

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

(to be renamed, BMO Private Canadian Short-Mid 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

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 7, 2021

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.

TABLE OF CONTENTS

| | |
|--|----|
| INTRODUCTION | 1 |
| THE BMO PRIVATE PORTFOLIOS..... | 1 |
| Wealth Management Service | 4 |
| INVESTMENT OBJECTIVES AND POLICIES | 4 |
| INVESTMENT RESTRICTIONS | 5 |
| Exemptions for Related Party Transactions..... | 5 |
| Exemptions for Other Types of Investments or Transactions..... | 8 |
| Registered Plans, Eligibility for Investment | 9 |
| Derivatives | 9 |
| Securities Lending, Repurchase and Reverse Repurchase Transactions | 10 |
| CALCULATION OF NET ASSET VALUE..... | 11 |
| VALUATION OF PORTFOLIO SECURITIES | 11 |
| HOW TO PURCHASE UNITS OF THE PORTFOLIOS | 14 |
| HOW TO REDEEM OR SWITCH UNITS OF THE PORTFOLIOS..... | 14 |
| How to Redeem Units | 14 |
| How to Switch to Another Portfolio | 15 |
| INCOME TAX CONSIDERATIONS | 16 |
| Taxation of the Portfolios | 16 |
| Taxation of Unitholders | 17 |
| Taxation of Registered Plans | 19 |
| International Information Reporting | 19 |
| MANAGEMENT AND ADMINISTRATION OF THE PORTFOLIOS..... | 19 |
| Manager | 19 |
| Trustee | 22 |
| Portfolio Management | 22 |
| Sub-Advisors..... | 23 |
| Custodian | 30 |
| Registrar and Transfer Agent..... | 31 |
| Auditor | 31 |
| Independent Review Committee..... | 31 |
| Portfolio Governance | 32 |
| Policies and Procedures on Short-Term Trading | 32 |
| Summary of Proxy Voting Policies and Procedures | 33 |
| Policies Related to Derivatives | 34 |
| UNITHOLDER RIGHTS | 35 |
| OTHER INFORMATION | 36 |
| BMO Financial Group | 36 |
| Fees and Expenses | 37 |

Sales Compensation 39
Principal Holders of Securities 39
Termination of a Portfolio 39
Brokerage Arrangements 39
Material Contracts..... 41
Legal and Administrative Proceedings 41

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), May 7, 2014 (to amend Article 15 to ensure that a sufficient amount of income and net realized capital gains of a fund is declared payable to the unitholders of the fund for each taxation year (including taxation years that are deemed to end) so that the fund is not subject to normal income tax under Part I of the *Income Tax Act* (Canada) (the “**Tax Act**”) for any taxation year), February 2, 2015 (to change the name of each Portfolio by replacing “Harris” with “Private” and making certain other changes⁸), 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) and May 4, 2018 (to comply with applicable securities legislation including, without limitation, the adoption of a standard settlement cycle for the Portfolios of within two days after the date of a trade (T+2)).

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.

Effective on or about July 9, 2021, the manager proposes to merge Canadian Short-Term Bond Portfolio into Canadian Mid-Term Bond Portfolio, provided regulatory approval is received. The manager intends that the proposed merger be implemented as a “qualifying exchange” on a tax-deferred basis. At the time of implementing the proposed merger, the name of Canadian Mid-Term Bond Portfolio will change to

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 Canadian 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).

BMO Private Canadian Short-Mid Bond Portfolio. Following the merger, Canadian Short-Term Bond Portfolio will be wound up as soon as reasonably practicable.

On July 19, 2019, the manager (acting as portfolio manager) appointed Vontobel Asset Management, Inc. (“**Vontobel**”) as a sub-advisor for the U.S. Equity Portfolio.

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.

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 its 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 vary 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 below, each of the Portfolios adheres to these standard investment restrictions and practices. National Instrument 81-107 *Independent Review Committee for Investment Funds* (“**NI 81-107**”) and NI 81-102 provide certain exceptions from these investment restrictions.

Each Portfolio intends to qualify as a “mutual fund trust” as defined in the Tax Act at all times and will not engage in any undertaking other than the investment of its funds in property for the purposes of the Tax Act.

Exemptions for Related Party Transactions

The Portfolios have received exemptive relief from Canadian securities regulatory authorities to vary the standard investment restrictions and practices by engaging in certain related party transactions, 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**”.

Investing in Related Issuer Securities

Generally, the restrictions prevent a Portfolio from purchasing the securities of an issuer if a partner, director, officer or employee of the Portfolio’s portfolio manager, or a partner, director, officer or employee of an affiliate or associate of the Portfolio’s 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**”).

A Portfolio is permitted, however, to purchase the securities of a Related Issuer if the purchase of those securities is made on an exchange on which the securities are listed and traded. This means a Portfolio may purchase, for example, listed common and preferred shares of a Related Issuer.

The manager has received relief that permits a Portfolio to purchase debt securities of a Related Issuer, provided certain conditions are met, including that the purchase occurs in the secondary market and the debt security has a designated rating by a designated rating organization.

The manager has also received relief that permits a Portfolio to purchase debt securities of a Related Issuer (other than asset-backed securities), with a term to maturity of 365 days or more, offered in the primary market (i.e., treasury issuance from the Related Issuer), provided certain conditions are met, including that the debt security has a designated rating by a designated rating organization and, following the purchase, the Portfolio does not have more than 5% of its net assets invested in the debt securities of the Related Issuer.

Principal Trading

Generally, the restrictions prevent a Portfolio from purchasing securities from or selling securities to a related party acting as principal. A Portfolio is, however, permitted to engage in such transactions if the

price payable for the security is (a) not more than the ask price of the security as reported by any available public quotation in common use, in the case of a purchase by the Portfolio, or (b) not less than the bid price of the security as reported by any available public quotation in common use, in the case of a sale by the Portfolio. A Portfolio is also permitted to purchase debt securities from, or sell debt securities to, another fund managed by the manager or affiliate of the manager, subject to certain conditions in NI 81-102 and NI 81-107.

The manager has received relief that permits a fund to purchase debt securities from, or sell debt securities to, a related party that is a principal dealer in the Canadian debt securities market, provided certain conditions are met, including that (i) a purchase must not be executed at a price higher than the ask price and a sale must not be executed at a price that is lower than the bid price and that the bid price and (ii) the ask price of the security must be determined by reference to a quote from an independent party if it is not publicly available.

Related Party Underwriting

Each of the Portfolios is a “dealer managed investment fund” (as defined in NI 81-102). Generally, such type of fund is prohibited from investing in securities in respect of which a related party has acted as underwriter during the distribution and for the 60 days after the distribution. A fund is, however, permitted to purchase debt and equity securities in respect of which a related party has acted as underwriter if certain conditions in NI 81-102 are met, including that a prospectus is filed in respect of the securities (i.e., equity securities).

The manager has received relief that permits a Portfolio to purchase equity securities in respect of which a related party has acted as underwriter where a prospectus has not been filed, provided certain conditions are met, including that the issuer of the security is a reporting issuer in Canada.

The manager has also received relief that permits a Portfolio to purchase debt securities (other than asset-backed commercial paper) in respect of which a related party has acted as underwriter, notwithstanding that the debt securities do not have a designated rating by a designated rating organization, provided certain conditions are met. This relief contains certain conditions if the securities are acquired in a distribution, and other conditions if the securities are acquired in the 60 days after the distribution.

Inter-Fund Trades

Under NI 81-102 and NI 81-107, the Portfolios are permitted to engage in certain inter-fund trades, subject to certain conditions, including that the inter-fund trade be executed at the “current market price” of the security.

The manager has received relief that permits a Portfolio to engage in inter-fund trades if the security is an exchange-traded security or a foreign exchange-traded security, and the trade is effected at the last sale price reported on the exchange upon which the security is listed or quoted immediately before the trade is executed.

Pursuant to that relief, each Portfolio is also permitted to engage in certain cross trades of portfolio securities with investment funds that are not subject to NI 81-107 and with discretionary accounts managed by affiliates of the manager, subject to complying with similar conditions to those set out in NI 81-107.

IRC Review and Approval

Each of the Related Party Transactions described above is subject to prior review and approval by the IRC of the Portfolios. As part of this process, the IRC must review and assess the adequacy and effectiveness of the manager's policies and procedures in respect of each of the Related Party Transactions. The manager must act in accordance with the requirements of NI 81-107 in respect of any standing instructions provided by the IRC in its approval, and both the IRC and the manager have certain reporting obligations to the securities regulatory authorities.

The IRC of the Portfolios has provided its approval and issued standing instructions in respect of each of the Related Party Transactions described above. In accordance with the conditions of the standing instructions, the IRC reviews each of the Related Party Transactions at least quarterly. In its review, the IRC considers whether the investment decisions made by the manager in respect of the Related Party Transactions:

- were made by the manager in the best interest of the Portfolio and were free from any influence of the manager or an entity related to the manager and without taking into account any consideration relevant to the manager or an entity related to the manager;
- were in compliance with the conditions of the policies and procedures of the manager;
- were in compliance with the applicable standing instruction of the IRC; and
- achieved a fair and reasonable result for the Portfolio.

In the event an investment decision in respect of a Related Party Transaction is not made in accordance with a condition imposed by securities legislation or by the IRC in its approval, the manager is required to notify the IRC and the IRC, as soon as practicable, is required to notify the Canadian securities regulatory authorities. 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***.

Subject to certain conditions, the Portfolios have relied on the approval of the IRC and the relevant requirements of NI 81-107 or exemptive relief to vary the investment restrictions and practices contained in securities legislation, including NI 81-102, to permit the Portfolios to:

- invest in or continue to invest in securities of Bank of Montreal or another Related Issuer (the manager is a wholly owned, indirect 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 an entity that is related to the manager or sub-advisor of the Portfolio acted as an underwriter in the distribution of those securities;
- 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; and
- purchase a security of any issuer from, or sell a security of any issuer to, another investment fund managed by the manager or an affiliate of the manager or to a managed account managed by an affiliate of the manager.

Exemptions for Other Types of Investments or Transactions

In addition to the exemptions the manager has received from securities regulatory authorities to vary the investment restrictions and practices contained in securities legislation in respect of Related Party Transactions, the manager has received the approval of the securities regulatory authorities to vary other investment restrictions and practices contained in securities legislation as set out below.

In Specie Transactions

The Portfolios have received an exemption to permit 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.

Awards and Ratings

The Portfolios have received exemptive relief from the Canadian securities regulatory authorities to permit the Lipper Fund Awards, Lipper Leader Ratings, FundGrade A+ Awards and 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 regulatory authorities from the self-dealing prohibition in Section 4.2 of NI 81-102 to permit 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 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 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

As mutual fund trusts, units of each Portfolio are a "qualified investment" under the Tax Act for registered retirement savings plans ("RRSP"), registered retirement income funds ("RRIF"), registered disability savings plans ("RDSP"), registered education savings plans ("RESP"), tax-free savings accounts ("TFSA") 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, RDSP, RESP or TFSA even when the units are a qualified investment. A prohibited investment includes a unit of a trust (i) that does not deal at arm's length with the annuitant under the RRSP or RRIF, the holder of the RDSP or TFSA, or the subscriber of the RESP; or (ii) in which the annuitant, holder or subscriber has a significant interest, which in general terms means the ownership of 10% or more of the fair market value of the trust's outstanding units by the annuitant, holder or subscriber, either alone or together with persons and partnerships with whom the annuitant, holder or subscriber does not deal at arm's length, but does not include units that are "excluded property" as defined in the Tax Act.

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 RRSP, RRIF, RDSP, RESP or TFSA.

None of the Portfolios deviated in the last year from the requirements under the Tax Act that permit it to qualify as a mutual fund trust.

Derivatives

Each Portfolio, except for 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.

If a Portfolio uses derivatives for non-hedging purposes, securities regulations require that the Portfolio hold enough assets and/or cash, as applicable, to cover its commitments in the derivatives contracts.

A Portfolio may use derivatives only 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 regulatory authorities. 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 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.

CALCULATION 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 as at 4:00 p.m. (Eastern Time) on the Valuation Date. "**Valuation Date**" for the Portfolios means each day that the Toronto Stock Exchange is open for business. Investors in the Portfolios may obtain the net asset value and net asset value per unit of the Portfolios in which they invest by contacting their BMO Private Wealth professional.

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.

VALUATION OF PORTFOLIO SECURITIES

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, bills and demand notes and accounts receivable, 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 or the closing price is not within the bid-ask spread, 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. money market or short-term investments are valued at amortized cost, which approximates fair value due to their short-term nature;
4. derivative securities such as clearing corporation options, warrants, are valued at their fair value;
5. 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;
6. futures contracts are valued at outstanding current margin payable or receivable;
7. forward contracts are valued as the difference between the value on the date the contract originated and the value of the contract on the valuation date;
8. mutual fund securities that are not listed on any exchange, are valued at the respective net asset value for such units quoted by the trustee or manager of such fund on the relevant valuation date;
9. debt securities are fair valued. Fair value is determined as the last traded market price or close price set by the market makers, where the close price falls within the bid-ask spread of the security. In situations where the last traded market price is not within the bid-ask spread, the manager determines the point within the bid-ask spread that is most representative of fair value;
10. 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;
11. foreign currency accounts are expressed in Canadian dollars on the following basis:
 - (a) investments and other assets are valued at the applicable rate of exchange at the valuation date;
 - (b) purchases and sales of investments, income and expenses are recorded at the rate of exchange on the dates of the transactions; and
 - (c) a Portfolio's holdings are valued in Canadian dollars (or in U.S. dollars where applicable) before calculating the net asset value of the Portfolio;
12. forward foreign exchange contracts are valued as the difference between the value on the date the contract originated and the value of the contract on the valuation date. Foreign exchange options are valued at their quoted market value. When the contract or option closes or expires, gain or loss is recognized as realized foreign exchange gain or loss;

13. restricted securities are valued at the lesser of (i) the value thereof based on reported quotations in common use, and (ii) the percentage of the market value of unrestricted securities of the same class, equal to the percentage that the fund's acquisition cost was of the market value of such unrestricted securities at the time of acquisition, provided that if we know the time period during which the restrictions on such securities apply, we may adjust the price to reflect that time period;
14. all other assets are valued at the trustee's best estimate of fair value; and
15. if we consider any of these valuation principles inappropriate under the circumstances, or we cannot value an investment according to these principles, we may estimate the fair value of an investment using established fair valuation procedures such as: consideration of public information, broker quotes and valuation models. We may also use external fair value service providers. The value calculated on fair value securities for the purposes of calculating a Portfolio's net asset value may differ from the securities' most recent closing market price;
16. we may also fair value securities in the following circumstances:
 - (a) when there is a halt trade on a security that is normally traded on an exchange;
 - (b) on securities that trade on markets that have closed prior to the time of calculation of the net asset value of the fund and for which there is sufficient evidence that the closing price on that market is not the most appropriate value at the time of valuation; and
 - (c) when there are investment or currency restrictions imposed by a country that affect the fund's ability to liquidate the assets held in that market.

The net asset value per unit of a Portfolio is calculated in Canadian dollars or, if applicable, in U.S. dollars, in accordance with the rules and policies of the Canadian Securities Administrators or in accordance with any exemption therefrom that the Portfolio may obtain. The net asset value per unit of a Portfolio determined in accordance with the principles set out above may differ from the net asset value per unit of a Portfolio determined under International Financial Reporting Standards.

Liabilities

The liabilities of each Portfolio include:

- all bills and notes and accounts payable and/or accrued;
- all administrative and operating expenses payable or accrued or both, including management fees;
- all contractual obligations for money or property, including any unpaid distribution credited to securityholders the day before the net asset value per security is determined;
- all allowances authorized or approved by the Manager for taxes (if any) or contingencies;
- the value of margin payable on futures contracts; and
- all other liabilities of the fund.

Units of each Portfolio are still considered outstanding on the day we receive a request to redeem them. They are valued at the redemption price per security on that day, but are considered a liability of a Portfolio only after the close of business on that day.

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 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*.

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 may accept or reject a purchase order within one business day of receiving the order. If the manager rejects the purchase order, we will immediately return any money we have received, without interest.

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 portion 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 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 second 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 Canadian 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 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 administrative policies and assessing practices of the Canada Revenue Agency (the "CRA") published by it in writing. 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 if a person becomes a "majority-interest beneficiary" of the Portfolio, or a group of persons becomes a "majority-interest group of beneficiaries" of the Portfolio, as those terms are defined in the Tax Act. Generally, a majority-interest beneficiary of a Portfolio is a unitholder who, together with persons and partnerships with whom the unitholder is affiliated, owns units with fair market value that is greater than 50% of the fair market value of all units of the Portfolio. However, no person or group of persons should become a majority-interest beneficiary or majority-interest group of beneficiaries 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" (i) it will be deemed to have a year-end for tax purposes (which would result in an allocation of the Portfolio's taxable income at such time to unitholders so that the Portfolio is not liable for income tax on such amounts), and (ii) it will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. As a result of the application of these rules, the amount of distributions paid by the Portfolio after a loss restriction event may be larger than it otherwise would have been. There can be no assurance that a Portfolio has not been, or will not in the future become, subject to the loss restriction event rules.

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.

When units of a Portfolio are purchased, a portion of the purchase price may reflect income and capital gains of the Portfolio for the year. Accordingly, unitholders who purchase just before a distribution date will be required to include in their income amounts distributed from the Portfolio, even though the Portfolio earned these amounts before the unitholder owned the Units. A distribution reduces a Portfolio's net asset value per unit.

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 that 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 of units of a Portfolio to a unitholder is, generally, the amount paid for the units, plus the amount of reinvested distributions on the units, minus the adjusted cost base of units redeemed and any capital returned in distributions. 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 ("**taxable capital gain**") will generally be included in the unitholder's income and one-half of any capital loss ("**allowable capital loss**") realized by a unitholder must generally be deducted from taxable capital gains in the year of disposition and, subject to certain limitations imposed under the Tax Act, any excess may be carried back three years or forward indefinitely for deduction against taxable capital gains realized in those years.

In certain situations, where a unitholder disposes of units of a Portfolio and would otherwise realize a capital loss, the loss will be denied. This may occur if a unitholder or a person affiliated with a unitholder (including the unitholder's spouse or common-law partner or a corporation controlled by the unitholder) has acquired units of the same Portfolio within 30 days before or after the original unitholder disposed of the units, which are considered to be "substituted property". In these circumstances, the capital loss may be deemed to be a "superficial loss" and denied. The amount of the denied capital loss will be added to the adjusted cost base to the owner of the units which are substituted property.

Dividends from taxable Canadian corporations and capital gains distributed to or realized by an individual may give rise to an alternative minimum tax.

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, RDSP, RESP or TFSA, not a prohibited investment under the Tax Act for the registered plan. See *Registered Plans, Eligibility for Investment* for more details.

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.

International Information Reporting

There are due diligence and reporting obligations in the Tax Act which were enacted to implement the Canada-United States Enhanced Tax Information Exchange Agreement. Certain unitholders (individuals and certain entities) may be requested to provide information to a Portfolio or their registered dealer relating to their citizenship, tax residency and, if applicable, a U.S. federal tax identification number or such information relating to controlling persons in the case of certain entities. If a unitholder is a U.S. person (including a U.S. citizen) or if a unitholder does not provide the requested information, Part XVIII of the Tax Act generally requires information about the unitholder’s investments to be reported to the CRA, unless the investments are held within a registered plan. The CRA will provide that information to the U.S. Internal Revenue Service.

Canada has signed the OECD Multilateral Competent Authority Agreement and Common Reporting Standard (“CRS”) which provides for the implementation of the automatic exchange of tax information applicable to tax residents other than of Canada or the United States. Under the CRS, unitholders will be required to provide certain information including their tax identification numbers for the purpose of such information exchange unless their investment is held within a registered plan. The CRA will provide that information to countries that are party to the CRS.

A Portfolio (or the manager as its sponsoring entity) will provide information to the CRA in respect of its unitholders in accordance with the Canada-United States Enhanced Tax Information Exchange Agreement and the CRS.

MANAGEMENT AND ADMINISTRATION OF THE PORTFOLIOS

Manager

BMO Trust Company, as trustee, appointed BMO Private Investment Counsel Inc. as the manager of the Portfolios pursuant to the terms of an amended and restated master management agreement dated as of March 19, 2021, as the same may be further amended and/or restated 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 a wholly-owned, indirect subsidiary of Bank of Montreal.

As the manager, we are responsible for the overall management and administration 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 of the Portfolios 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, 1-855-852-1026. We can also be reached via e-mail at contact.centre@bmo.com. Our website is www.bmo.com/privatebanking. 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> |
|--|---------------------------------|---|
| Andrew B. Auerbach Toronto, Ontario | Chair and Director | Executive Vice President and Head, BMO Private Wealth Canada and Asia, BMO Nesbitt Burns Inc. |
| Sylvain C. Brisebois Ottawa, Ontario | Director | Head, National Sales Strategy and Programs, BMO Nesbitt Burns Inc. |
| Thomas C. S. Burian Mississauga, Ontario | Director | Vice President and Chief Financial Officer, Wealth Management, BMO Financial Group |
| Bruce Ferman North York, Ontario | Director | Chief Operating Officer, BMO Private Wealth Canada |
| Denise (Carson) Fernandes Whitby, Ontario | Chief Compliance Officer | Chief Compliance Officer, BMO Private Investment Counsel Inc. |
| Stephen Macdonald Burlington, Ontario | Interim Chief Executive Officer | Interim Head of Investment Management, BMO Private Wealth Canada |
| Jane Gulian-Moiroux Oakville, Ontario | Vice President | Vice President and National Director, Investment Platform, BMO Private Wealth |
| Sandra Henderson Mississauga, Ontario | Director | Regional President, GTA, BMO Private Wealth |
| Christine Lacey Toronto, Ontario | Designated Risk Officer | Director, Wealth Risk Management, BMO Financial Group |
| Richard B. Mason Rockwood, Ontario | Director | Senior Investment Counsellor, BMO Private Wealth |

| <u>Name and Municipality of Residence</u> | <u>Position</u> | <u>Principal Occupation</u> |
|--|-------------------------------------|--|
| Gilles G. Ouellette Toronto, Ontario | Director | Chairman, BMO Global Asset Management |
| Krista L. White Toronto, Ontario | Chief Financial Officer | Lead Financial Officer, BMO Private Wealth |
| Lena M. Zecchino Toronto, Ontario | Chief Anti-Money Laundering Officer | Director and AML Officer, Wealth Management and Global Asset Management, BMO Financial Group |

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

Andrew Auerbach, who was Executive Vice President and Head, Sales and Distribution, Canadian P&C Banking, Bank of Montreal from August 2015 to February 2018 and Executive Vice President and Head, Private Client Division, BMO Nesbitt Burns Inc. from February 2018 to February 2019.

Sylvain Brisebois, who was Senior Vice President, Managing Director and Regional Manager, BMO Nesbitt Burns Inc. from January 2013 to January 2019; Senior Vice President, Managing Director and Regional Manager East Region, BMO Nesbitt Burns Inc. from February 2019 to January 2020; and Senior Vice President and Managing Director, National Sales Manager, BMO Nesbitt Burns Inc. from February 2020 to January 2021.

Thomas Burian, who was 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.

Bruce Ferman, who was Senior Vice President and Managing Director, BMO Nesbitt Burns Inc. from April 2012 to March 2020.

Denise (Carson) Fernandes, who was Director, BMO Nesbitt Burns Inc. from August 2011 to July 2017 and Chief Compliance Officer, BMO InvestorLine Inc. from July 2017 to March 2019.

Sandra Henderson, who was Senior Vice President, P&C, Eastern Ontario (interim South Western Ontario), BMO Financial Group from February 2013 to August 2016; Chief Operating Officer, BMO Harris, US Wealth Management, BMO Financial Group from August 2016 to February 2019; and Chief Operating Officer, BMO Private Wealth from February 2019 to April 2020.

Stephen Macdonald, who was Regional Director of Investments (Calgary), BMO Financial Group from March 2016 to June 2019 and Regional Director of Investments (Toronto), BMO Financial Group from June 2019 to December 2020.

Richard Mason, who was President and Chief Executive Officer, BMO Private Investment Counsel Inc. from November 2011 to August 2016.

Gilles Ouellette, who was Director, BMO Nesbitt Burns Inc. from November 1994 to August 2019 and Chairperson, BMO Nesbitt Burns Inc. from March 2017 to August 2019.

Lena Zecchino, who was Senior Manager, Wealth Management Regulatory Programs, Bank of Montreal from July 2014 to April 2017.

The following are officers of the Portfolios:

| <u>Name</u> | <u>Position with Portfolios</u> |
|-------------------|---------------------------------|
| Bruce Ferman | 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 (the “**Administrative Services Agreement**”). 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 Portfolios.

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 relevant Portfolio and will buy and sell investments according to the investment objectives and strategies of the Portfolio and the criteria established by the manager. 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, Vontobel, 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

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

Jay Kaufman, CFA, Portfolio Manager, Disciplined Equities

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 MBA 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 Chicago and the Chicago Quantitative Alliance.

David Rosenblatt, CFA, Portfolio Manager, Disciplined Equities

David is responsible for equity portfolio management and research. He joined BMO AM Corp. in 2012. Previously, David worked as a consultant in the capital markets and risk management group at First Manhattan Consulting, where he conducted investment research and recommended capital structures/instruments for financial services companies. He holds an MBA with a dual concentration in

analytic finance and economics from the Booth School of Business at the University of Chicago. He also holds a B.A. in economics and psychology from the University of Pennsylvania. In addition, David is a CFA charterholder and a member of the CFA Institute and the CFA Society Chicago.

U.S. Equity Portfolio

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

David Corris, CFA, Head of Disciplined Equities; Portfolio Manager, Disciplined Equities

David heads the BMO Disciplined Equity Team and is responsible for equity portfolio management and research. He joined BMO AM Corp. 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 MBA 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 Chicago and the Chicago Quantitative Alliance.

Jason Hans, CFA, Portfolio Manager, Disciplined Equities

Jason is responsible for equity portfolio management and research. He joined BMO AM Corp. 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 MBA 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 Chicago and the Chicago Quantitative Alliance.

J.P. Gurnee, CFA, Portfolio Manager, Disciplined Equities

J.P. is responsible for equity portfolio management and research. He joined the company in 2018. He started his career at Calamos Investments. Before joining BMO, J.P. served as an analyst at Northern Trust. He holds a B.A. in economics cum laude from Hillsdale College and is a CFA charterholder.

BMO Asset Management Inc.

The manager (acting as portfolio manager) has engaged BMO AM as a sub-advisor for the 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 BMO Financial Group.

Diversified Yield Portfolio and Canadian Income Equity Portfolio

Lutz Zeitler, CFA, MBA, Managing Director & Portfolio Manager, Head of Canadian Fundamental 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. (now BMO Private Investment Counsel Inc.) where he managed several Canadian equity yield and core mandates. In addition to Lutz's over two decades of experience in both portfolio management and research, he holds an MBA from the Richard Ivey School of Business and is a CFA charterholder.

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

Philip joined BMO AM in March 2012 and brings with him over two decades of 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. (now BMO Private Investment Counsel 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

Chris Heakes, CFA, M.Fin., Director & Portfolio Manager, Exchange Traded Funds

Chris joined BMO AM's ETF portfolio management team in 2011, focusing on equity and covered-call portfolios. His over a decade of business experience includes a role as a quantitative equity research associate, and work in investment funds product and client support. Chris holds a Masters of Finance from the University of Toronto, Rotman School of Management (Dean's List), where he studied investments, including derivatives and derivative pricing. Chris also holds a Bachelor of Arts degree from the University of Waterloo with studies in History and Mathematics and the CFA designation.

Ariel Liang, CFA, M.S., LL.M., Vice President & Associate Portfolio Manager, Disciplined Equities

Ariel joined BMO Global Asset Management in January 2018 and is responsible for equity portfolio management and research. She has over 15 years of experience in investment analysis and portfolio management. Prior to joining BMO, Ariel was a quantitative researcher at RBC Global Asset Management, where she designed quantitative investment strategies. Ariel also worked as an associate portfolio manager for the Canada Pension Plan Investment Board and as an investment analyst for Ontario Teachers' Pension Plan. Ariel has a Bachelor of Finance from the Nankai University, a Master of Economics from the Simon Fraser University, and both a Master of Mathematical Finance and a Global Professional Master of Laws from the University of Toronto. In addition, she is a CFA charterholder and a member of the CFA Society of Toronto.

Canadian Money Market Portfolio

Andrew Osterback, CFA, Director & Portfolio Manager, Fundamental Fixed Income

Andrew joined BMO AM's Fundamental Fixed Income team as a portfolio manager in 2005 and has over two decades of 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

Alfred Lee, CFA, CMT, DMS, Director, Portfolio Manager & Investment Strategist, Exchange Traded Funds

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.

Matt Montemurro, CFA, MBA, Director & Portfolio Manager, Exchange Traded Funds

Matt is a portfolio manager and trader on the BMO Global Asset Management Passive Investments and ETF team, focusing on fixed income and preferred share mandates. As such, Matt is responsible for managing and trading across all segments of the fixed income market, both in Canada and internationally. Matt has over a decade of industry experience in managing and trading Canadian government, provincial, corporate and real return bonds; government and corporate US bonds, both investment grade and high yield; as well as emerging market debt. Matt joined the portfolio management team in 2012 and worked through various roles during that time. Matt holds an MBA from the Richard Ivey School of Business at the University of Western Ontario and is a CFA charterholder.

Canadian Special Equity Portfolio

Tyler Hewlett, CFA, Director & Portfolio Manager, Head of Canadian Growth Equities, Canadian Fundamental Equities

Tyler is the lead portfolio manager for BMO AM's Canadian growth mandates, which include Canadian small cap and all-cap portfolios. 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 his position as lead portfolio manager in 2012. Tyler has been the lead portfolio manager on all-cap Canadian equity strategies since inception in 2015. He began his career in the industry in 2001 at a global financial institution, primarily in equity research. Tyler holds a Bachelor of Commerce degree from Queen's University and is a CFA charterholder.

David Taylor, CFA, Director & Portfolio Manager, Canadian Fundamental Equities

David is a Portfolio Manager for BMO AM's fundamental growth strategies including BMO Canadian Small Cap, BMO Growth Opportunities Fund, and the Blueprint Canadian Equity mandates. He joined the firm in 2012 and began his career in the industry in 2003. Prior to joining BMO AM, David worked in equity research for a tier one Canadian investment dealer where he covered multiple sectors and prior to that with a high net worth investment boutique. 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 the 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 an independent asset manager owned by its founders and employees.

Emil Wolter joined Comgest in 2012 and is an Analyst and Portfolio Manager specialising in Asian and Global Emerging Markets equities as well as a member of the Comgest Group's Executive Committee. Emil is also a member of the Group's Investment Committee and leads the firm's Emerging Markets research efforts. He has co-led the firm's Global Emerging Markets strategy since 2014 as well as managing Asia ex Japan and Asia Pacific ex Japan portfolios. Emil started his career in 1995 with Pictet Asset Management in London, specialising in Asian and Emerging Markets equities since 1997. He went on to head the Emerging Markets team at Polar Capital Partners in both London and Singapore. In Singapore, he also worked as Managing Director responsible for regional equity strategy at Royal Bank of Scotland and later at Macquarie Securities. Emil graduated from the University of London (UK) with a Bachelor of Science degree in Financial Economics.

Charles Biderman joined Comgest in 2006 and is an Analyst and Portfolio Manager specialising in Global Emerging Markets equities, notably the Latin America region. He contributes strongly to idea generation and has co-led the management of the firm's Latin American equity strategy since its inception in 2009. Charles also manages a number of Global Emerging Markets segregated mandates. 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 holds an MA from Cambridge University and is 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 holds an MA from Oxford University and is 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 holds an MA from Oxford University and is 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, A. Michael Sramek, CFA, and Thomas H. Trentman, CFA.

Wesley A. Johnston, Senior Portfolio Manager and Research Analyst, has been at Sands Capital since 2004. Wesley holds a BS in Economics from the University of Pennsylvania and is a CFA charterholder.

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

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

Thomas H. Trentman, Senior Portfolio Manager and Research Analyst, has been at Sands Capital since 2005. Thomas holds a BS (Physics-Engineering) and a BA (Chemistry) from Washington and Lee University, and is a CFA charterholder.

Vontobel Asset Management, Inc

The manager (acting as portfolio manager) has engaged Vontobel as a sub-advisor for the U.S. Equity Portfolio. Vontobel is an investment management firm based in New York, New York and is registered as an investment adviser under the *Investment Advisers Act of 1940*, as amended, with the U.S. Securities and Exchange Commission. Vontobel is not currently registered as a portfolio manager under applicable securities legislation in Canada.

The Vontobel team responsible for managing the U.S. Equity Portfolio consists of Matthew Benkendorf as portfolio manager, Edwin Walczak as portfolio manager and Chul Chang as portfolio manager.

Matthew Benkendorf, Managing Director, Chief Investment Officer, Portfolio Manager and Senior Research Analyst

Matthew Benkendorf has been Chief Investment Officer of Vontobel's Quality Growth Boutique since March 2016 and was a co-architect of Vontobel's quality growth philosophy and style. He joined Vontobel Asset Management in 1999 in trade support and was promoted to Trader in 2000. He became a Research Analyst in 2002 and moved into portfolio management in 2006 on the firm's European Equity strategy. Since 2008, he has further developed his responsibilities and, in turn, became Portfolio Manager on the Global, US, International, and Emerging Markets Equity strategies. He has been instrumental in the development of the boutique's investment approach across the Vontobel Quality Growth strategies.

Matthew Benkendorf received a Bachelor of Science in Business Administration in Finance from the University of Denver in Colorado.

Edwin Walczak, Managing Director, Portfolio Manager and Senior Research Analyst

Edwin Walczak has been a Portfolio Manager and Senior Research Analyst for Vontobel's Quality Growth Boutique since July 1988. He has held a management position on the firm's U.S. Equity strategy since its inception. In addition to his portfolio management responsibilities, he continues to conduct research analysis on individual stocks which may be included in the firm's other strategies, primarily focusing on companies in the Industrials, Financials, Health Care, and Consumer Staples sectors.

Prior to joining Vontobel Asset Management, from 1984 to 1988, Edwin Walczak worked as an Institutional Portfolio Manager at Lazard Frères Asset Management. From 1982 to 1984, he was an Institutional Relationship Manager at Sanford C. Bernstein & Co. He began his financial career in 1978 at the Ford Motor Company in Dearborn, Michigan and General Motors Corporation, New York, where he held successive positions as a Financial Analyst until 1982.

Edwin Walczak received an MBA in Finance and a Master of Arts in International Politics and Economics from Columbia University, and was an International Fellow in Columbia Graduate School in New York. In addition, he received a Bachelor of Arts (Phi Beta Kappa) in Government from Colby College in Maine.

Chul Chang, CFA, Executive Director, Portfolio Manager, Senior Research Analyst, Quantitative Risk Analyst

Chul Chang has been a Quantitative Risk Analyst for the Quality Growth Boutique since April 2009 and a Portfolio Manager since June 2020. He joined Vontobel Asset Management in 2009 as a Senior Quantitative Analyst. In addition to his quantitative analysis responsibilities, he is also on the Risk Management Team and works as a Senior Research Analyst. He continues to conduct research analysis on individual stocks which may be included in the firm's other strategies, primarily focusing on the Materials and Energy sectors. He expanded his role in June 2020, becoming a Portfolio Manager on the firm's U.S. Equity strategy.

Prior to joining Vontobel Asset Management, from 2003 to 2009 Chul Chang was a Director in Investment Services at AG Asset Management. He began his financial career in 2000 at Alliance Bernstein where he worked in relationship management until 2003.

He received an MBA from Columbia University and a Bachelor of Science in Applied Economics from Cornell University in New York. Chul Chang is 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 holds a B.S. (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 holds a B.A. (Communications) with honors from San Jose State University and a J.D. from 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 holds a B.S. (Finance) with honors from Saint Louis University.

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 holds a B.A. (Physical Science) from Westmont College, a B.S. and M.S. in Electrical Engineering from Stanford University, and is 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 Dan Crowe, CFA and Jim Jones, CFA.

Dan Crowe, CFA, Partner

Dan Crowe, CFA, partner, is a portfolio manager on William Blair's Mid Cap Growth, Small-Mid Cap Growth, and Small-Mid Cap Core strategies. Previously, he was an associate portfolio manager on the firm's Mid Cap Growth strategy, an associate portfolio manager on the firm's Small Cap Growth strategy, and a research analyst, where he focused on all sectors across the U.S. small-cap space. Before joining William Blair as a generalist research analyst in May 2011, Dan was a midcap portfolio manager at Pyramis Global Advisors and a portfolio manager and analyst at The Boston Company/Founders Asset Management. He began his career as a generalist analyst at Marsico Capital Management. Dan is a member of the CFA Institute and the CFA Society Chicago. He received a B.S. in mechanical engineering from the University of Illinois at Urbana-Champaign.

Jim Jones, CFA, Partner

Jim Jones, CFA, partner, is a portfolio manager on William Blair's Mid Cap Growth and Small-Mid Cap Growth strategies. Previously, he was a research analyst focused on U.S. small-cap industrial companies for the U.S. Growth Equity team since 2010 and also served as the team's co-director of research from 2017-2019. Before joining William Blair in 2010, Jim was an investment analyst at Federated Investors. Prior to that, he was a research analyst at Credit Suisse and an associate at Ashton Partners. He has the CFA designation and is a member of the CFA Institute and the CFA Society Chicago. Jim received a B.S. in accounting from Miami University and an MBA from the University of North Carolina.

Custodian

CIBC Mellon Trust Company 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, as amended, and as amended and restated on January 2, 2019, as the same may be amended from time to time (the "**Custodian Agreement**"). The Custodian Agreement may be terminated by any party upon 90 days' written notice to the other parties.

All marketable securities, with the exception of foreign assets, are held at the Custodian's principal offices located in Toronto, Ontario. Foreign assets may be held by local sub-custodians appointed by the

Custodian or under their authority in various foreign jurisdictions where a Portfolio may have assets invested. The Custodian or the sub-custodians may use the facilities of any domestic or foreign depository or clearing agency authorized to operate a book-based system. The sub-custodians 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, located in 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 Marlene Davidge (Chair), Jim Falle, Wendy Hannam and Jacqueline Allen. Each member is independent of the Portfolios, the manager and other companies related to the manager.

Each IRC member receives compensation for the duties he or she performs as an IRC member. The annual retainer for each IRC member (other than the Chair) in respect of all of the Portfolios is approximately \$7,896. The annual retainer for the Chair is approximately \$11,350. In addition, each IRC member is entitled to reimbursement of all reasonable expenses in connection with his or her duties as an IRC member. For the most recently completed financial year of the Portfolios, the IRC members received aggregate annual fees and reimbursement of expenses of \$39,359; inclusive of HST, which was paid by the Portfolios to each IRC member as follows: Jim Falle, \$8,870; Wendy Hannam, \$8,870; Jacqueline Allen, \$8,870; and Marlene Davidge, \$12,749. These annual fees and reimbursement of expenses were allocated among the Portfolios in a manner that was 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 (the “**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 a liquidity policy (“**Liquidity Policy**”) which covers the Portfolios and serves as a framework for promoting a robust process of assessment, review and monitoring of key asset management risks. The Liquidity Policy sets out the key requirements that govern portfolio liquidity used by the manager including liquidity risk ranking of the Portfolios annually and stress testing of the liquidity of the Portfolios on a regular basis. The Liquidity 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 Canadian 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 Wealth 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. Each sub-advisor's own policies and procedures are substantially similar to those of the manager, which are summarized below. 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 vary 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.

The manager has delegated voting of proxies of each Portfolio's securities to that Portfolio's sub-advisor who will vote the proxies in the best interests of the Portfolio without reference to, or influence from, the manager.

The policies and procedures that the Portfolios follow when voting proxies relating to portfolio securities are available on request, at no cost, by calling 1-855-852-1026 or from your BMO Private Wealth 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 1-855-852-1026. The proxy voting record is also available on our website at www.bmo.com/privatebanking.

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 Canadian 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 Canadian 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 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 distributions made to unitholders of the Portfolio, 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 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 of the Portfolio will not be obtained before making the change. Unitholders of the Portfolio 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.

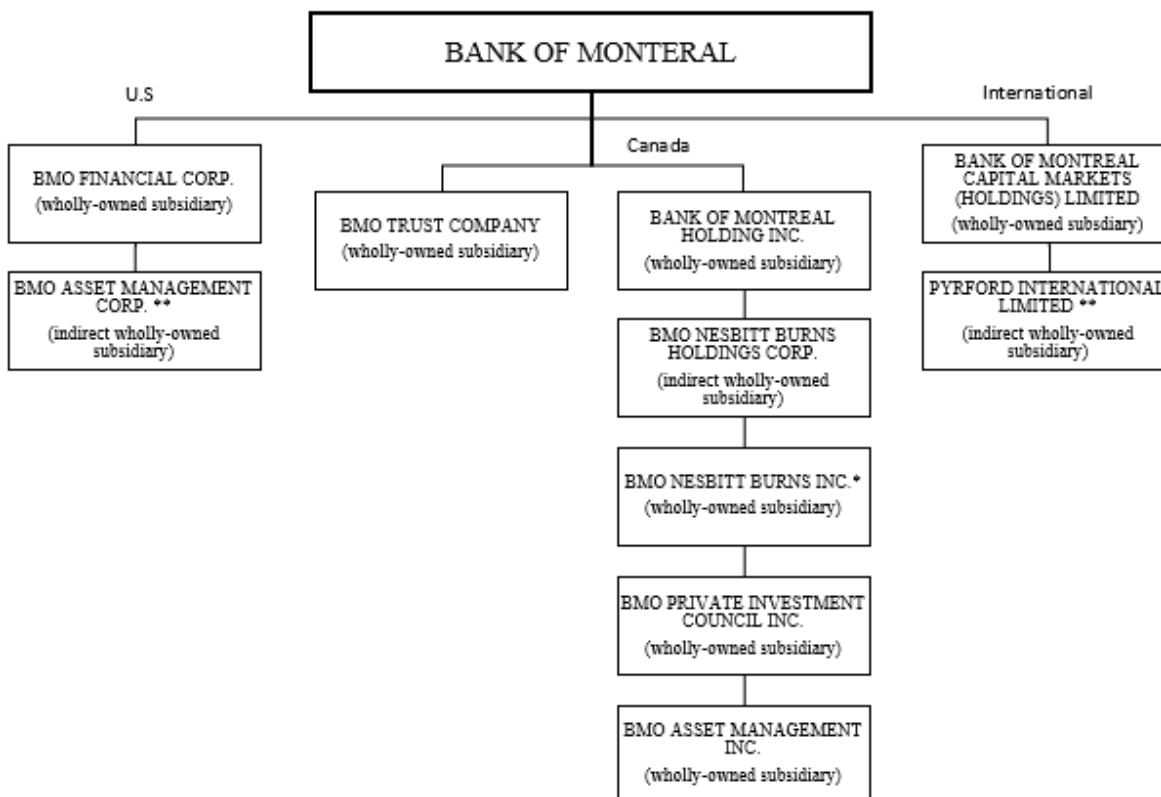
OTHER INFORMATION

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.

** On April 12, 2021, BMO Financial Group announced that it had reached a definitive agreement to sell the entities that represent its EMEA Asset Management business to Ameriprise Financial, Inc. The transaction is expected to close in the fourth quarter of 2021, subject to regulatory approval and other customary closing conditions. After the transaction has closed, Pymfod International Limited will no longer be a subsidiary or affiliate of Bank of Montreal or related or connected to the manager. Separately, in the U.S. the transaction includes the transfer to Columbia Threadneedle Investments (“CTI”), Ameriprise Financial’s global asset management business, of certain asset management clients of BMO Asset Management Corp., subject to client consent. An evaluation is currently underway between BMO Asset Management Corp. and CTI in relation to the sub-advisory arrangements with BMO Asset Management Corp. for certain funds.

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 |
|---------------------|---|
| Andrew B. Auerbach | Director, BMO Nesbitt Burns Holdings Corporation; Head, Private Client Division and Director, BMO Nesbitt Burns Inc.; and Chair and Director, BMO Trust Company |
| Thomas C. S. Burian | Director, BMO Asset Management Inc.; and Chief Financial Officer and Treasurer, BMO Trust Company |
| Bruce Ferman | Director, BMO Trust Company; and Chief Operations Officer, Private Client Division, BMO Nesbitt Burns Inc. |
| Christine Lacey | Designated Risk Officer, BMO Trust Company |
| Gilles G. Ouellette | Chair and Director, BMO Asset Management Corp.; Chair and Director, BMO Asset Management Inc.; and Director, Pymfod International Limited |
| Robert J. Schauer | Head Investment Funds Operations, BMO Asset Management Inc. |
| Lena M. Zecchino | Chief Anti-Money Laundering Officer, BMO Asset Management Inc., BMO Trust Company and BMO Nesbitt Burns 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 management and administration of the Portfolio, 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

The Portfolios

As of April 13, 2021, no person owned of record, or is known by each of the Portfolios or the manager to own beneficially, directly or indirectly, more than 10% of the outstanding units of a Portfolio.

As of April 13, 2021, to the knowledge of the manager, the directors and senior officers of the manager and the members of the IRC of the Portfolios beneficially owned, directly or indirectly, in aggregate, less than 10% of the outstanding units of each of the Portfolios.

The Trustee and the Manager

The trustee is a wholly-owned, and the manager is a wholly-owned, indirect subsidiary of Bank of Montreal. To the knowledge of Bank of Montreal, no person owns, directly or indirectly, 10% or more of any class or series of voting or equity securities of Bank of Montreal. The directors and senior officers of Bank of Montreal, in aggregate, own less than 1% of Bank of Montreal's outstanding common shares.

The IRC

As of April 13, 2021, to the knowledge of the manager, the members of the IRC of the Portfolios, in aggregate, owned less than 1% of any class or series of voting or equity securities of Bank of Montreal.

As of April 13, 2021, to the knowledge of the manager, the members of the IRC of the Portfolios, in aggregate, do not own any voting or equity securities of any other 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 Portfolios' 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. (a wholly-owned, indirect 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, competitiveness of commission terms and prices, range of services, 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 7, 2020, 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 7, 2020, 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 1-855-852-1026 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.

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

Legal and Administrative Proceedings

The manager is a part of BMO Financial Group. From time to time, BMO Financial Group and its affiliates are a party to legal proceedings and regulatory matters in the ordinary course of business. While there is inherent difficulty in predicting the outcome of these proceedings, management does not expect the outcome of any of these proceedings, individually or in the aggregate, to have a material adverse effect on the consolidated financial position or the results of operations of BMO Financial Group.

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
(to be renamed, BMO Private Canadian Short-Mid 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

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 7, 2021

(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) “Andrew Auerbach”

Andrew Auerbach
Director

(Signed) “Bruce Ferman”

Bruce Ferman
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
(to be renamed, BMO Private Canadian Short-Mid 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

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.

Date: May 7, 2021

(Signed) “Stephen Macdonald”

Stephen Macdonald
Interim 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) “Andrew Auerbach”

Andrew Auerbach
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
(to be renamed, BMO Private Canadian Short-Mid 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
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

1-855-852-1026

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

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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 1-855-852-1026, e-mail us at contactcentre@bmo.com or ask your BMO Private Wealth 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.bmo.com/privatebanking or at www.sedar.com.

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

