ("**GSS**"). The securities lending program is administered by GSS. The Securities Lending Agent acts as agent for securities lending transactions for those Portfolios that engage in securities lending. The Securities Lending Agent is independent of the manager. The securities lending program administrator, GSS, will value the loaned securities and the collateral daily to ensure that the collateral is worth at least 102% of the market value of the loaned securities. Pursuant to the terms of the Securities Lending Agreement, the Custodian, GSS, CIBC and the Securities Lending Agent will indemnify and hold harmless the manager, on behalf of the applicable Portfolios, from all losses, damages, liabilities, costs or expenses (including reasonable counsel fees and expenses, but excluding consequential damages) suffered by the manager and the Portfolio(s) arising from (a) the failure of the Securities Lending Agent or GSS to perform any obligations under the Securities Lending Agreement, (b) any inaccuracy of any representation or warranty made by GSS or the Securities Lending Agent in the Securities Lending Agreement or (c) fraud, bad faith, wilful misconduct or reckless disregard of the duties by the Securities Lending Agent or GSS. The Securities Lending Agreement may be terminated at any time at the option of any party upon thirty (30) days' prior notice to the other parties.

The Securities Lending Agreement complies with the applicable provisions of NI 81-102. The manager manages the risks associated with securities lending (which are described under "*General investment risks*" in the simplified prospectus) by requiring the Securities Lending Agent to:

- enter into securities lending transactions with reputable and well-established Canadian and foreign brokers, dealers and institutions ("**counterparties**");
- maintain internal controls, procedures and records including a list of approved counterparties based on generally accepted creditworthiness standards, transaction and credit limits for each counterparty and collateral diversification standards;
- establish daily the market value of both the securities loaned by a Portfolio under a securities lending transaction or sold by a Portfolio under a repurchase transaction and the cash or collateral held by the Portfolio. If on any day the market value of the cash or collateral is less than 102% of the market value of the borrowed or sold securities, the

Custodian will request that the counterparty provide additional cash or collateral to the Portfolio to make up the shortfall; and

- ensure that the collateral to be delivered to the Portfolio is one or more of cash, qualified securities or securities immediately convertible into, or exchangeable for, securities of the same issuer, class or type, and same term, if applicable, as the securities being loaned by the Portfolio.

The transaction may be terminated by the Portfolio at any time and the loaned securities recalled within the normal and customary settlement period for such transactions.

The manager will review its written policies and procedures at least annually to ensure that the risks associated with securities lending transactions are being properly managed. The Securities Lending Agent will use risk measurement procedures or simulations to test each portfolio under stress, where applicable.

Although permitted to do so, none of the Portfolios currently engage in repurchase or reverse repurchase transactions.

DETERMINATION OF NET ASSET VALUE

The issue and redemption price of units of a Portfolio is based on the Portfolio's net asset value next determined after the receipt of a purchase or redemption order.

We determine the net asset value per unit of each of the Portfolios on each Portfolio's Valuation Date. "Valuation Date" for the Portfolios means each day that the Toronto Stock Exchange is open for business.

We calculate the net asset value per unit of a Portfolio (other than Canadian Money Market Portfolio) by dividing the value of the net assets of the Portfolio (that is, the value of the assets of the Portfolio less its liabilities) by the total number of units of the Portfolio then outstanding. In determining the number of units of a Portfolio outstanding on a Valuation Date, we exclude units which are to be redeemed and purchased on that date.

Although no assurance can be given, Canadian Money Market Portfolio expects a net asset value per unit of \$10.00 to be maintained, as the net investment income of the Portfolio is accrued and credited to unitholders on a daily basis, with settlements being made monthly.

In calculating the net asset value of each Portfolio, we follow certain valuation principles set out in the Declaration of Trust. The main valuation principles are:

1. cash on hand, on deposit or on call, prepaid expenses, cash dividends declared and interest accrued are valued at their full amount or what is considered fair value by the trustee;
2. securities listed on any stock exchange or in the over-the-counter market are valued at their closing price within the bid-ask spread or, if there is no closing price, the trustee determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. If there are no recent sales, the trustee may use its discretion to calculate its best estimate of the fair value of such securities;
3. derivative securities are valued at their fair value;

4. where a covered clearing corporation option is written, the premium received is considered a deferred credit with a value equal to the current market value of an option that would have the effect of closing the position. Any difference resulting from revaluation will be treated as unrealized gain or loss. Such deferred credit will be deducted to arrive at the net asset value of a Portfolio;
5. the value of a forward contract or a futures contract is the gain or loss that would be realized if, at the Valuation Date, the position in such contract were to be closed out. However, if “daily limits” are in effect, fair value will be based on the current market value of the underlying interest;
6. where margin is paid or deposited in respect of forward contracts and future contracts such margin is reflected as an account receivable and margin consisting of assets other than cash is noted as margin;
7. units of any pooled fund, if permitted to be acquired by a Portfolio, are valued at the net asset value for such units quoted by the trustee or manager of such fund;
8. the value of any security or other asset for which a market quotation is not readily available is the value determined by the trustee which it considers to be fair and reasonable;
9. the value of all assets and liabilities of a Portfolio quoted in a currency other than Canadian dollars will be translated into Canadian dollars at the prevailing rate of exchange on the Valuation Date as quoted by customary sources selected by the trustee;
10. all expenses and liabilities of a Portfolio are calculated on an accrual basis; and
11. the value of all other assets is their fair value as determined by the trustee.

If we consider any of these valuation rules inappropriate, or cannot value an investment according to these rules, we will determine a value which we consider fair and reasonable. In the past three years, the manager has not exercised discretion to deviate from the valuation principles set forth above.

HOW TO PURCHASE UNITS OF THE PORTFOLIOS

Units of the Portfolios may be purchased only by investors who have entered into an investment management agreement relating to the wealth management service offered through BMO Financial Group. The investment management agreement allows the manager to purchase, switch and redeem units of the Portfolios on your behalf.

Units of the Portfolios are purchased by the manager on your behalf. Orders received and processed by the manager before 4:00 p.m. (Eastern Standard Time) on a Valuation Date (or such earlier time imposed by the dealer) will be processed at the net asset value per unit determined on that day. Otherwise the order will be processed at the net asset value per unit on the following Valuation Date.

Units of all of the Portfolios can be purchased in Canadian dollars. You may also use U.S. dollars to purchase units of U.S. Equity Portfolio, U.S. Growth Equity Portfolio, U.S. Special Equity Portfolio, International Equity Portfolio and Emerging Markets Equity Portfolio. Any purchase of units of these Portfolios will be made in the same denomination as the payment received for such units, unless instructions to the contrary are received with the purchase order.

The ability to purchase units of a Portfolio in U.S. dollars is offered as a convenience for investors and does not act as a currency hedge between the Canadian and U.S. dollars. For purchases of units in U.S. dollars, the net asset value per unit is computed by converting the Canadian dollar value into U.S. dollars based on current exchange rates. For units purchased in U.S. dollars, switches will be processed in U.S. dollars and redemption proceeds will be paid in U.S. dollars.

There are no acquisition charges applicable on purchases of units of the Portfolios or on the automatic reinvestment of distributions of net income and net capital gains. You will, however, pay an investment management fee directly to BMO Trust Company and the manager. See *Other Information - Fees and Expenses*.

No purchases will be permitted during any period when redemptions of units have been suspended. See *How to Redeem or Switch Units of the Portfolios*.

HOW TO REDEEM OR SWITCH UNITS OF THE PORTFOLIOS

No fees are charged in respect of a redemption or switch of units of the Portfolios.

How to Redeem Units

The manager will, on your behalf, redeem some or all of your units in the Portfolios by following the procedures outlined below. The units will be redeemed at their net asset value. In the case of Canadian Money Market Portfolio, you will also receive your share of the Portfolio's net income, if any, accrued since the last distribution date.

Units of the Portfolios are redeemed by the manager on your behalf. Orders received and processed by the manager before 4:00 p.m. (Eastern Standard Time) on a Valuation Date (or such earlier time imposed by the dealer) will be processed at the net asset value per unit determined on that day. Otherwise the order will be processed at the net asset value per unit on the following Valuation Date.

Payment for units redeemed by the Portfolios will normally be made on or before the third business day following the applicable Valuation Date provided all necessary documents and/or information has been received. We will not pay any interest in respect of a redemption payment. Interest earned on redemption payments between the Valuation Date and the date payment is received by a unitholder accrues to the benefit of the Portfolios.

Redemption payments will be made in Canadian dollars except for redemptions of units of U.S. Equity Portfolio, U.S. Growth Equity Portfolio, U.S. Special Equity Portfolio, International Equity Portfolio and Emerging Markets Equity Portfolio that were purchased in U.S. dollars. In such cases, redemption payments will be made in U.S. dollars.

A redemption of units will be considered a disposition for tax purposes and may result in a capital gain or loss. See *Income Tax Considerations* for more details.

We may suspend your right to request a redemption for all or part of a period when:

- normal trading is suspended on a stock, options or futures exchange in which securities or derivatives that make up more than 50% of the value or underlying exposure of the Portfolio's total assets are traded; and

- those securities or derivatives are not traded on any other exchange that represents a reasonable alternative for the Portfolio.

We may postpone a redemption payment during any period during which your right to request a redemption is suspended under the circumstances described above or with the approval of applicable securities regulatory authorities. Unless the suspension lasts for less than 48 hours, we will advise all unitholders making affected redemption requests of the suspension. You have the option of withdrawing your request for redemption or completing your redemption order at the net asset value per unit on the first Valuation Date after the termination of the suspension. None of the Portfolios will accept any order for the purchase of units during any period when the redemption of units has been suspended.

If your investment management agreement is terminated, all of the units in your investment portfolio will be redeemed prior to the effective date of the termination of your investment management agreement.

How to Switch to Another Portfolio

A switch from one Portfolio to another may be made without charge. No switches will be permitted during any period when redemptions of units have been suspended.

A switch is a transfer of your investment money from one Portfolio to another. If, pursuant to our wealth management service, we adjust your asset mix or if there is a change in your investment objectives or risk tolerance, the manager may make a switch on your behalf and will redeem your units in the original Portfolio and the proceeds of redemption will be applied to the purchase of units of the other Portfolio. Orders received and processed by the manager before 4:00 p.m. (Eastern Standard Time) on a Valuation Date (or such earlier time imposed by the dealer) will be processed at the net asset value per unit determined on that day. Otherwise the order will be processed at the net asset value per unit on the following Valuation Date.

You can't switch between units of a Portfolio purchased in U.S. dollars and units of another Portfolio purchased in Canadian dollars. You can only switch between units purchased in the same currency.

All switches between Portfolios are processed as a redemption and purchase of units, which results in a disposition for income tax purposes and which may result in a capital gain or loss. See *Income Tax Considerations* for more details.

INCOME TAX CONSIDERATIONS

The following is a summary of the principal Canadian federal income tax considerations under the Tax Act as of the date hereof generally applicable to the Portfolios and to a prospective purchaser of units of a Portfolio who is, at all relevant times, a Canadian resident individual (other than a trust) holding units directly as capital property or in a registered plan, dealing at arm's length with the Portfolios and not affiliated with the Portfolios, each within the meaning of the Tax Act.

THIS SUMMARY IS OF A GENERAL NATURE ONLY, IS NOT EXHAUSTIVE OF ALL POSSIBLE INCOME TAX CONSIDERATIONS, AND IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE. ACCORDINGLY, PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR OWN TAX ADVISOR WITH RESPECT TO THEIR PARTICULAR CIRCUMSTANCES.

This summary is based on the current provisions of the Tax Act in force on the date hereof, the regulations enacted pursuant thereto, all specific proposals to amend the Tax Act and the regulations

publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and our understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the “CRA”). This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, government or judicial decision or action or changes in the administrative policies or assessing practices of the CRA, nor does it take into account or consider any provincial, territorial or foreign income tax considerations.

This summary assumes that each of the Portfolios will qualify at all relevant times as a “mutual fund trust” under the Tax Act.

Taxation of the Portfolios

The Declaration of Trust requires each Portfolio to distribute to unitholders a sufficient amount of net income and net capital gains, if any, for each taxation year of the Portfolio so that the Portfolio will not be liable for ordinary income tax under Part I of the Tax Act for any taxation year, after taking into account the capital gains refund.

Each Portfolio is required to calculate its net income, including net taxable capital gains, in Canadian dollars, for each taxation year according to the rules in the Tax Act. A Portfolio is generally required to include in the calculation of its income interest as it accrues, dividends when they are received and capital gains and losses when they are realized. Trust income that is paid or payable to a Portfolio during the trust’s taxation year is generally included in the calculation of the Portfolio’s income for the taxation year of the Portfolio in which the trust’s taxation year ends. However, in certain circumstances, the business income and other non-portfolio earnings of an income trust or other Canadian resident publicly traded trust (other than certain Canadian real estate investment trusts) that is paid or payable to a Portfolio is treated as an eligible dividend received, at that time, from a taxable Canadian corporation. Each year a Portfolio is required to include in the calculation of its income, an amount as notional interest accrued on treasury bills, strip bonds, zero-coupon bonds and certain other prescribed debt obligations held by the Portfolio even though the Portfolio is not entitled to receive interest on the debt instrument. Foreign source income received by a Portfolio (whether directly or indirectly from an underlying trust) will generally be net of any taxes withheld in the foreign jurisdiction. The foreign taxes so withheld will be included in the calculation of the Portfolio’s income. In limited circumstances, a Portfolio may be required to include additional amounts in income in connection with an investment in certain foreign entities. Gains and losses on futures, forward contracts, options and other derivatives may be treated as ordinary income and loss or as capital gains and capital losses, depending on the circumstances.

In calculating a Portfolio’s income, the Portfolio will deduct all of its deductible expenses.

A Portfolio may receive capital gains distributions or capital gains dividends from an underlying fund, which generally will be treated as capital gains realized by the Portfolio. A Portfolio that invests in foreign denominated securities must calculate its adjusted cost base and proceeds of disposition in Canadian dollars based on the conversion rate on the date the securities were purchased and sold, as applicable. As a result, a Portfolio may realize capital gains and losses due to changes in the value of foreign currency relative to the Canadian dollar. Capital gains realized during a taxation year are reduced by capital losses realized during the year. In certain circumstances, a capital loss realized by a Portfolio may be denied or suspended and, therefore, may not be available to offset capital gains. For example, a capital loss realized by a Portfolio will be suspended if, during the period that begins 30 days before and ends 30 days after the date on which the capital loss was realized, the Portfolio (or a person affiliated with the Portfolio for the purposes of the Tax Act) acquires a property that is, or is identical to, the particular property on which the loss was realized and owns that property at the end of that period.

A trust, such as a Portfolio, is subject to a “loss restriction event” for the purposes of the Tax Act each time a person or partnership becomes a “majority-interest beneficiary” of the trust for the purposes of the Tax Act, which generally occurs when a beneficiary of the trust and its affiliates have beneficial interests in the trust of more than 50% of the fair market value of the trust. However, no person, partnership or affiliated group should become a “majority-interest beneficiary” of a Portfolio as long as the Portfolio qualifies as an “investment fund” under the Tax Act by satisfying certain investment diversification and other conditions. If a Portfolio experiences a “loss restriction event”, the taxation year of the Portfolio will be deemed to end. The Portfolio will realize its capital losses and may elect to realize its capital gains. Unused capital losses will expire and the ability of the Portfolio to carryforward non-capital losses will be restricted.

Taxation of Unitholders

Generally, a unitholder who holds units of a Portfolio directly (not in a registered plan) will be required to include in computing his or her income the amount (computed in Canadian dollars) of net income and the taxable portion of net realized capital gains that is paid or payable to the unitholder by a Portfolio in the year, whether or not that amount was reinvested in additional units of the Portfolio. A unitholder may ultimately be paid and thus taxed on income, realized capital gains and accrued capital gains that are in a Portfolio at the time the units are purchased.

Returns of capital to a unitholder by a Portfolio are not included in income, but instead reduce the adjusted cost base to the unitholder of the units on which the distribution was paid. When the units are eventually redeemed, a larger capital gain may be realized. If the adjusted cost base of a unitholder’s units is reduced to less than zero while the unitholder continues to hold them, the unitholder will be deemed to realize a capital gain equal to the negative amount and subsequently the adjusted cost base will be increased to nil.

Provided the appropriate designations are made by a Portfolio, the amount, if any, of net realized taxable capital gains and taxable dividends from taxable Canadian corporations of the Portfolio that is paid or payable to unitholders (including such amounts reinvested in additional units) will, effectively, retain its character for tax purposes and be treated as taxable capital gains and taxable dividends of the unitholders. Amounts that retain their character as taxable dividends on shares of taxable Canadian corporations will be eligible for the gross-up and dividend tax credit rules under the Tax Act. An enhanced gross-up and dividend tax credit is available for eligible dividends from Canadian corporations. Similarly, a Portfolio may make a designation of its foreign source income so that unitholders are able to claim a foreign tax credit for foreign taxes paid and not deducted by the Portfolio.

Upon the redemption or other disposition of a unit by a unitholder, including a redemption to effect a switch to another Portfolio, the unitholder will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition for the unit, less any expenses of disposition, are greater (or less) than the unitholder’s adjusted cost base of the unit as determined for the purposes of the Tax Act. The adjusted cost base to a unitholder of his or her units of a Portfolio will generally be determined by averaging the cost of all units of such Portfolio held by the unitholder at the time of the disposition. Where a unitholder holds units purchased in U.S. dollars, any capital gain or capital loss for tax purposes on a disposition of such units will be determined by converting the adjusted cost base and proceeds of disposition into Canadian dollars using the applicable rate of exchange on the date of acquisition and disposition, respectively.

One-half of any capital gain realized by a unitholder will generally be included in the unitholder’s income as a taxable capital gain and one-half of any capital loss realized by a unitholder may generally be deducted from taxable capital gains in accordance with the provisions of the Tax Act.

Taxation of Registered Plans

A registered plan that holds units of a Portfolio and the planholder of that registered plan will not generally be subject to tax on the value of the units or the income or capital gains distributed by the Portfolio or a gain realized on the disposition of the units provided the units are a qualified investment under the Tax Act for the registered plan, and in the case of an RRSP, RRIF and TFSA, not a prohibited investment under the Tax Act for the registered plan. The 2017 Federal Budget proposed to extend these prohibited investment rules to RESPs and RDSPs effective March 23, 2017.

Investors should consult their own tax advisor for advice regarding the implications of acquiring, holding or disposing of any particular unit of a Portfolio in their registered plan, including whether or not a unit of a Portfolio would be a “prohibited investment” for their registered plans.

Exchange of Tax Information

As a result of due diligence and reporting obligations in the Tax Act, you may be asked to provide your dealer with information about your citizenship and tax residence. If you are identified as a U.S. citizen (including a U.S. citizen living in Canada) or a foreign tax resident, information about you and your investment in the Portfolios will be reported to the CRA, unless units of the Portfolios are held in a registered plan. The CRA is expected to provide that information to the applicable foreign tax authorities if the applicable foreign government has entered into an exchange of information agreement with Canada.

MANAGEMENT AND ADMINISTRATION OF THE PORTFOLIOS

Manager

BMO Trust Company, as trustee, appointed us as manager of the Portfolios pursuant to the terms of an amended and restated master management agreement dated as of May 5, 2017, as it may be amended from time to time (the “**Management Agreement**”). Prior to June 29, 2001, BMO Trust Company was the manager of the Portfolios. The manager is also the Portfolios’ portfolio manager, registrar and transfer agent (see *Portfolio Management* and *Registrar and Transfer Agent* below). The manager is an indirect subsidiary of Bank of Montreal.

As the manager, we run the overall business of the Portfolios, including managing or arranging for the management of the Portfolios’ investment portfolio as well as providing or arranging for the provision of administrative services to the Portfolios, such as valuation services, fund accounting and unitholder records. We may resign as manager on 60 days’ notice. The trustee may terminate the Management Agreement in certain circumstances, including the insolvency or bankruptcy of the manager or upon a material breach of the Management Agreement that has not been cured with 10 days of notice thereof.

We can be reached at 1 First Canadian Place, 100 King St. West, 41st Floor, Toronto, Ontario M5X 1A1, 1-800-361-1392. We can also be reached via e-mail at contactcentre@bmo.com. Our website is www.bmoprivatebanking.com. The manager does not receive any compensation from the Portfolios for the services it provides as manager.

Below are the names of the directors and executive officers of the manager, primarily responsible for carrying out the functions of the manager, along with their municipality of residence, position with the manager and principal occupation as at the date of this annual information form.

| <u>Name and Municipality of Residence</u> | <u>Position</u> | <u>Principal Occupation</u> |
|--|--|---|
| Anthony R. Bennett Orleans, Ontario | President, Chief Executive Officer and Director | President and Chief Executive Officer, BMO Private Investment Counsel Inc. |
| Thomas C.S. Burian Mississauga, Ontario | Director | Vice President and Chief Financial Officer, Wealth Management, BMO Financial Group |
| Denise Chow Whitby, Ontario | Chief Anti-Money Laundering Officer | Director and AML Officer – Capital Markets, BMO Financial Group |
| Barry M. Cooper Toronto, Ontario | Director | Chairman, BMO Global Asset Management |
| Myra R. Cridland Toronto, Ontario | Chair and Director | Senior Vice President and Head, BMO Private Banking, Canada and Asia |
| Alan Desnoyers Westmount, Quebec | Director | Vice President and Managing Director, GTA, BMO Private Banking |
| Lesley C. Marks Toronto, Ontario | Chief Investment Strategist | Chief Investment Strategist, BMO Private Banking |
| Jane Gulian Moiroux Oakville, Ontario | Vice President | Vice President and National Director, Investment Platform, BMO Private Banking |
| Richard B. Mason Rockwood, Ontario | Director | Senior Investment Counsellor, BMO Private Banking |
| Sophia B. Ruffolo Toronto, Ontario | Chief Compliance Officer | Head of Compliance, BMO Private Banking |
| Krista L. White Toronto, Ontario | Chief Financial Officer | Lead Financial Officer, BMO Private Banking |

During the past five years, the directors and executive officers listed above have held their present principal occupations, except for:

Anthony Bennett, who was Regional Director, Investments, BMO Private Investment Counsel Inc. from October 2000 to July 2016.

Thomas Burian, who was Vice President, Financial Performance Management, BMO Financial Group from January 2012 to February 2014, Chief Financial Officer, BMO Investments Inc. from August 2015 to January 2017 and Chief Financial Officer, BMO Asset Management Inc. from August 2015 to January 2017.

Denise Chow, who was Senior Manager, Office of the Chief Anti-Money Laundering Officer, Bank of Montreal from July 2010 to August 2014 and Director and AML Officer – Wealth Management, BMO Financial Group from August 2014 to August 2015.

Myra Cridland, who was Vice President and Chief Administrative Officer, Private Client Group, Bank of Montreal from 2007 to February 2014.

Alan Desnoyers, who was Vice President, Montreal Personal Banking, Bank of Montreal from May 2010 to May 2013 and Vice President and Managing Director, Quebec, BMO Private Banking from May 2013 to November 2015.

Richard Mason, who was President and Chief Executive Officer of BMO Private Investment Counsel Inc. from November 2011 to August 2016 and was also Chairman from February 2012 to April 2013.

Lesley Marks, who was Senior Vice President and Chief Investment Officer, Fundamental Investments, of BMO Asset Management Inc. from November 2015 to March 2017 and was also Senior Vice President and Chief Investment Officer, Fundamental Canadian Equity, from June 2014 to November 2015, Vice President and Head of Portfolio Management from April 2013 to May 2014 and Vice President and Portfolio Manager from October 1998 to March 2013.

Sophia Ruffolo, who was Senior Counsel, Wealth Management Legal, BMO Financial Group from August 2009 to December 2014.

Krista White, who was Director, Financial Performance Management, BMO Financial Group from December 2008 to March 2013.

The following are officers of the Portfolios:

| <u>Name</u> | <u>Position with Portfolios</u> |
|--------------------|---------------------------------|
| Anthony R. Bennett | President |
| Robert J. Schauer | Chief Financial Officer |

The officers of the Portfolios do not receive compensation from the Portfolios.

Trustee

BMO Trust Company of Toronto, Ontario is the trustee for each of the Portfolios pursuant to the Declaration of Trust. BMO Trust Company also provides administrative services to the Portfolios pursuant to an administrative services agreement between the manager and BMO Trust Company dated June 29, 2001, as amended. BMO Trust Company is a wholly-owned subsidiary of Bank of Montreal.

The trustee has overall authority over the assets and affairs of the Portfolios and has a fiduciary responsibility to act in the best interest of the unitholders.

BMO Trust Company does not receive any compensation from the Portfolios for the services it provides to the Portfolios in its capacity as trustee. In an administrative capacity, BMO Trust Company may receive certain administration charges paid by the Portfolios. See *Other Information - Fees and Expenses*.

BMO Trust Company may resign as trustee of any of the Portfolios by giving 180 days' notice to the unitholders of its intention to resign.

Portfolio Management

BMO Private Investment Counsel Inc.

BMO Trust Company, as trustee, has also retained the manager as the portfolio manager of the Portfolios pursuant to an investment management agreement made as of February 20, 1998, as amended (the "**Portfolio Management Agreement**"). The manager provides investment analysis and recommendations, makes decisions relating to the investment of the Portfolios' assets and supervises the Portfolios' investment portfolios on a continuous basis. The manager may resign as portfolio manager of a Portfolio upon 90 days' notice to the trustee.

The manager currently manages the assets of a number of investment portfolios and corporate funds. While all advice and recommendations made to the Portfolios will be consistent with its obligation to exercise its powers and discharge its duties honestly, in good faith and in the best interests of each Portfolio, the manager will continue to provide investment advice to its other clients, who may have similar investment needs to those of the Portfolios. There may, therefore, be potential conflicts of interest between the Portfolios and other portfolios managed by the manager.

The investment policies and restrictions of a Portfolio have been adopted, in part, to protect the Portfolio and its unitholders from potential conflicts of interests. Where a Portfolio and one or more other Portfolios or clients are engaged in the purchase or sale of the same security, the trade will be allocated in a fair manner among the accounts.

The manager does not receive a fee from the Portfolios for its services as portfolio manager.

Sub-Advisors

The manager has hired sub-advisors to assist with the management of the assets of the Portfolios. Each of the sub-advisors has entered into a sub-advisor agreement with the manager and BMO Trust Company, as trustee, which provides that the sub-advisor will furnish a continuous investment program for the Portfolio and will buy and sell investments according to the investment objectives and strategies of the Portfolio and the criteria established by the trustee. The sub-advisor agreements may be terminated at any time by any party on 90 days' notice to the other parties, other than the sub-advisor agreements with BMO AM Corp., Comgest SA ("**Comgest**"), Pyrford, WCM and William Blair, which may be terminated at any time on 60 days' notice.

Each sub-advisor is entitled to receive a sub-advisory fee (including any applicable HST), which is paid by the manager and charged as an operating expense to each Portfolio. Under the Management Agreement, the manager is entitled to be reimbursed by a Portfolio for all sub-advisory fees incurred in excess of 0.15% (plus HST), an amount that the manager has agreed to absorb on behalf of each Portfolio.

Each of the Portfolios' sub-advisors uses a team approach in making investment decisions, which are overseen by an investment committee. The following is a list of the Portfolios' sub-advisors and a description of the lead person(s):

BMO Asset Management Corp.

The manager (acting as portfolio manager) has engaged BMO AM Corp. as a sub-advisor for the International Equity Portfolio and the U.S. Equity Portfolio. BMO AM Corp. is an investment management firm based in Chicago, Illinois. It is registered as an investment adviser with the U.S. Securities and Exchange Commission. BMO AM Corp. is an Affiliate of the manager and a wholly-owned indirect subsidiary of Bank of Montreal.

International Equity Portfolio

Ernesto Ramos and Jay Kaufman are co-Portfolio Managers for the International Equity Portfolio. Their professional biographies follow below.

Ernesto Ramos, Ph.D., Head of Equities and Senior Portfolio Manager

Ernesto leads the portfolio management and research teams for all equity strategies at BMO AM Corp. He joined the company in 2005. Ernesto began his investment management career in 1992 with Batterymarch Financial Management. He was a partner and lead portfolio manager at Nicholas-Applegate Capital Management LLC, and he also served as a software developer at Bolt, Beranek and Newman. His career features investment management and research, econometric research, statistical research and computer graphics research. He holds a Ph.D. and an MA in statistics from Harvard University and a B.S. in mathematics from the Massachusetts Institute of Technology.

Jay Kaufman, CFA, Portfolio Manager

Jay is responsible for equity portfolio management and research. He joined BMO AM Corp. in 2010. Previously, Jay worked as a quantitative investment analyst at Strategic Investment Group. He began his investment experience in 2006. He holds an M.B.A. with High Honors from the University of Chicago, concentrating in analytic finance, econometrics and statistics. He also holds a B.S. in economics from the Wharton School at the University of Pennsylvania, concentrating in Finance. In addition, Jay is a CFA charterholder and a member of the CFA Institute, the CFA Society of Chicago and the Chicago Quantitative Alliance.

U.S. Equity Portfolio

Ernesto Ramos, Jason Hans and David Corris are co-Portfolio Managers for the U.S. Equity Portfolio. Their professional biographies follow below.

Ernesto Ramos, Ph.D., Head of Equities and Senior Portfolio Manager

Ernesto leads the portfolio management and research teams for all equity strategies at BMO AM Corp. He joined the company in 2005. Ernesto began his investment management career in 1992 with Batterymarch Financial Management. He was a partner and lead portfolio manager at Nicholas-Applegate Capital Management LLC, and he also served as a software developer at Bolt, Beranek and Newman. His career features investment management and research, econometric research, statistical research and computer graphics research. He holds a Ph.D. and an MA in statistics from Harvard University and a B.S. in mathematics from the Massachusetts Institute of Technology.

Jason Hans, CFA, Senior Portfolio Manager

Jason is responsible for equity portfolio management and research. He joined the company in 2008. He began his experience in the investment industry in 1998, and previously served as a managing director and the head of research for Quantitative Services Group. He holds an M.B.A. in finance from Notre Dame and a B.S. in business, with a major in finance and a minor in physics, from Miami University. In addition, Jason is a CFA charterholder and a member of the CFA Institute, the CFA Society of Chicago and the Chicago Quantitative Alliance.

David Corris, CFA, Head of Disciplined Equities and Senior Portfolio Manager

David heads the BMO Disciplined Equity Team and is responsible for equity portfolio management and research. He joined the company in 2008. David began his investment management career in 1999, and was a quantitative equity portfolio manager/researcher at Northern Trust Global Investments and a quantitative equity research analyst at Citigroup Asset Management. He holds an M.B.A. from Harvard Business School and a B.S. in mathematics and quantitative economics from the University of Wisconsin. In addition, he is a CFA charterholder and a member of the CFA Institute, the CFA Society of Chicago and the Chicago Quantitative Alliance.

BMO Asset Management Inc.

The manager (acting as portfolio manager) has engaged BMO AM as a sub-advisor for Canadian Money Market Portfolio, Canadian Short-Term Bond Portfolio, Canadian Mid-Term Bond Portfolio, Canadian Corporate Bond Portfolio, Diversified Yield Portfolio, Canadian Income Equity Portfolio, Canadian Core Equity Portfolio and Canadian Special Equity Portfolio. BMO AM is a portfolio management firm based in Toronto, Ontario and is registered as a portfolio manager under applicable securities legislation in Ontario. BMO AM is an Affiliate of the manager and a wholly-owned indirect subsidiary of Bank of Montreal.

Diversified Yield Portfolio and Canadian Income Equity Portfolio

Lutz Zeitler, CFA, MBA, Vice-President & Portfolio Manager, Fundamental Canadian Equities

Lutz joined BMO AM's Canadian equity team in March 2012 as a portfolio manager primarily focused on the firm's large cap Canadian dividend and income strategies. Prior to joining BMO AM, Lutz was a portfolio manager with BMO Harris Investment Management Inc. where he managed several Canadian equity yield and core mandates. In addition to over 22 years' experience in both portfolio management and research, he holds a Master of Business Administration from the Richard Ivey School of Business and is a CFA charterholder.

Philip Harrington, CFA, M.Fin., Vice President & Portfolio Manager, Fundamental Canadian Equities

Philip joined BMO AM in March 2012 and brings with him over 19 years' experience in the investment industry. Philip is a member of the large cap portfolio management team at BMO AM responsible for the firm's Canadian dividend and income strategies. Previously, he worked as both an analyst and portfolio manager at BMO Harris Investment Management Inc. A graduate from the University of Toronto, Philip holds a Bachelor of Commerce degree, received his Master of Finance from the Rotman School of Business and is a CFA charterholder.

Canadian Core Equity Portfolio

Greg Gipson, MSc EES&OR, Senior Vice President & Head of Systematic Investments

Greg brings over 19 years' of investment, portfolio management and trading experience to BMO AM. His career began as a portfolio manager and investment strategist in the U.S. and Japanese equity markets for Barclays Global Investors. Greg moved to Japan to work on the development and launch of a Japanese equity hedge fund. Following his experience at Barclays Global Investors, Greg spent nearly 10 years managing investment teams and trading desks in the Asia Pacific region. He held senior positions as a founding partner in an Asia Pacific multi-strategy hedge fund, appointments in proprietary trading, and as head of quantitative portfolio risk and trading strategies. Currently, Greg has an integral role in the research, development and ongoing management of the firm's systematic strategies. Greg holds an undergraduate degree in Economics and a dual Masters of Science in Engineering Economic Systems and Operations Research from Stanford University. He is a member of American Mensa Ltd, Project Management Institute and PMI Mass Bay Chapter.

James Thai, CFA, MASc, Vice President & Portfolio Manager, Systematic Investments

James joined the Systematic Investments team at BMO AM in March 2011. He has over 14 years of experience in investment analysis and portfolio management. Prior to joining BMO AM, James was a partner and portfolio manager at an investment fund that he co-founded in 2008, and a quantitative analyst and portfolio manager at Legg Mason Canada, where he led an initiative to integrate quantitative and fundamental investing. He currently is a portfolio manager for Canadian and global systematic equity portfolios, with additional responsibilities in research and asset allocation. James is a CFA charterholder and has both a Bachelor's and a Master's of Applied Science in Computer Engineering from the University of Waterloo.

Canadian Money Market Portfolio

Andrew Osterback, CFA, Vice President & Portfolio Manager, Active Fixed Income

Andrew joined BMO AM's active fixed income team as a portfolio manager in 2005, and has over 23 years' experience in managing fixed income portfolios. Andrew oversees portfolios with an emphasis on the interest anticipation aspects of government bond sectors. Prior to joining BMO AM, he managed a mix of mutual funds, pooled assets, and segregated private client portfolios for a major institutional investor. Andrew holds an Honours Bachelor of Commerce degree from the University of Windsor, a Bachelor of Arts degree (Economics) from the University of Western Ontario and received his CFA designation in 1999.

Canadian Short-Term Bond Portfolio, Canadian Mid-Term Bond Portfolio and Canadian Corporate Bond Portfolio

Robert Bechard, CFA, MSc, Senior Vice President & Head of ETF Portfolio Management, Global Structured Investments

Rob serves as the head of equity and fixed income portfolio management for the ETF and Global Structured Investments group. Prior to joining BMO AM, Rob worked at Barclays Global Investors where he worked for seven years as a fixed income portfolio manager at offices in Toronto and London, England. He has also worked extensively on synthetic equity and currency hedged portfolios. Rob holds a BSc in Mathematics from Queen's University, an MSc in Mathematical Trading and Finance from City University Business School in London, England, and is a CFA charterholder.

Alfred Lee, CFA, CMT, DMS, Vice President, Portfolio Manager & Investment Strategist, Global Structured Investments

Alfred is a portfolio manager at BMO AM where he manages fixed income and preferred share related mandates for both institutional and retail clients. As part of the global fixed income management team, he is involved in the management and trading of a wide variety of bond related portfolios including Canadian bonds, U.S. investment grade, high yield, European and Asian bonds, emerging market debt and others. In addition, he is part of the portfolio management team that oversees a number of preferred share related portfolios. Previously, he worked for a large Canadian based brokerage developing ETF related strategies and sat on the firm's investment committee. Alfred is a graduate of the University of Western Ontario, majoring in Economics and holds the CFA, Chartered Market Technician and Derivatives Market Specialist designations.

Canadian Special Equity Portfolio

Tyler Hewlett, CFA, Vice President & Senior Portfolio Manager, Fundamental Canadian Equities

Tyler is a senior portfolio manager with BMO AM's Canadian fundamental equity team. He joined BMO AM in 2007 as an analyst, covering multiple sectors with a focus on small capitalization equities and became a portfolio manager on the Canadian small cap team in 2009 assuming lead portfolio manager responsibility in 2012. Tyler has been the lead portfolio manager on all-cap Canadian equity strategies since inception in 2015. He participates in the team based fundamental stock reviews which apply across portfolios. Tyler began his career in the industry in 2001 at a global financial institution, primarily in equity research. He holds a Bachelor of Commerce degree from Queen's University and is a CFA Charterholder.

David Taylor, CFA, Vice President & Portfolio Manager, Fundamental Canadian Equities

David is a portfolio manager for BMO AM's Canadian fundamental equity team. He joined the firm in 2012 and has over 14 years' investment industry experience with 11 years focused on analyzing small and mid-cap companies. Prior to joining BMO AM, David worked in equity research for a tier one Canadian investment dealer where he covered multiple sectors. He holds an Honors of Business Administration (HBA) degree from the Richard Ivey School of Business at the University of Western Ontario and is a CFA Charterholder. David is a past President for the Equity Committee of the Toronto CFA Society.

Comgest SA

The manager (acting as portfolio manager) has engaged Comgest as a sub-advisor for Emerging Markets Equity Portfolio. Comgest is an investment management firm based in Paris, France and is registered with the French stock exchange authorities (Autorité des Marchés Financiers). Comgest is a privately held corporation.

Wojciech Stanislawski, GEM Team Manager and Portfolio Manager, joined Comgest in 1999 and was named co-lead Portfolio Manager of the flagship Global Emerging Markets fund in 2000. Wojciech graduated from the University Panthéon-Assas in Paris with a joint Master's degree in Banking and Financial Management.

Emil Wolter, GEM Portfolio Manager, joined Comgest in 2012 and has co-led the firm's flagship GEM, Asia ex Japan and Asia Pacific ex Japan funds since 2014. He graduated from the University of London with a Bachelor of Science in Financial Economics.

Charles Biderman, GEM Portfolio Manager, joined Comgest since 2006 and has co-led the management of the firm's Latin American equity strategy since the product's inception in 2009. Charles completed a Master's degree in Engineering at the Institut National des Télécommunications in France where he majored in Finance, and undertook part of his studies in Buenos Aires, Argentina.

Pyrford International Limited

The manager (acting as portfolio manager) has engaged Pyrford as a sub-advisor for International Equity Portfolio. Pyrford is an Affiliate of the manager and a wholly-owned indirect subsidiary of Bank of Montreal. Pyrford is an investment management firm based in London, England, where it is regulated by the UK Financial Conduct Authority. Pyrford is registered as a portfolio manager under applicable securities legislation in Ontario.

Tony Cousins, Chief Executive Officer and Chief Investment Officer, joined Pyrford in 1989 and chairs the Global Stock Selection Committee and the Investment Strategy Committee. Tony graduated from Cambridge University with an MA. Tony is also a CFA charterholder.

Paul Simons, Head of Portfolio Management, Asia/Pacific, joined Pyrford in 1996, and is responsible for the Asia/Pacific region. Paul is also a member of the Investment Strategy Committee. Paul graduated from Oxford University with an MA. Paul is also a CFA charterholder.

Daniel McDonagh, Head of Portfolio Management, Europe/UK, joined Pyrford in 1997 and is responsible for the Europe/UK region. Daniel is also a member of the Investment Strategy Committee. Daniel graduated from Oxford University with an MA. Daniel is also a CFA charterholder.

Sands Capital Management, LLC

The manager (acting as portfolio manager) has engaged Sands Capital as a sub-advisor for the U.S. Growth Equity Portfolio. Sands Capital is an investment management firm based in Arlington, Virginia and is registered as an investment adviser with the U.S. Securities and Exchange Commission. Sands Capital is a privately held corporation.

The team consists of Wesley A. Johnston, CFA, Frank M. Sands, CFA, and A. Michael Sramek, CFA.

Wesley A. Johnston, Life Sciences Sector Head, Portfolio Manager, Sr. Research Analyst, has been at Sands Capital since 2004. Wesley graduated with a BS in Economics from the University of Pennsylvania. Wesley is also a CFA charterholder.

Frank M. Sands, Chief Executive Officer and Chief Investment Officer, has been at Sands Capital since 2000. Frank graduated with an MBA from the University of Virginia Darden School of Business; with an MS in Real Estate Finance and Development from Johns Hopkins University, and with a BA in Economics from Washington and Lee University. Frank is also a CFA charterholder.

A. Michael Sramek, Managing Director, Research Analyst, Sr. Portfolio Manager, has been at Sands Capital since 2001. Michael graduated with an MBA from the Owen Graduate School of Management at Vanderbilt University and with an AB in History from Princeton University. Michael is also a CFA charterholder.

WCM Investment Management

The manager (acting as portfolio manager) has engaged WCM as a sub-advisor for the International Equity Portfolio. WCM is an investment management firm based in Laguna Beach, California and is registered as an investment adviser with the U.S. Securities and Exchange Commission. WCM is a privately held corporation.

The WCM team responsible for managing the International Equity Portfolio consists of Paul R. Black, Peter J. Hunkel, Michael B. Trigg, and Kurt R. Winrich, CFA, all members of the firm's Investment Strategy Group ("ISG").

Paul R. Black joined WCM in 1989, and has served as WCM's President and co-CEO since 2004. He is a member of the firm's ISG and his primary responsibilities include portfolio management and equity research. Paul earned his B.S. in Finance from California State University, San Diego.

Peter J. Hunkel has served as a Portfolio Manager and Business Analyst for WCM since 2007. He is a member of the firm's ISG and his primary responsibilities include portfolio management and equity research. He earned his B.A. in Communications from San Jose State University, where he graduated with honors, and his J.D. at the Monterey College of Law.

Michael B. Trigg has served as a Portfolio Manager and Business Analyst for WCM since 2006. He is a member of the firm's ISG and his primary responsibilities include portfolio management and equity research. He earned his B.S. in Finance from Saint Louis University, where he graduated with honors.

Kurt R. Winrich, CFA, joined WCM in 1984, and has served as WCM's Chairman and co-CEO since 2004. He is a member of the firm's ISG and his primary responsibilities include portfolio management and equity research. He earned his B.A. in Physical Science from Westmont College, his B.S. and M.S. in Electrical Engineering from Stanford University, and is also a CFA charterholder.

William Blair Investment Management, LLC

The manager (acting as portfolio manager) has engaged William Blair as sub-advisor for the U.S. Special Equity Portfolio. William Blair is an investment management firm based in Chicago, Illinois and is registered as an investment adviser with the U.S. Securities and Exchange Commission. William Blair is a privately held limited liability company.

The William Blair team responsible for managing the U.S. Special Equity Portfolio consists of Karl W. Brewer, CFA, Dan Crowe, CFA, and Robert C. Lanphier.

Karl W. Brewer is a portfolio manager on the Small Cap Growth and Small-Mid Cap Growth strategies teams. He joined the Small Cap Growth team in 1999 and the Small-Mid Cap Growth team in 2002. He joined William Blair in 1996, serving as a research analyst for three years. Before that, he was in the mergers-and-acquisitions and corporate finance departments at Lehman Brothers Inc. for six years. He is a member of the CFA Institute and the CFA Society of Chicago. He earned a B.A. from Washington and Lee University and an M.B.A. from Northwestern University's Kellogg Graduate School of Management.

Dan Crowe is a portfolio manager on the Mid Cap Growth and Small-Mid Cap Growth strategies teams. He had previously served as an Associate Portfolio Manager on the firm's Mid Cap Growth strategy and before that as an Associate Portfolio Manager on the firm's Small Cap Growth strategy and a Research Analyst. His research focus was on the U.S. small cap space across all sectors. He joined William Blair as a generalist research analyst in May 2011. Before joining William Blair, he was a mid-cap portfolio

manager at Pyramis Global Advisors, and before that a portfolio manager and analyst at The Boston Company/Founders Asset Management. He began his career as a generalist analyst at Marsico Capital Management. He is a member of the CFA Institute and the CFA Society of Chicago. He earned a B.S. in mechanical engineering from the University of Illinois at Urbana-Champaign.

Robert C. Lanphier is a portfolio manager on the Mid Cap Growth and Small-Mid Cap Growth strategies teams. He co-founded the Mid Cap Growth strategy in 1997 and the Small-Mid Cap Growth strategy in 1998. He has extensive experience in the industrials sector, and previously served as the industrials sector team leader. Before that, he was with William Blair's sell-side institutional sales group for eight years. He joined William Blair in 1987. Before joining the investment industry, he was with Emerson Electric Corporation for nearly six years. He earned a B.S., with honors, from Purdue University and an M.B.A. from Northwestern University's Kellogg Graduate School of Management.

Custodian

CIBC Mellon Trust Company of Toronto, Ontario, is the custodian of the Portfolios. As custodian, it holds the cash and securities of all the Portfolios. The Custodian was appointed as custodian of the Portfolios on December 2, 2009 pursuant to a custodial services agreement (the "**Custodian Agreement**"). The Custodian Agreement may be terminated by any party upon 90 days' written notice to the other parties.

All marketable securities are held at the Custodian's principal offices in Toronto, Ontario, with the exception of foreign assets. Foreign assets may be held by local subcustodians appointed by the Custodian or under their authority in various foreign jurisdictions where a Portfolio may have assets invested. The Custodian or the subcustodians may use the facilities of any domestic or foreign depository or clearing agency authorized to operate a book-based system. The subcustodians appointed to hold assets of the Portfolios are listed in the most recent Compliance Report prepared by the Custodian and filed on SEDAR on behalf of the Portfolios pursuant to the requirements of NI 81-102.

Registrar and Transfer Agent

BMO Private Investment Counsel Inc. is the registrar and transfer agent of the Portfolios and provides administrative and fund accounting services pursuant to the Management Agreement. The registers of unitholders of the Portfolios are kept in Toronto, Ontario.

Auditor

The auditor of each of the Portfolios is PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, of Toronto, Ontario.

Securities Lending Agent

The Bank of New York Mellon acts as agent for securities lending transactions for those Portfolios that engage in securities lending. The Securities Lending Agent is independent of the manager. The principal office of the Securities Lending Agent is located in Toronto, Ontario. See *Securities Lending, Repurchase and Reverse Repurchase Transactions* for more details.

Independent Review Committee

In accordance with NI 81-107, the manager appointed an IRC for the Portfolios. The mandate of the IRC is to review conflict of interest matters referred to it by the manager, including any related policies and

procedures, and to provide an approval or a recommendation to the manager, depending on the nature of the conflict of interest matter. In each instance where a conflict of interest matter is identified and referred to the IRC, a 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 Portfolios. See *Portfolio Governance* for more details.

At least annually, the IRC will also review and assess the adequacy and effectiveness of the manager's policies and procedures relating to conflict of interest matters in respect of the Portfolios, and will conduct a self-assessment of the IRC's independence, compensation and effectiveness.

The current members of the IRC are Louise Vaillancourt (Chair), Mark Brown, Jim Falle, Wendy Hannam and John K. McBride. Jim Falle and Wendy Hannam were appointed as IRC members on March 22, 2017 to replace Allen B. Clarke who had retired as an IRC member on September 7, 2016. Each member is independent of the Portfolios, the manager and other companies related to the manager.

Each member of the IRC is entitled to receive compensation for the duties he or she performs as an IRC member. For the Portfolios' fiscal year ended December 31, 2016, the annual retainer for each IRC member (other than the Chair) in respect of all of the Portfolios was approximately \$9,533; the annual retainer for the Chair was approximately \$13,732. In addition, each IRC member is entitled to a reimbursement of all reasonable expenses in connection with his or her duties as an IRC member. For the Portfolios' fiscal year ended December 31, 2016, the following expenses were paid by the Portfolios to the following IRC members: Mark Brown, approximately \$342; Allen B. Clarke (former IRC member), approximately \$256; John K. McBride, approximately \$342; and Louise Vaillancourt, approximately \$491. These amounts are allocated among the Portfolios in a manner that is fair and reasonable.

Portfolio Governance

As stated above, BMO Trust Company, as trustee, has overall authority over the assets and affairs of the Portfolios and is ultimately responsible for the Portfolios, but it delegates the day-to-day administration and operation of the Portfolios to the manager. The board of directors of BMO Trust Company meets quarterly to receive a management report from the manager and to discuss and review the business and operations of the Portfolios. The board of directors of BMO Trust Company also reviews and approves the financial statements, simplified prospectus, annual information form, fund facts, and certain other continuous disclosure documents of the Portfolios. The manager reports to BMO Trust Company on a regular basis.

The manager has a Personal Trading Policy, which must be followed by directors, officers and employees of the manager and by specific employees of its affiliates, that includes obtaining prior approval, as required, before placing any trades for their personal accounts. The Personal Trading Policy is administered by the compliance department of the manager.

The manager has engaged sub-advisors to provide investment advice and portfolio management for each of the Portfolios. The agreements between the manager and the Portfolios' sub-advisors specify the objectives and strategies of the Portfolio, the investment restrictions and policies prescribed by the Canadian securities administrators and any additional guidelines and criteria considered by the manager to be appropriate. The sub-advisors' activities are carefully and regularly monitored by the manager to ensure observance of the investment guidelines, conduct and financial performance. The sub-advisors certify compliance with the rules contained in applicable securities legislation on a quarterly basis.

The manager uses various measures to assess risk, including mark to market security valuation, fair value accounting, monthly reconciliations of securities and cash positions, monthly reconciliations of net

exposures under derivatives to segregated, liquid assets or offsetting rights or obligations. Compliance monitoring of the Portfolios' investment portfolio is ongoing. The Portfolios are priced daily, which helps to ensure that performance accurately reflects market movements.

Policies and Procedures on Short-Term Trading

We have policies and procedures to detect and deter short-term trading, which include a monthly reporting process of any purchases, redemptions or switches of the same Portfolio within a 30-day period, whereby we conduct monthly reviews for any short-term trading activity within the Portfolios.

As trades into and out of the Portfolios can only be effected by BMO Private Banking professionals or other employees of BMO Financial Group under our wealth management service, any breach of our short-term trading policy may result in a written warning, having employment responsibilities revised, suspension or termination, or other sanctions.

The manager reserves the right to restrict, reject or cancel, without any prior notice, any purchase or exchange order, including transactions that are deemed to represent short-term trading.

The manager has no formal or informal arrangements with any person or company to permit short-term trades in units of the Portfolios.

Summary of Proxy Voting Policies and Procedures

The manager has delegated voting of proxies of each Portfolio's securities to that Portfolio's sub-advisor as part of the sub-advisor's management of the Portfolio's assets, subject to the manager's continuing oversight. A sub-advisor voting proxies on behalf of a Portfolio must do so in a manner consistent with the best interests of the Portfolio and its unitholders.

The manager has established policies and procedures to be considered, in conjunction with each sub-advisor's own policies and procedures, in determining how to vote on matters for which the Portfolios receive proxy materials for a meeting of securityholders of an issuer. Due to the variety of proxy voting issues that may arise, the following summary of the proxy voting policies and procedures is not exhaustive and is intended to provide guidance but not necessarily dictate how each issue must be voted in each instance. Further, the manager or a sub-advisor may depart from their respective proxy voting policies and procedures or not vote a proxy, in order to avoid voting decisions that may be contrary to the best interests of a Portfolio and its unitholders.

The policies and procedures established by the manager (the "**Proxy Voting Guidelines**") include:

- (a) a standing policy for dealing with routine matters on which a Portfolio may vote. In particular, the Proxy Voting Guidelines apply general guidelines to a number of routine matters. These guidelines vary, depending on the specific matter involved. Routine matters include: election of directors; appointment of auditors; changes in capital structure; and an increase in authorized stock;
- (b) the circumstances under which a Portfolio will deviate from the standing policy for routine matters. The Proxy Voting Guidelines provide that a Portfolio's sub-advisor may depart from the general guidelines with respect to routine matters, in order to avoid voting decisions that may be contrary to the best interests of the Portfolio and its unitholders. For example, the Proxy Voting Guidelines provide that the Portfolios will typically support management's recommendations regarding the appointment of an

auditor, but may vote against such a recommendation if the fees for services are excessive or if there are other reasons to question the independence or quality of the company's auditors;

- (c) the policies under which, and the procedures by which, a Portfolio will determine how to vote or refrain from voting on non-routine matters. These policies vary depending on the specific matter involved. Non-routine matters include: corporate restructurings; mergers and acquisitions; proposals affecting shareholder rights; corporate governance; executive compensation; social and environmental issues; and shareholder proposals. For example, with respect to shareholders rights, the Proxy Voting Guidelines provide that the Portfolios will typically vote in favour of proposals that give shareholders a greater voice in the affairs of the company and oppose any measure that seeks to limit those rights; and
- (d) procedures to ensure that portfolio securities held by a Portfolio are voted in accordance with the instructions of the manager, when applicable. This includes the requirement of a Portfolio's sub-advisor to provide to the manager on a quarterly basis a certificate confirming that it has voted all securities held by the Portfolios it manages in accordance with Proxy Voting Guidelines.

The following three situations involving the voting of proxies present a potential material conflict of interest:

1. voting proxies in respect of a shareholders meeting of the manager or any of its affiliates;
2. voting proxies of an issuer in respect of a proposed merger or other corporate reorganization or transaction involving the issuer (or any of its affiliates) and the manager, or any of its affiliates; and
3. voting proxies of an issuer in regard to the nomination or election of any officer or director of the manager to the board of directors of that issuer.

In those instances where the manager or an affiliate is not acting as a Portfolio's sub-advisor, the voting responsibility will be outsourced to the Portfolio's sub-advisor who will vote the proxies in the best interests of the Portfolio without reference to, or influence from, the manager. In those instances where the manager or an affiliate acts as the Portfolio's sub-advisor, the manager will employ a leading, independent proxy agent (the "**Proxy Agent**") who provides in-depth analysis, guidelines and voting recommendations for proxy proposals (e.g., Glass, Lewis & Co.) and vote the proxies to be consistent with the Proxy Agent's recommendation.

The policies and procedures that the Portfolios follow when voting proxies relating to portfolio securities are available on request, at no cost, by calling 1-800-361-1392 or from your BMO Private Banking professional or by writing to the manager, 1 First Canadian Place, 100 King St. West, 41st Floor, Toronto, Ontario M5X 1A1.

The Portfolios' proxy voting record for the most recent period ended June 30th of each year is, or will be, available free of charge to any unitholder of a Portfolio upon request at any time after August 31st of the relevant year by calling 1-800-361-1392. The proxy voting record is also available on the BMO Private Banking web site at www.bmoprivatebanking.com.

Policies Related to Derivatives

All of the Portfolios, except for Canadian Money Market Portfolio, have previously provided 60 days written notice to unitholders of their intention to use derivatives.

Derivatives may be used to participate in changes to a particular market or group of securities without purchasing the securities directly, or to temporarily reduce participation in a particular market in which the underlying fund has already invested. The types of derivatives a Portfolio may use include forward contracts, futures contracts, warrants, options or options on futures and swaps.

The manager allows for the use of derivatives under certain conditions and limitations. The manager has written policies and procedures in place with respect to risk management and also on the use of, and to supervise the sub-advisors in the use of, derivatives as investments within the Portfolios. These policies and procedures are reviewed as required by the manager, with a minimum annual review.

The sub-advisor has the authority to enter into derivatives transactions on behalf of the Portfolios only as set out in the simplified prospectus and as further limited in their respective investment management agreements with the manager. Among other limitations, all derivative transactions must adhere to investment objectives and strategies of each of the applicable Portfolios. The sub-advisors are also required to adhere to applicable securities legislation, including the restrictions contained in NI 81-102, subject to any exemptive relief therefrom. While NI 81-102 rules are used as the standard for trading limits on derivative trading, individual Portfolios may employ more conservative guidelines which, in turn, are monitored by the manager on an ongoing basis through confirmations from, and due diligence of, the sub-advisors. The manager monitors the activities of the sub-advisors through the receipt of quarterly confirmations from the relevant sub-advisors that the Portfolios are in compliance with applicable securities laws relating to the use of derivatives by the Portfolios and also conducts annual due diligence on each sub-advisor.

Each of the sub-advisors has policies and procedures in place with respect to derivatives trading which are reviewed as part of the manager's annual due diligence review. These procedures dictate the use of derivatives as investments within the Portfolios, including specific procedures for the authorization, documentation, reporting, monitoring and review of derivative strategies and positions. When using derivatives, the sub-advisors generally apply various measures to assess risk, including mark to market security valuation, fair value accounting, monthly reconciliations of securities and cash positions. No stress testing is conducted specifically with respect to the derivative positions maintained by the Portfolios. The sub-advisors, however, are required to perform a review of risk exposure on all of its managed portfolios, including the Portfolios, as indicated above.

UNITHOLDER RIGHTS

Each Portfolio is authorized to issue an unlimited number of units of an unlimited number of classes; however, only one class is currently intended to be issued by each Portfolio. All units of each class of each Portfolio have equal rights and privileges. Each unit of a class of a Portfolio is entitled to participate equally with respect to all payments made to unitholders of the Portfolio, whether by way of interest, dividends, distributions, or capital, and on liquidation, to participate equally in the net assets of the Portfolio remaining after satisfaction of outstanding liabilities. All units of each Portfolio are fully paid and non-assessable when issued. Fractional units shall have the same rights, limitations and conditions which are provided for whole units of a Portfolio, other than the right to vote. Each whole unit of a Portfolio is entitled to one vote at meetings of unitholders of the Portfolio.

Meetings of unitholders of a Portfolio may be called at any time if the trustee determines it appropriate. Meetings of unitholders of a Portfolio will be required (unless an exemption has been granted by the Canadian securities regulatory authorities) to obtain the approval of unitholders for certain matters, such as:

- a change in the fundamental investment objectives of a Portfolio;
- a change in the manager, other than to an affiliate of the present manager;
- a decrease in the frequency in the calculation of the net asset value of a Portfolio;
- a significant reorganization of a Portfolio; and
- to make certain material amendments to the Declaration of Trust.

If the basis of the calculation of a fee or expense that is charged to a Portfolio (or charged directly to the unitholders by a Portfolio or by the manager in connection with the holding of units of a Portfolio) is changed in a way that could result in an increase in charges to the Portfolio or to its unitholders, or if such a fee or expense is introduced, approval of unitholders will not be obtained, but unitholders will be sent a written notice advising of such change at least 60 days prior to the effective date of such change.

In certain circumstances, unitholders may not be required under applicable securities legislation to approve a fund merger. In these circumstances, unitholders may be sent a written notice of any proposed merger at least 60 days prior to the fund merger.

Unitholders holding at least 50% of the units of a Portfolio may request a meeting of unitholders of a Portfolio in certain circumstances upon satisfying certain conditions.

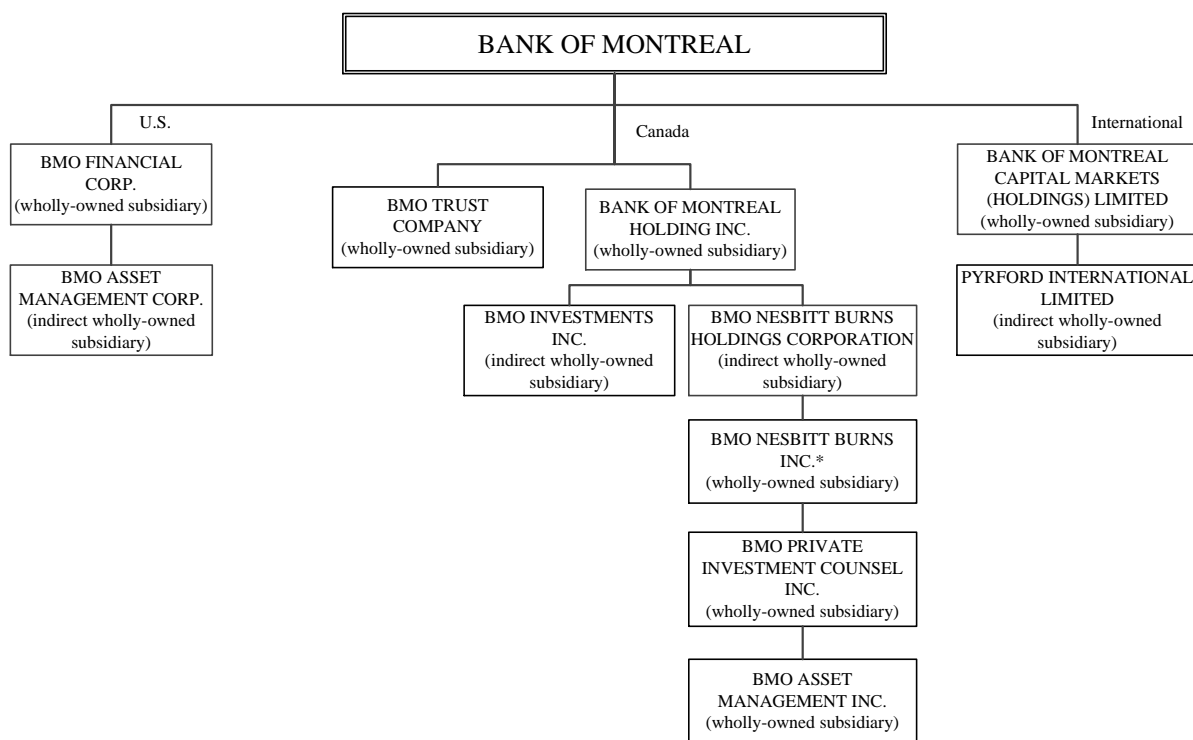
OTHER INFORMATION

BMO Financial Group

Certain of the companies providing management and administration services to the Portfolios are affiliates of BMO Trust Company and the manager. The Portfolios may also undertake banking transactions with Bank of Montreal.

The fees paid by the Portfolios to each of these companies are set out in the Portfolios' audited financial statements.

The following chart illustrates the affiliates of the manager who provide services to the Portfolios or to the manager as manager of the Portfolios:



* On November 1, 2012, this entity, Bank of Montreal Securities Canada Limited, Jones Heward Investments Inc. and BMO Nesbitt Burns Corporation Limited were amalgamated and continued under the name of BMO Nesbitt Burns Inc. The amalgamated BMO Nesbitt Burns Inc. was reorganized to become a wholly-owned subsidiary of BMO Nesbitt Burns Holdings Corporation.

The following directors and executive officers of the manager or a Portfolio are also directors or executive officers of the following affiliated entities that are also listed above:

| Name | Position with Affiliated Entity |
|--------------------|--|
| Thomas C.S. Burian | Director, BMO Asset Management Inc.; Director, BMO Investments Inc.; and Chief Financial Officer and Treasurer, BMO Trust Company |
| Denise Chow | Chief Anti-Money Laundering Officer, BMO Asset Management Inc., BMO Investments Inc., BMO Nesbitt Burns Inc. and BMO Trust Company |
| Barry M. Cooper | Chairman and Director, BMO Asset Management Corp., BMO Investments Inc. and Pyrford International Limited; and Chair and Director, BMO Asset Management Inc. |
| Myra R. Cridland | Chair and Director, BMO Trust Company |

| Name | Position with Affiliated Entity |
|-------------------|---|
| Sophia B. Ruffolo | Chief Compliance Officer, BMO Trust Company |
| Robert J. Schauer | Vice President, BMO Asset Management Inc.; and Director, BMO Investments Inc. |

Fees and Expenses

Neither BMO Trust Company nor the manager receives any fees from the Portfolios in their capacity as trustee and manager, respectively. Instead, investors pay an investment management fee directly to BMO Trust Company and the manager. The specific amount of the investment management fee payable by you is set out in the fee schedule contained in your investment policy statement, which has been provided to you in conjunction with your investment management agreement with BMO Trust Company and the manager.

Each Portfolio pays all expenses relating to the operation of the Portfolio and the carrying on of its business, called operating expenses. These expenses may include (without limitation): audit and legal fees and expenses; custodian and transfer agency fees; sub-advisory fees; costs attributable to the issue, redemption and switching of units, including the cost of the unitholder record-keeping system; expenses incurred in respect of preparing and distributing prospectuses, fund facts, financial reports and other types of reports, statements and communications to unitholders; fund accounting and valuation costs; filing fees, including those expenses incurred by the manager; interest and bank charges; premises and staff costs; fees and expenses of members of the IRC incurred in connection with their duties as members of the IRC which may include annual fees, meeting fees, reimbursement for expenses and any other expenses related to the operation of the IRC; applicable taxes and other general operating and administrative expenses (including unitholder servicing fees). Operating expenses incurred in respect of more than one Portfolio are allocated amongst the Portfolios in a fair and equitable manner. See *Independent Review Committee* for a description of the fees that have been paid and the expenses that have been reimbursed by the Portfolios for services of IRC members for the most recently completed financial year.

A Portfolio's management expense ratio (the "MER") is calculated based on its total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of the Portfolio's daily average net asset value during the period. For more information on a Portfolio's MER, see its most recently filed fund facts, its most recently filed annual management report of fund performance and any interim management report of fund performance filed after that annual management report of fund performance.

Although the Portfolios are responsible for the payment of the expenses outlined above, the trustee may absorb from time to time at its discretion some or all of such expenses.

Each sub-advisor is entitled to receive a sub-advisory fee (including any applicable HST), which is paid by the manager and charged as an operating expense to each Portfolio. Under the Management Agreement, the manager is entitled to be reimbursed by a Portfolio for all sub-advisory fees incurred in excess of 0.15% (plus HST), an amount that the manager has agreed to absorb on behalf of each Portfolio.

The type and level of expenses payable by a Portfolio may be changed. A written notice will be sent to unitholders advising of any increase in fees or other expenses payable by a Portfolio or the introduction of a new fee or expense, at least 60 days prior to such an increase or introduction being effective.

Each Portfolio pays its own brokerage commissions and fees, if applicable, and includes these in the cost of investments. A Portfolio's trading expense ratio (the "TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the Portfolio's daily average net asset value during the stated period. For more information on a Portfolio's TER, see its most recently filed fund facts, its most recently filed annual management report of fund performance and any interim management report of fund performance filed after that annual management report of fund performance.

Sales Compensation

BMO Trust Company and the manager do not compensate dealers or sales representatives, for the sale of units of the Portfolios. The trustee may compensate, or arrange to compensate, financial institutions and securities registrants within BMO Financial Group for client referrals.

Principal Holders of Securities

BMO Trust Company is a wholly-owned, and the manager is an indirectly-owned, subsidiary of Bank of Montreal.

To the knowledge of the manager, as at April 21, 2017, no holder of units of a Portfolio owned of record or beneficially, directly or indirectly, more than 10% of the voting securities of a Portfolio.

Also, the directors, senior officers and trustees of the Portfolios or the manager beneficially owned, directly or indirectly, in aggregate, less than 10% of outstanding units of each of the Portfolios and of securities in any person or company that provides services to the Portfolios or the manager, and the IRC members of the Portfolios beneficially owned, directly or indirectly, in aggregate, less than 10% of outstanding units of each of the Portfolios and of securities in any person or company that provides services to the Portfolios or the manager.

Termination of a Portfolio

The trustee may terminate and dissolve a Portfolio by giving each unitholder 90 days' prior written notice.

Brokerage Arrangements

All decisions as to the purchase and sale of portfolio securities and decisions as to the execution of these portfolio transactions, including the selection of market, dealer and the negotiation, where applicable, of commissions will be made by the manager or the sub-advisors. The manager and the Portfolios' sub-advisors will seek to obtain prompt execution of orders on favourable terms. To the extent that the executions and prices offered by more than one dealer are comparable, the manager or the Portfolios' sub-advisors may choose to effect portfolio transactions with dealers who provide research, statistical and other services to the Portfolios, the manager or the Portfolios' sub-advisors.

Certain portfolio transactions may from time to time be allocated to BMO Nesbitt Burns Inc. (an indirect wholly-owned subsidiary of Bank of Montreal) or any other broker which is related to the Portfolios as a result of Bank of Montreal's interest therein. These brokers will only be used if the rates charged are

comparable to those that would be charged by unrelated third parties in light of the size and nature of the transactions.

Brokerage business is allocated to dealers and brokers based on quality of service and the terms offered for specific transactions including price, volume, speed and certainty of execution, the competitiveness of commission terms and prices, the range of services and the quality of research provided and total transaction cost. The process for allocation of brokerage business is the same as described above for dealers that are affiliated entities.

There are no ongoing contractual arrangements with any brokers with respect to securities transactions.

In addition to order execution goods and services, dealers or third parties might provide research goods and services, which include: (i) advice as to the value of securities and the advisability of effecting transactions in securities; and (ii) analyses and reports concerning securities, issuers, industries, portfolio strategy or economic or political factors and trends that may have an impact on the value of securities. Such goods and services may be provided by the executing dealer directly (known as proprietary research) or by a party other than the executing dealer (known as third party research).

In the event that goods or services contain an element that is neither research goods and services nor order execution goods and services (“**mixed-use goods and services**”) (for example, data analysis, software applications and data feeds), brokerage commissions will only be used to pay for the portion of such goods and services which would qualify as either research goods and services or order execution goods and services. The applicable sub-advisor will pay for the remainder of the costs of such mixed-use goods or services. Records detailing the payment allocations will be kept.

The sub-advisor makes a good faith determination that the Portfolio, on whose behalf it directs any brokerage transactions involving client brokerage commissions, in return for research and order execution goods and services from a dealer or third party, receives reasonable benefit, considering both the use of the goods and services and the amount of brokerage commissions paid, by conducting extensive trade cost analyses.

Research and order execution goods and services may benefit not only the Portfolios and clients whose trades generated the brokerage commissions, but may also benefit other funds and clients to whom the sub-advisor provides advice. Such research goods and order execution goods and services may also be shared with affiliates of the manager. Similarly, a Portfolio may benefit from research and order execution goods and services obtained with brokerage commissions generated by client accounts of affiliates of the manager. There are policies and procedures in place such that over a reasonable period of time, all clients, including the Portfolios, receive a fair and reasonable benefit in return for the commissions generated.

Since May 6, 2016, the date of the last annual information form of the Portfolios, the following goods and services, other than order execution, have been provided to the manager or a sub-advisor of a Portfolio: research analysis and reports, industry knowledge and access to analysts and staff, alternative trading systems, software, statistical and similar services.

Since May 6, 2016, the date of the last annual information form of the Portfolios, BMO AM has received proprietary research reports, industry knowledge and access to both analysts and staff from BMO Nesbitt Burns Inc., an affiliate of the manager and of BMO AM.

For a list of any other dealer, broker or third party who provided research goods and services or order execution goods and services since the date of the last annual information form, please contact the manager by phone toll free at 1-800-361-1392 or by email at contact.centre@bmo.com.

Material Contracts

The only material contracts to date entered into by the Portfolios are the following:

- the Declaration of Trust;
- the Management Agreement;
- the Portfolio Management Agreement;
- the Custodian Agreement; and
- the administrative services agreement between the manager and BMO Trust Company.

Copies of these agreements may be inspected during ordinary business hours on any business day at the principal office of the trustee.

Combined Annual Information Form

Because many attributes of the Portfolios and the units of the Portfolios are identical, the units of the Portfolios are being offered under one combined simplified prospectus and one combined annual information form. Each of the Portfolios assumes responsibility for the disclosure relating to it, but no Portfolio assumes responsibility for the disclosure relating to any of the other Portfolio or for any misrepresentation relating to any other Portfolio contained in this annual information form or in the simplified prospectus.

CERTIFICATE OF THE BMO PRIVATE PORTFOLIOS

BMO Private Canadian Money Market Portfolio
BMO Private Canadian Short-Term Bond Portfolio
BMO Private Canadian Mid-Term Bond Portfolio
BMO Private Canadian Corporate Bond Portfolio
BMO Private Diversified Yield Portfolio
BMO Private Canadian Income Equity Portfolio
BMO Private Canadian Core Equity Portfolio
(formerly, BMO Private Canadian Conservative
Equity Portfolio)

BMO Private Canadian Special Equity Portfolio
BMO Private U.S. Equity Portfolio
BMO Private U.S. Growth Equity Portfolio
BMO Private U.S. Special Equity Portfolio
BMO Private International Equity Portfolio
BMO Private Emerging Markets Equity Portfolio

(collectively, the “**Portfolios**”)

This annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

Dated: May 5, 2017

(Signed) “Elizabeth Dorsch”

Elizabeth Dorsch
Chief Executive Officer
BMO Trust Company

(Signed) “Thomas Burian”

Thomas Burian
Chief Financial Officer
BMO Trust Company

**ON BEHALF OF THE BOARD OF DIRECTORS
OF BMO TRUST COMPANY,
the trustee of the Portfolios**

(Signed) “Myra Cridland”

Myra Cridland
Director

(Signed) “Rebecca Tascona”

Rebecca Tascona
Director

CERTIFICATE OF THE MANAGER AND PROMOTER OF THE BMO PRIVATE PORTFOLIOS

BMO Private Canadian Money Market Portfolio
BMO Private Canadian Short-Term Bond Portfolio
BMO Private Canadian Mid-Term Bond Portfolio
BMO Private Canadian Corporate Bond Portfolio
BMO Private Diversified Yield Portfolio
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(collectively, the “**Portfolios**”)

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Date: May 5, 2017

(Signed) “Anthony Bennett”

Anthony Bennett
Chief Executive Officer
BMO Private Investment Counsel Inc.

(Signed) “Krista White”

Krista White
Chief Financial Officer
BMO Private Investment Counsel Inc.

**ON BEHALF OF THE BOARD OF DIRECTORS
OF BMO PRIVATE INVESTMENT COUNSEL INC.,
the manager and promoter of the Portfolios**

(Signed) “Myra Cridland”

Myra Cridland
Director

(Signed) “Thomas Burian”

Thomas Burian
Director

BMO PRIVATE PORTFOLIOS

BMO PRIVATE CANADIAN MONEY MARKET PORTFOLIO
BMO PRIVATE CANADIAN SHORT-TERM BOND PORTFOLIO
BMO PRIVATE CANADIAN MID-TERM BOND PORTFOLIO
BMO PRIVATE CANADIAN CORPORATE BOND PORTFOLIO
BMO PRIVATE DIVERSIFIED YIELD PORTFOLIO
BMO PRIVATE CANADIAN INCOME EQUITY PORTFOLIO
BMO PRIVATE CANADIAN CORE EQUITY PORTFOLIO
(formerly, BMO Private Canadian Conservative Equity Portfolio)
BMO PRIVATE CANADIAN SPECIAL EQUITY PORTFOLIO
BMO PRIVATE U.S. EQUITY PORTFOLIO
BMO PRIVATE U.S. GROWTH EQUITY PORTFOLIO
BMO PRIVATE U.S. SPECIAL EQUITY PORTFOLIO
BMO PRIVATE INTERNATIONAL EQUITY PORTFOLIO
BMO PRIVATE EMERGING MARKETS EQUITY PORTFOLIO

1-800-361-1392

BMO Private Banking is part of BMO Wealth Management. Banking services are offered through Bank of Montreal. Investment management services are offered through BMO Private Investment Counsel Inc., an indirect subsidiary of Bank of Montreal. Estate, trust, planning and custodial services are offered through BMO Trust Company, a wholly-owned subsidiary of Bank of Montreal. BMO Wealth Management is a brand name that refers to Bank of Montreal and certain of its affiliates in providing wealth management products and services.

Additional information about the Portfolios is available in the Portfolios' simplified prospectus, fund facts, management reports of fund performance and financial statements. These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed in it. To obtain a copy of the simplified prospectus, fund facts, management reports of fund performance and financial statements at no cost, call toll free 1-800-361-1392, e-mail us at contact.centre@bmo.com or ask your BMO Private Banking professional.

These documents and other information about the Portfolios such as information circulars and material contracts are available at BMO Private Investment Counsel Inc.'s internet site at www.bmoprivatebanking.com or at www.sedar.com.

BMO (M-bar roundel symbol) registered trademark, and BMO (M-bar roundel symbol) Private Banking trademark are owned by Bank of Montreal, used under license.

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41st Floor, 1 First Canadian Place
Toronto, Ontario M5X 1A1

