SIMPLIFIED PROSPECTUS

BMO PRIVATE PORTFOLIOS

May 4, 2018

BMO PRIVATE CANADIAN MONEY MARKET PORTFOLIO
BMO PRIVATE CANADIAN SHORT-TERM BOND PORTFOLIO
BMO PRIVATE CANADIAN MID-TERM BOND PORTFOLIO
BMO PRIVATE CANADIAN CORPORATE BOND PORTFOLIO
BMO PRIVATE DIVERSIFIED YIELD PORTFOLIO
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BMO Wealth Management
BMO Private Banking

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Introduction

This simplified prospectus contains selected important information to help you make an informed decision about investing in the BMO Private Portfolios and to help you understand your rights as an investor in the Portfolios.

In this simplified prospectus, *you* and *your* refer to you, the investor, *the manager, we*, *us* and *our* refer to BMO Private Investment Counsel Inc., the manager of the BMO Private Portfolios, and *Portfolios* refers to the BMO Private Portfolios.

Units of the Portfolios are only available through the wealth management service offered through BMO Financial Group. Units of the Portfolios may be purchased by us on an investor's behalf. For more information, see ***Purchases, switches and redemptions***.

This document is divided into two parts:

- Pages 1 to 22 contain general information about all of the Portfolios, and
- Pages 23 to 65 contain specific information about each of the Portfolios.

Additional information about each Portfolio is available in the Portfolio's annual information form, its most recently filed fund facts, its most recently filed annual financial statements, any interim financial statements filed after those annual financial statements, 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. 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.

You can get copies of these documents, at no cost, by calling toll free at 1-855-852-1026 or from your BMO Private Banking professional.

These documents and other information about the Portfolios are also available on SEDAR at **http://www.sedar.com**, on our internet site at **www.bmoprivatebanking.com**, or by contacting us at **contact.centre@bmo.com**.

What is a mutual fund and what are the risks of investing in a mutual fund?

A mutual fund is a pool of money contributed by investors with similar investment objectives that is invested in a portfolio of securities on their behalf by professional portfolio managers. When you invest in a mutual fund, you do so by buying securities of the fund. Investors share in a fund's income, expenses and the gains and losses the fund makes on its investments in proportion to the securities they own.

What are the risks of investing in mutual funds?

Mutual funds may own different types of investments – stocks, bonds, cash – depending on their investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, and market and company news. The value of a mutual fund's security may be impacted by overall market conditions that are not specifically related to a particular company or issuer, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or foreign exchange rates or adverse investor sentiment. The value of a mutual fund's security may also decline due to factors which affect a particular industry or industries, such as labour shortages, increased production costs and competitive conditions within an industry. As a result, the market price of a mutual fund's security may increase or decrease, occasionally rapidly or unpredictably. As a result, the value of a mutual fund's security may go up and down, and the market value of an investor's investment in a mutual fund may be more, or less, when it is redeemed than when it was purchased.

The full amount of your original investment in any of the Portfolios is not guaranteed by any entity, including Bank of Montreal. Unlike bank accounts or guaranteed investment certificates, units of the Portfolios are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Under exceptional circumstances, the Portfolios may suspend redemptions. Please see ***Purchases, switches and redemptions*** on page 11 for more information.

General investment risks

All investments have some level and type of risk. Simply put, risk is the possibility you will lose money, or not make money, on your investment. Generally, the higher an investment's anticipated return, the greater the risk you must be prepared to take. The following summarizes the range of potential risks generally associated with investing in the Portfolios. Not all of the risks outlined below apply to all of the Portfolios. For the specific risks associated with a particular Portfolio, please see the information contained under the heading ***What are the risks of investing in the fund?*** for each Portfolio.

Commodity

Changes in the prices of commodities, such as oil and gas, may have an effect on a natural resource company or an income or royalty trust whose business is based on a particular commodity. A Portfolio that invests in the securities of such issuers may also be affected. Prices of commodities are generally cyclical and may experience dramatic fluctuations in short periods of time. Prices of commodities may also be affected by new resource discoveries or changes in government regulations.

Credit

Portfolios that invest in money market investments, bonds and other fixed income investments issued by governments and corporations are affected by the issuing entity's ability and willingness to pay interest or repay principal when it is due. Creditworthiness is determined by a third party designated rating organization, such as DBRS Limited, Moody's Canada Inc. or Standard & Poor's Ratings Services (Canada). If a designated rating organization determines that an issuer has become less creditworthy, it may decrease the credit rating of the issuer and/or the security of the issuer. A downgrade will likely cause the price of the security to decrease. This risk is lowest among issuers that have a high credit rating and highest among issuers that have a low credit rating. Securities issued by well established companies and governments of developed countries tend to have lower credit risk. Some Portfolios may invest in high yield securities. High yield securities are usually rated BB+ or lower by Standard & Poor's Ratings Services (Canada) or Ba1 or lower by Moody's Canada Inc. (or the equivalent rating as defined by other designated rating organizations) because of the higher credit risk and risk of default. High yield securities are considered predominately speculative with respect to the issuer's continuing ability to make principal and interest payments. An economic downturn could adversely affect the market for these securities and thereby reduce a Portfolio's ability to sell these securities. If the issuer of a security is in default with respect to interest or principal payments, the Portfolio may lose its entire investment. Portfolios that invest in high yield securities and unrated securities of similar credit quality may be subject to greater levels of credit and liquidity risk than Portfolios that do not invest in these securities.

Currency

In addition to other risks, fluctuations in the Canadian dollar relative to foreign currencies will affect the value of a Portfolio that invests in foreign securities or securities of issuers with exposure to foreign currency. As foreign currencies change in value relative to Canadian currency, it is possible that an unfavourable move in the exchange rate may reduce, or even eliminate, any increase in value of the foreign securities held by the Portfolio. This would negatively affect the Portfolio's net asset value per unit. The opposite can also occur and the Portfolio could benefit from a positive change in exchange rates.

Cybersecurity

With the increased use of technologies such as the Internet to conduct business, the manager and each of the Portfolios are susceptible to operational, information security, and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the Portfolios, the manager or the Portfolios' service providers (including, but not limited to, a Portfolio's portfolio manager, sub-advisor(s), transfer agent, custodian and sub-custodians) have the ability to cause disruptions and impact each of their respective business operations, potentially resulting in financial losses, interference with the Portfolios' ability to calculate their net asset value, impediments to trading, the inability of unitholders to transact business with the Portfolios and the inability of the Portfolios to process transactions including redeeming units, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs associated with the implementation of any corrective measures. Similar adverse consequences could result from cyber incidents affecting the issuers of securities in which the Portfolios invest and counterparties with which the Portfolios engage in transactions.

In addition, substantial costs may be incurred to prevent any cyber incidents in the future. While the manager and the Portfolios have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, inherent limitations exist in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the manager and the Portfolios cannot control the cyber security plans and systems of the Portfolios' service providers, the issuers of securities in which the Portfolios invest or any other third parties whose operations may affect the Portfolios or their unitholders. As a result, the Portfolios and their unitholders could be negatively affected.

Derivatives transactions

Derivatives are investments whose value is based on the value of an underlying investment. Derivatives can be useful for hedging against losses associated with currencies, stock markets and interest rates or as a substitute for the underlying assets. The Portfolios may only use derivatives to the extent, and for the purposes, permitted by Canadian securities regulators. Derivatives are associated with certain risks:

- there is no assurance that a liquid market will exist to allow a Portfolio to realize profits or limit losses by closing out a derivative position;
- a Portfolio that uses derivatives is subject to credit risks associated with the ability of counterparties to meet their obligations;
- derivatives that are traded in foreign markets may offer less liquidity and greater credit risk than comparable instruments traded in Canada;
- there is no assurance that a Portfolio's hedging strategy will be effective; and
- the price of a derivative may not accurately reflect the value of the underlying security or index.

Equity investments

Portfolios that invest primarily in equities will have varying degrees of risk, from being relatively conservative at one end to very aggressive, or risky, at the other end, depending on the nature of their investment objectives and strategies. For example, a Portfolio that invests in smaller capitalization companies and/or growth stocks may be more volatile than a Portfolio that invests in larger capitalization companies and/or value stocks.

Equity Portfolios tend to be more volatile than fixed income Portfolios and the value of their securities may fluctuate to a greater degree than the value of securities of fixed income Portfolios.

Portfolios that concentrate on equity investments will be affected by the fortunes of the companies or other entities that issue the equity securities and will be influenced by conditions affecting the stock market prices where the securities are traded, as well as general economic trends.

Portfolios that invest in limited partnership units or trust units, such as oil and gas royalty trusts, real estate investment trusts and income trusts, will have varying degrees of risk depending on the sector and the underlying asset or business and may therefore be susceptible to risk associated with the industry in which the underlying business operates, to changes in business cycles, commodity prices, and to interest rate fluctuations and other economic factors. The price of a security is influenced by the outlook for the particular business, by the market activity and by the larger economic picture, both at home and abroad. When the economy is expanding, the outlook for many businesses may also be good and the value of their securities may rise. The opposite is also true.

Fixed income investments

Portfolios that invest primarily in fixed income securities will be affected by interest rates and the credit rating of the issuers of fixed income securities. Bond prices are usually more stable than stock prices, but will fluctuate inversely with interest rates. Fixed income Portfolios have the advantage of providing a stream of income, but generally lack the growth potential of equity Portfolios.

Foreign investments

The value of a foreign security may be affected by the economic, political and financial environments in the country of the government or the company that issued the security. Issuers of non-Canadian or non-U.S. securities are generally not subject to the same degree of regulation as are Canadian or U.S. issuers. The reporting, accounting and auditing standards of foreign countries may differ, in some cases significantly, from Canadian or U.S. standards. Portfolios that invest in securities of issuers based in countries with developing economies have the potential for greater market, credit, currency, legal, political and other risks that differ from, or may be greater than, the risks of investing in developed foreign security markets.

Fund of funds

Certain Portfolios may invest directly in, or obtain exposure to, other funds as part of their investment strategy. These Portfolios will be subject to the risks of the underlying funds. Also, if an underlying fund suspends redemptions, the Portfolio will be unable to accurately value part of its investment portfolio and may be unable to redeem securities of that underlying fund.

Indexing

Certain Portfolios may use a variety of indexing strategies or may invest in underlying exchange traded funds ("**underlying ETFs**") that use a variety of indexing strategies. Indexing strategies involve tracking the performance of an index by tracking the performance of the investments included in the index. It is unlikely that a Portfolio or an underlying ETF will be able to track an index perfectly because each of the Portfolio or the underlying ETF has its own operating and trading costs, which lower returns. Indices don't have these costs.

Also an underlying ETF may, in basing its investment decisions on an index, have more of its assets invested in one or more issuers than is usually permitted for mutual funds. In these circumstances, the underlying ETF may tend to be more volatile and less liquid than more diversified mutual funds as it is affected more by the performance of individual issuers.

Further, concentrating its investments in the securities of a particular index allows a Portfolio or an underlying ETF to focus on that index's potential, but it also means that the Portfolio or the underlying ETF may tend to be more volatile than a Portfolio or an underlying ETF that invests in the securities of a variety of indices because prices of securities on the same index tend to move up and down together. If required by its investment objectives and strategies, the Portfolio or the underlying ETF must continue to invest in the securities of the index, even if the index is performing poorly. That means the Portfolio or the underlying ETF won't be able to reduce risk by diversifying its investments into securities listed on other indices.

Also, if the market upon which the index is based is not open, the Portfolio or the underlying ETF may be unable to determine its net asset value per security, and so may be unable to satisfy redemption requests.

Interest rates

The value of fixed income investments, which include bonds, treasury bills and commercial paper, is directly affected by the changes and direction of interest rates. As interest rates rise, the value of a fixed income security will fall. If interest rates fall, the value of a fixed income security will rise. This occurs because at the date of issue, most fixed income securities have a set rate of interest which will be paid to holders of the securities until the maturity date of such securities. As the interest rate changes, the value of the fixed income security changes so that its return to maturity, and the return to maturity of an equivalent security issued currently, are the same, all other factors being equal.

A money market fund's yield will be affected by short-term interest rates.

Issuer concentration

The market value of an individual security may be more volatile than the market as a whole. As a result, if an individual issuer's securities represent a significant portion of the market value of a Portfolio's assets, changes in the market value of that individual issuer's securities may cause greater fluctuations in the Portfolio's value than would normally be the case. The value of a security may increase or decrease for a number of reasons that directly relate to the individual issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

Large investor

A Portfolio may have one or more investors who hold a substantial number of units of the Portfolio. The purchase or redemption of a substantial number of units of a Portfolio may require the manager or sub-advisor to change the composition of the Portfolio's holdings significantly or may force the manager or sub-advisor to sell investments at unfavourable prices. This can affect a Portfolio's performance.

A trust, such as a Portfolio, is subject to a "loss restriction event" for the purposes of the *Income Tax Act* (Canada) (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.

Liquidity

Liquidity is a measure of how easy it is to convert an investment into cash. An investment in securities may be less liquid if the securities are not widely traded or if there are restrictions on the exchange where the trading of such securities takes place. Investments with low liquidity can have significant changes in value. Portfolios with an investment strategy that uses foreign securities, securities of small companies, derivative transactions or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk.

Mortgage related securities and asset backed securities

A Portfolio that invests in mortgage related securities and asset backed securities is subject to credit risk, interest rate risk and liquidity risk as described herein in respect of such securities. Rising interest rates tend to extend the duration of these securities, making them more sensitive to changes in interest rates. In a period of rising interest rates, these securities may exhibit additional volatility. This is known as extension risk. Conversely, when interest rates decline, borrowers may pay off their debts sooner than expected. This is known as pre-payment risk. This can reduce the returns of the Portfolio because the Portfolio will have to reinvest that money at the lower prevailing interest rates. This is known as contraction risk.

Securities lending, repurchase and reverse repurchase transactions

Portfolios may engage in securities lending, repurchase and reverse repurchase transactions. *Securities lending* is an agreement whereby a Portfolio lends securities through an authorized agent in exchange for a fee and a form of acceptable collateral. Under a *repurchase transaction*, a Portfolio agrees to sell securities for cash while, at the same time, assuming an obligation to repurchase the same securities for cash at a later date. A *reverse repurchase transaction* is a transaction pursuant to which a Portfolio buys securities for cash while, at the same time, agreeing to resell the same securities for cash at a later date.

The risks associated with securities lending, repurchase or reverse repurchase transactions arise when a counterparty defaults under the agreement evidencing the transaction and the Portfolio is forced to make a claim in order to recover its investment. In a securities lending or repurchase transaction, a Portfolio could incur a loss if the value of the securities loaned or sold has increased relative to the value of the collateral held by the Portfolio. In the case of a reverse repurchase transaction, a Portfolio could incur a loss if the value of the securities purchased by the Portfolio decreases relative to the value of the collateral held by the Portfolio.

Small companies

Portfolios that invest in securities of smaller capitalization companies are affected by the fact that the price of securities of smaller capitalization companies may be more sensitive to the release of company and economic news, and by the fact that there may be a less liquid market for their securities. In general, prices of securities of smaller capitalization companies are significantly more volatile than those of larger capitalization companies.

Organization and management of the BMO Private Portfolios

Manager **BMO Private Investment Counsel Inc.** 41st Floor, 1 First Canadian Place Toronto, Ontario M5X 1A1 **1-855-852-1026**	The manager is responsible for the management of the overall business and operations of the Portfolios. The manager is an indirect subsidiary of Bank of Montreal.
Trustee **BMO Trust Company** Toronto, Ontario	The Portfolios are organized as trusts. When you invest in a Portfolio, you are buying units of a trust. The trustee holds actual title to the property in the Portfolios - the cash and securities - on your behalf. BMO Trust Company (the "**trustee**") is a wholly-owned subsidiary of Bank of Montreal.
Portfolio Manager **BMO Private Investment Counsel Inc.** Toronto, Ontario	The portfolio manager manages the Portfolios' investment portfolios by providing investment analysis and making investment decisions for the Portfolios. The manager may hire sub-advisors, as described below.
Sub-Advisors **BMO Asset Management Inc.** Toronto, Ontario **BMO Asset Management Corp.** Chicago, Illinois **Comgest SA** Paris, France **Pyrford International Limited** London, England **Sands Capital Management, LLC** Arlington, Virginia **WCM Investment Management** Laguna Beach, California **William Blair Investment Management, LLC** Chicago, Illinois	The manager (acting as portfolio manager) has hired the sub-advisors to provide investment advice and make investment decisions for the Portfolios' investment portfolios. The name of each Portfolio's sub-advisor is set out in each Portfolio's description. It may be difficult to enforce legal rights against BMO Asset Management Corp. ("**BMO AM Corp.**"), Comgest SA ("**Comgest**"), Pyrford International Limited, Sands Capital Management, LLC ("**Sands**"), WCM Investment Management ("**WCM**") and William Blair Investment Management, LLC ("**William Blair**") because they are each resident outside of Canada and their assets are located outside of Canada. None of BMO AM Corp., Comgest, Sands, WCM or William Blair is registered to provide advice in Ontario. Instead, they have been appointed as international sub-advisors by the manager and are acting in such capacity pursuant to an exemption from the requirement to be registered. The manager is responsible for the investment advice given by BMO AM Corp., Comgest, Sands, WCM and William Blair.
Custodian **CIBC Mellon Trust Company** Toronto, Ontario	The custodian is responsible for the safekeeping of a Portfolio's securities and other investments. The custodian is independent of the manager.
Registrar **BMO Private Investment Counsel Inc.** Toronto, Ontario	The registrar keeps a register of the owners of units for each Portfolio and processes orders. The registrar is an indirect subsidiary of Bank of Montreal.

Auditor **PricewaterhouseCoopers LLP** **Chartered Professional Accountants, Licensed Public Accountants** Toronto, Ontario	The auditor performs an annual audit of the Portfolios' financial statements to ensure that these statements fairly present the financial position and results of each of the Portfolios in accordance with International Financial Reporting Standards. The auditor is independent of the manager and the Portfolios. Although you will not approve any change of auditor, you will receive written notice of any proposed auditor change at least 60 days prior to the change taking effect.
Securities Lending Agent **Bank of New York Mellon** Toronto, Ontario	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.
Independent Review Committee	The Portfolios are required to have an independent review committee ("**IRC**") in accordance with National Instrument 81-107 *Independent Review Committee for Investment Funds* ("**NI 81-107**"). The mandate of the IRC is to review conflict of interest matters identified and referred to the IRC by the manager and to give its approval or recommendation, 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, the primary focus of the IRC is to determine if the manager's proposed action achieves a fair and reasonable result for the Portfolios. The IRC is composed of four members and each member is independent of the Portfolios, the manager and other companies related to the manager. The IRC will prepare, for each financial year of the Portfolios, a report to unitholders that describes the IRC and its activities for the Portfolios' financial year. This report is available on our website at: **www.bmoprivatebanking.com** or, at the unitholder's request and at no cost, by contacting us at **contact.centre@bmo.com**. Additional information about the IRC, including the names of the individual members of the IRC, is available in the Portfolios' annual information form.

Where the securities of an underlying fund are held by a Portfolio and we manage, or one of our affiliates or associates manages, the underlying fund, we will not vote those securities. At our discretion, we may arrange for the securities of the underlying fund to be voted by the unitholders.

In certain circumstances, your approval may not be required under securities legislation to effect a merger of a Portfolio or a change in the auditor of a Portfolio. Where the IRC is permitted under securities legislation to approve a merger of a Portfolio in place of the unitholders, you may receive written notice at least 60 days before the date of the merger. For a change in the auditor of a Portfolio, you will receive written notice of any proposed auditor change at least 60 days prior to the change taking effect.

Purchases, switches and redemptions

Investors may purchase units of the Portfolios only if they have entered into an investment management agreement pursuant to which we have been given the investment authority to purchase, switch and redeem units of the Portfolios on their behalf.

Units are purchased, distributions reinvested, and switches and redemptions implemented for all of the Portfolios on the basis of the net asset value per unit applicable to the transaction, which is reflected in the next calculation of the net asset value. The net asset value per unit of a Portfolio is calculated by dividing the value of net assets of the Portfolio (that is, the value of the Portfolio's assets less its liabilities) by the total number of units of the Portfolio then outstanding. Although no assurance can be given that this will always be the case, BMO Private Canadian Money Market Portfolio expects to maintain a net asset value per unit of $10.00.

The net asset value per unit for each of the Portfolios is calculated on each Portfolio's valuation date, which is each day the Toronto Stock Exchange is open for trading (the "**Valuation Date**"). Purchase, switch or redemption orders received and processed by the manager before 4:00 p.m. (Eastern Standard Time) on a Valuation Date (or such earlier time imposed by the dealer) will be processed at the net asset value per unit determined on that day. Otherwise the order will be processed at the net asset value per unit on the following Valuation Date.

Purchases

Units of all of the Portfolios can be purchased in Canadian dollars. You may also use U.S. dollars to purchase units of 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 and BMO Private 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 a purchase of units of the Portfolios or on the automatic reinvestment of distributions. All investors will, however, pay an investment management fee directly to the manager and the trustee. See ***Fees and expenses*** on page 13.

Short-term Trading

We discourage investors from short-term trading. Short-term trading is a purchase followed by a switch or redemption of the same Portfolio within a 30-day period. Short-term trading can harm a Portfolio's performance and the value of other investors' holdings in a Portfolio because such trading can increase brokerage and other administrative costs of a Portfolio and interfere with the long-term investment decisions of the portfolio manager and/or the sub-advisor. Short-term trading may be particularly problematic when large sums are involved. We have implemented a short-term trading policy and a monthly reporting process of any purchases, redemptions or switches within the same Portfolio in a 30-day period. Specifically, we conduct monthly reviews for any short-term trading activity within the Portfolios.

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

The annual information form includes a description of any arrangements, whether formal or informal, with any person or company, to permit short-term trades of securities of the Portfolios. Despite these restrictions and our procedures to detect and deter short-term trading, we cannot ensure that such trading will be completely eliminated.

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'll immediately return any money we've received, without interest.

Switches

A switch is the transfer of your investment money from one Portfolio to another. Units of a Portfolio will be redeemed and the proceeds of redemption will be applied to the purchase of units of another Portfolio. This is a disposition for income tax purposes. Switching units you hold in a non-registered account may result in a capital gain or capital loss. Net capital gains are taxable.

No switches will be permitted during any period when redemptions of units have been suspended.

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.

Redemptions

If you want to sell all or a part of your investment in the Portfolios, you must send a written redemption request to the manager for processing on the same day that it is received. No administration or other fees are charged in respect of a redemption of units.

The units will be redeemed at their net asset value per unit. In the case of BMO Private Canadian Money Market Portfolio, you will also receive your share of the Portfolio's net income, if any, accrued since the last distribution 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. Redemption payments will be made in Canadian dollars except for redemptions of units of 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 and BMO Private Emerging Markets Equity Portfolio that were purchased in U.S. dollars. In such cases, payments will be made in U.S. dollars.

Under extraordinary circumstances, 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 for any period during which your right to request a redemption is suspended under the circumstances described above or with the approval of applicable securities regulatory authorities.

None of the Portfolios will accept any order for the purchase of units during any period when the redemption of units has been suspended.

Optional services

As part of the wealth management service offered through BMO Financial Group, BMO Trust Company, as trustee, offers 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**"). All of the provisions concerning these registered plans are contained in the registered plan application form and the declaration of trust that is attached to the application form. There are no annual administration fees for these services.

Fees and expenses

The following tables show the fees and expenses you may have to pay if you invest in the Portfolios. You may have to pay some of these fees and expenses directly. Some of these fees and expenses are payable by the Portfolios, which reduces the value of your investment in a Portfolio.

If a Portfolio holds securities of an underlying fund, fees and expenses are payable by the underlying fund in addition to the fees and expenses payable by the Portfolio. No management fees or incentive fees are payable by the Portfolio that, to a reasonable person, would duplicate a fee payable by the underlying fund for the same service. Further, no sales or redemption fees are payable by the Portfolio in relation to its purchases or redemptions of the securities of the underlying fund if we or one of our affiliates or associates manage the underlying fund. No sales fees or redemption fees are payable by the Portfolio in relation to its purchase or redemption of securities of the underlying fund that, to a reasonable person, would duplicate a fee payable by an investor in the Portfolio.

The Portfolios pay the harmonized sales tax ("**HST**") on most operating expenses.

Fees and expenses payable by the funds

Management fees	None
Operating expenses	Each Portfolio pays all expenses relating to the operation of the Portfolio and the carrying on of its business, called operating expenses. These expenses may include (without limitation): audit and legal fees and expenses; custodian and transfer agency fees; sub-advisory fees; costs attributable to the issue, redemption and switching of units, including the cost of the unitholder record-keeping system; expenses incurred in respect of preparing and distributing prospectuses, fund facts, financial reports and other types of reports, statements and communications to unitholders; fund accounting and valuation costs; filing fees, including those expenses incurred by the manager; interest and bank charges; premises and staff costs; fees and expenses of members of the IRC incurred in connection with their duties as members of the IRC, which may include annual fees, meeting fees, reimbursement for expenses and any other expenses related to the operation of the IRC; applicable taxes and other general operating and administrative expenses (including unitholder servicing fees). Operating expenses incurred in respect of more than one Portfolio are allocated amongst the Portfolios in a fair and equitable manner. 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 and 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. Each IRC member is entitled to receive compensation for the duties he or she performs as an IRC member. These duties include: attending quarterly meetings and internal continuing education seminars, reviewing conflict of interest matters referred to the IRC by the manager and reviewing the policies and procedures of the manager regarding conflict of interest matters on an annual basis. The annual retainer for each IRC member (other than the Chair) in respect of all of the Portfolios is approximately $9,483 and the annual retainer for the Chair is approximately $13,632. 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 $59,107, inclusive of HST, which was paid by the Portfolios to each IRC member as follows: Mark Brown (former IRC member), $10,864; Jim Falle, $10,557; Wendy Hannam, $10,557; John McBride, $11,153; and Louise Vaillancourt, $15,976. These annual fees and reimbursement of expenses were allocated among the Portfolios in a manner that was fair and reasonable. The Portfolios will not be reimbursed for any costs associated with compliance with NI 81-107.
Trading expenses	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.

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.

Fees and expenses payable directly by you

Wealth management fee	BMO Trust Company and the manager receive an annual fee from you for the wealth management service offered through BMO Financial Group. The annual fee for this service ranges from 0.20% to 1.95% of the assets under management, depending on the nature and size of your investment portfolio. The actual investment management fee payable by you is set out in the fee schedule contained in your account opening agreement that has been provided to you in conjunction with your investment management agreement with the manager. This fee is paid directly by you to BMO Trust Company and the manager, and is subject to applicable taxes.
Sales charges	None
Switch fees	None
Redemption fees	None
Short-term trading fee	None
Registered plan fees	None

There are no annual administration fees for any of the optional services described under the heading ***Optional services*** on page 13.

Impact of sales charges

There are no fees or charges associated with the purchase, switch and redemption of units of the Portfolios. Instead, investors pay an annual fee to BMO Trust Company and us for the wealth management service.

Dealer compensation

We do not compensate dealers or sales representatives for the sale of units of the Portfolios. The trustee may compensate financial institutions and securities registrants within BMO Financial Group for client referrals to the wealth management service.

Income tax considerations for investors

This is a general summary of the current Canadian federal income tax rules applicable to you as an investor in the Portfolios. This summary assumes that you are a Canadian resident individual (other than a trust) who holds units of the Portfolios directly as capital property or in a registered plan. This summary assumes that at all material times each Portfolio qualifies, and will continue to qualify, as a "mutual fund trust" under the Tax Act. This summary is not intended to be legal or tax advice. More information is contained in the Portfolios' annual information form.

We have tried to make this summary easy to understand. As a result, we cannot be technically precise, or cover all the tax consequences that may apply. We suggest that you consult your tax advisor for details about your situation.

How the funds make money

Mutual funds make money in a number of ways, including:

- Earning income in the form of interest, dividends, income distributions from a trust, gains and losses from derivatives and other types of returns from investment.
- Realizing capital gains when they sell an investment for more than its adjusted cost base. Mutual funds can also realize a capital loss when they sell an investment for less than its adjusted cost base.

A mutual fund is required to calculate its income and capital gains in Canadian dollars. So, when a mutual fund sells a foreign currency denominated security or when that security matures, the mutual fund may realize a capital gain or capital loss as a result of a change in the value of the foreign currency relative to the Canadian dollar.

The Portfolios treat gains and losses realized on futures, forward contracts, options and other derivatives as ordinary income and losses or as capital gains and capital losses, depending on the circumstances. Capital losses may be denied or suspended and therefore, unavailable to shelter capital gains. For example, a capital loss may be suspended if a capital loss is realized on the sale of an investment and an identical investment is acquired within a period that begins 30 days before and ends 30 days after the day that the loss was realized. There are other loss restriction rules that may prevent a Portfolio from deducting losses.

Each year, each Portfolio will distribute enough of its net income and net realized capital gains so that the Portfolio will not be subject to normal income tax.

Portfolio turnover

In general, the higher a Portfolio's portfolio turnover rate, the greater the Portfolio's trading costs and the greater the chance that you will receive a capital gains distribution. Any capital gains realized would be offset by any capital losses realized on the portfolio transactions. There is not necessarily a relationship between a high turnover rate and the performance of a Portfolio.

How your investment is taxed

The taxes payable by an investor depend on the kind of account in which the units of a Portfolio are held.

For units of a Portfolio held in a registered plan

If units of a Portfolio are held in your RRSP or other registered plan, generally, neither you nor your registered plan is subject to tax on distributions paid on those units or on capital gains realized when those units are redeemed or switched. However, even when units of a Portfolio are a qualified investment for your registered plan, you may be subject to tax if a unit held in your RRSP, RRIF, RDSP, RESP or TFSA is a "prohibited investment" for such registered plan.

Generally, units of a Portfolio will not be a prohibited investment for your RRSP, RRIF, RDSP, RESP or TFSA if you, your family (including your parents, spouse, children, siblings and in-laws) and other people or entities that do not deal at arm's length with you, in total, own less than 10% of the value of the Portfolio whether directly or indirectly.

Generally, you will be taxed if you withdraw money or units from a registered plan, other than a TFSA.

You should consult your tax advisor about the special rules that apply to each registered plan, including whether or not an investment in a Portfolio would be a prohibited investment for your RRSP, RRIF, RDSP, RESP or TFSA.

Non-registered accounts

If your units are held in your non-registered account, you must include in your income for a taxation year the taxable portion of all distributions paid or payable to you by a Portfolio during the year, whether you received them in cash or invested them in additional units. U.S. dollar distributions must be converted into Canadian dollars.

Distributions paid by a Portfolio may consist of capital gains, ordinary Canadian dividends, foreign source income, other income and/or returns of capital.

One-half of a capital gain distribution is included in income. Ordinary Canadian dividends are subject to the dividend gross-up and tax credit rules. Steps will be taken to pass on to you the benefit of the enhanced dividend tax credit when it is available. You may be eligible for foreign tax credits in respect of your share of foreign taxes paid by a Portfolio. Returns of capital are not included in your income but will instead reduce the adjusted cost base of your units of the Portfolio. When you eventually redeem the units, you may realize a larger capital gain. If the adjusted cost base of your units is reduced to less than zero while you continue to hold them, you will be deemed to realize an immediate capital gain equal to the negative amount and your adjusted cost base will be increased to zero.

Buying units before a distribution date

You must include in your income the taxable portion of a distribution received from a Portfolio even though it may consist of amounts earned or accrued before you purchased your units. Many Portfolios make their only or most significant distribution of income and capital gains in December. If you invest in the Portfolio late in the year, you may have to pay tax on its earnings for the whole year.

Redeeming your units

You will realize a capital gain or capital loss when you redeem or otherwise dispose of your units, including as part of a switch. The capital gain (or capital loss) will be the amount by which your proceeds of disposition exceed (or are exceeded by) the aggregate of the adjusted cost base of the unit and any reasonable costs of disposition. If you purchase and redeem units in U.S. dollars, the cost and proceeds of disposition must be converted into Canadian dollars at the exchange rate on the date of purchase and redemption, as applicable.

In general, you must include one-half of any capital gain ("taxable capital gain") in computing your income for tax purposes and must deduct one-half of any capital loss ("allowable capital loss") to offset taxable capital gains. Allowable capital losses in excess of taxable capital gains in the year may be carried back three years or forward indefinitely for deduction against taxable capital gains realized in those years.

In certain situations where you dispose of a unit of a Portfolio and would otherwise realize a capital loss, the loss will be denied. This may occur if you, your spouse or a person affiliated with you for purposes of the Tax Act acquires units of the Portfolio within 30 days before or after you dispose of the unit 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 would be added to the adjusted cost base of the units which are "substituted property".

We will provide you with details of your proceeds of redemption. However, in order to calculate your gain or loss you will need to know the adjusted cost base of your units on the date of the redemption.

How to calculate adjusted cost base

For most situations, here's how the total adjusted cost base of your units of a Portfolio is calculated. If you purchase your units in U.S. dollars, you must convert the purchase price into Canadian dollars at the exchange rate in effect at the time of purchase.

- start with the cost of your initial purchase
  plus
- the cost of any additional purchases
  plus
- the amount of any distributions that were reinvested
  less

- the amount of any return of capital
  less
- the adjusted cost base of any previously redeemed units.

The adjusted cost base of a single unit is the average of the adjusted cost base of all the identical units.

Minimum tax

Individuals (other than certain trusts) are subject to an alternative minimum tax. Net income of a Portfolio paid or payable to a unitholder that is designated as dividends received on shares of taxable Canadian corporations or net realized taxable capital gains or taxable capital gains realized on the disposition of Units of a Fund may give rise to liability for such minimum tax.

Tax reporting

Each year we will send you a tax slip with detailed information about the distributions paid to you on units of the Portfolios held in a non-registered account. The tax slips provided to you will convert into Canadian dollars any U.S. dollar distributions paid to you. To calculate your adjusted cost base, you will need to keep detailed records of the cost of all purchases and the amount of all distributions and returns of capital paid to you, as well as exchange rates.

Exchange of tax information

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

What are your legal rights?

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy Portfolios within two business days of receiving the simplified prospectus or the fund facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to purchase Portfolio units and get your money back, or to make a claim for damages, if the simplified prospectus, annual information form, fund facts or financial statements misrepresent any facts about the Portfolio. You may also be entitled to get your money back or make a claim for damages if you have suffered a loss.

The time limit to exercise these rights depends on the governing legislation in your province or territory. For more information, refer to the securities legislation of your province or territory or consult your lawyer.

Additional information

The manager of the Portfolios has received an exemption from Canadian securities regulators to enable the Portfolios, as dealer managed mutual funds, subject to certain conditions imposed by the regulators, to purchase equity securities of a reporting issuer during the period of distribution (the "**Distribution**") of the issuer's securities pursuant to a private placement offering and for the 60-day period following the completion of the Distribution notwithstanding that the manager or the associates or affiliates thereof act or have acted as underwriter in connection with the Distribution.

The manager has also received an exemption from Canadian securities regulators to enable the Portfolios, subject to certain conditions imposed by the regulators, including the prior approval of the Portfolios' IRC, to purchase debt securities in the secondary market from, or sell debt securities in the secondary market to, an associate or affiliate of the manager that is a principal dealer in the Canadian debt securities markets, acting as principal.

Subject to certain conditions imposed by the regulators, including the prior approval of the Portfolios' IRC, the Portfolios may:

- invest in or continue to invest in securities of Bank of Montreal or another related issuer; and
- invest in equity and/or corporate debt securities of a reporting issuer during the Distribution of the issuer's securities and for the 60-day period following the completion of the Distribution, notwithstanding that the manager or an associate or affiliate thereof acts or has acted as underwriter in connection with the Distribution.

In addition, the manager has received an exemption from Canadian securities regulators to enable the Portfolios, subject to certain conditions imposed by the regulators, including the prior approval of the Portfolios' IRC, to invest in Bank of Montreal debt securities in the secondary market and to invest in Bank of Montreal debt securities, other than asset-backed commercial paper securities, with a term of maturity of 365 days or more in a primary offering.

Similarly, the manager has received an exemption from Canadian securities regulators to enable BMO Private Canadian Short-Term Bond Portfolio, BMO Private Canadian Mid-Term Bond Portfolio and BMO Private Canadian Corporate Bond Portfolio, subject to certain conditions imposed by the regulators, including the prior approval of the Portfolios' IRC, to purchase mortgages from and/or sell mortgages to certain associates or affiliates of the manager.

Prior to seeking IRC approval, the manager is required to refer its written policies and procedures relating to the above-mentioned investments for the Portfolios to the IRC for the IRC's review. The policies and procedures are designed to ensure, among other things, that related party transactions: (i) are consistent with, or are necessary to meet, the investment objectives of the Portfolios; (ii) are free from any influence by an entity related to the manager or the portfolio manager and without taking into account any consideration relevant to the manager or an affiliate thereof; (iii) represent the business judgment of the manager uninfluenced by considerations other than the best interests of the Portfolios; and (iv) achieve a fair and reasonable result for the Portfolios. In the event an investment decision in respect of a related party transaction is not made in accordance with the foregoing requirements, we are required to notify the IRC and the IRC, as soon as practicable, is required to notify the Canadian securities regulators. This information is also included in the annual report prepared by the IRC for unitholders.

Additional information about the exemptions obtained by the Portfolios from Canadian securities regulators, including other exemptive relief received by the Portfolios, is available in the Portfolios' annual information form.

Specific information about each of the mutual funds described in this document

Introduction

You will find key information about each of the Portfolios in the following pages. The following information is provided to help you more easily understand the specific information about each of the Portfolios described in this simplified prospectus.

Fund details

This section contains an overview of the Portfolio – what kind of fund it is and when it was established.

Each of BMO Private Canadian Money Market Portfolio, BMO Private Canadian Short-Term Bond 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 and BMO Private International Equity Portfolio were previously offered by way of private placement.

This section identifies whether units of the Portfolio are qualified investments for registered plans. You should consult your tax advisor about the special rules that apply to each particular registered plan, including whether or not an investment in a Portfolio would be a prohibited investment for your registered plan.

This section also shows the name of the sub-advisor to the Portfolio – the company that provides investment advice to the portfolio manager on the Portfolio's investment portfolio. 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. Please see ***Fees and expenses*** for more information.

All of the Portfolios are organized as mutual fund trusts that can issue an unlimited number of mutual fund trust units.

What does the fund invest in?

This section outlines the investment objectives and investment strategies of each Portfolio. The fundamental investment objectives of a Portfolio may not be changed without the prior approval of a majority of the votes cast by unitholders at a meeting called for such purpose. A Portfolio's **investment objectives** are the primary goals of the Portfolio and the type of securities in which the Portfolio primarily invests. The Portfolio's **investment strategies** set out how the portfolio manager and sub-advisor try to achieve the Portfolio's investment objectives.

Each of the Portfolios follows the standard investment restrictions and practices established by Canadian securities regulators, unless Canadian securities regulators have given the Portfolio approval to vary its strategies from these restrictions. If the manager and/or Portfolio have obtained an approval, we discuss it above under ***Additional information*** and/or in the Portfolios' annual information form. If the Portfolio has other investment restrictions, they are also set out in this section.

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

All of the Portfolios may engage in securities lending, repurchase and reverse repurchase transactions as described under ***What is a mutual fund and what are the risks of investing in a mutual fund? - General investment risks*** beginning on page 2. No Portfolio will enter into these transactions, however, unless it has provided to its unitholders not less than 60 days' prior written notice of its intention to do so before it commences such transaction.

In some cases, the investment strategies of a Portfolio may indicate that the Portfolio has percentage or other restrictions on its investment in certain types of securities. In these cases, if the restriction is adhered to at the time of investment and then later the market value of the investment, the rating of the investment, or the value of the Portfolio changes in a manner that causes the restriction to be exceeded, it is not a violation of the restriction.

What are the risks of investing in the fund?

This section sets out the specific risks of investing in a Portfolio. You will find general information on the risks associated with investing in mutual funds on page 1.

Who should invest in this fund?

This section describes the kind of investor for whom the Portfolio may be suitable, including the investor's level of risk tolerance and investment horizon. As the Portfolios are being offered as part of the wealth management service offered through BMO Financial Group, you should keep in mind that an investment in a particular Portfolio may comprise only part of your portfolio of investments.

Portfolio risk classification

We assign an investment risk level to each Portfolio to provide you with further information to help you determine whether a Portfolio is appropriate for you. The methodology we use to determine the investment risk level of a Portfolio for purposes of the disclosure in this simplified prospectus and in a Portfolio's fund facts is required to be determined in accordance with a standardized risk classification methodology mandated by the Canadian Securities Administrators that is based on a Portfolio's historical volatility as measured by the 10-year standard deviation of the monthly returns of the Portfolio, assuming the reinvestment of all income and capital gains distributions in additional units of the Portfolio. However, other types of risk, both measurable and non-measurable, may exist. It is also important to note that a Portfolio's historical volatility may not be indicative of its future volatility.

Using this methodology, we will generally assign an investment risk level based on a Portfolio's historical 10-year standard deviation in one of the following categories:

- Low
- Low to medium
- Medium
- Medium to high
- High

In certain instances, this methodology may produce a result that would require us to assign a lower investment risk level for a Portfolio which we believe may not be indicative of a Portfolio's future volatility. As a result, in addition to using the standardized risk classification methodology described above, we may increase a Portfolio's investment risk level if we determine that to be reasonable in the circumstances by taking into account other qualitative factors including, but not limited to, economic climate, portfolio management styles, sector concentration and types of investments made by a Portfolio and the liquidity of those investments.

In addition, if a Portfolio does not have at least 10 years of performance history, and if there is another Portfolio with 10 years of performance history that has the same manager, portfolio manager, investment objectives and investment strategies as the Portfolio, then the return history of the other Portfolio will be used for the remainder of the 10 year period when calculating the standard deviation of the Portfolio. If such a Portfolio does not exist, then the return history of a reference index that reasonably approximates, or in the case of a newly established Portfolio is expected to reasonably approximate, the standard deviation of the Portfolio, will be used for the 10 year period, or for the remainder of the 10 year period, as the case may be, when calculating the standard deviation of the Portfolio. In the case of a Portfolio that has a change to its investment objectives the Portfolio will use its own performance history following the change and use the return history of a reference index that reasonably approximates the standard deviation of the Portfolio for the remainder of the 10 year period. This risk classification may change once the Portfolio has sufficient performance history. The investment risk level and the reference index for each Portfolio are reviewed at least annually and when it is no longer reasonable in the circumstances, such as where there is a material change in a Portfolio's investment objectives and/or investment strategies.

These investment risk levels do not necessarily correspond to a client's risk tolerance assessment. Please consult your BMO Private Banking professional for advice regarding your personal circumstances.

Details about the standardized risk classification methodology used to identify the investment risk level of each Portfolio are available on request, at no cost to you, by calling us at 1-855-852-1026, by writing to us at 41st Floor, 1 First Canadian Place, Toronto, Ontario M5X 1A1 or by emailing us at **contact.centre@bmo.com**.

Distribution policy

The Portfolios make distributions of net income and net realized capital gains to unitholders to ensure that a Portfolio does not pay any tax. A portion of a distribution may include a return of capital. This section sets out how often these distributions are made. However, due to tax loss restriction rules, a Portfolio may make other distributions from time to time. Distributions are automatically reinvested in additional units of a Portfolio unless you request in writing that the Portfolio pay the distributions in cash. For more information about distributions, see ***Income tax considerations for investors*** on page 17.

Fund expenses indirectly borne by investors

This table provides a hypothetical example that may assist you in comparing the indirect cost of investing in a Portfolio with the indirect cost of investing in other mutual funds. These costs are paid out of a Portfolio's assets. While you do not pay them directly, they have the effect of lowering a Portfolio's returns. See ***Fees and expenses*** on page 13 for more information about the cost of investing in the Portfolios.

The table illustrates the cumulative expenses you would pay over various time periods if:

- you invested $1,000 for the time periods shown;
- the Portfolio earned a total annual return of 5% each year (which may be different from the Portfolio's actual return and is used only for illustrative purposes as required by Canadian securities regulators); and
- the Portfolio had the same management expense ratio (excluding brokerage commissions) in all periods as it did in its last completed financial year. The management expense ratio does not include the investment management fee payable by you as set out in your investment policy statement.

BMO Private Canadian Money Market Portfolio

Fund details

Type of fund:	Canadian money market
Securities offered:	Mutual fund trust units
Date started[1]:	February 25, 1998
Registered plan eligibility:	Qualified investment
Sub-advisor:	BMO Asset Management Inc. Toronto, Ontario

1 The Portfolio was established on May 15, 1997 and first offered its units by way of prospectus on February 25, 1998.

What does the fund invest in?

Investment objectives

The Portfolio's investment objectives are to provide a high level of interest income and liquidity, and to preserve the capital invested.

The Portfolio invests primarily in high quality, low risk short-term debt instruments issued by governments and corporations in Canada, such as treasury bills, bankers' acceptances and commercial paper.

The Portfolio's fundamental investment objectives may not be changed without the prior approval of a majority of the votes cast by unitholders at a meeting called specifically for such purpose.

Investment strategies

The sub-advisor primarily uses the following strategies to seek to achieve the Portfolio's objectives:

- investment in securities rated R-1 (low) stable or higher at the time of investment by DBRS Limited or A-1 (low) or higher at the time of investment by Standard & Poor's Ratings Services (Canada) or the equivalent rating as defined by other designated rating organizations; and
- maintenance of a unit price of $10.00 by crediting income daily and distributing it monthly.

None of the assets of the Portfolio may be invested in foreign securities.

The Portfolio may enter into securities lending, repurchase and reverse repurchase transactions to earn additional income. These transactions will be used in conjunction with the other investment strategies in a manner considered appropriate to achieving the Portfolio's investment objectives. Please see ***Securities lending, repurchase and reverse repurchase transactions*** on page 7.

What are the risks of investing in the fund?

Investing in this Portfolio may involve the following risks:

- the yield on the Portfolio will vary with short-term interest rates, see risks associated with interest rates which are detailed on page 6; and
- although the Portfolio intends to maintain a price per unit of $10.00, unit prices may rise or fall.

The investment strategies may also involve the following risks, which are detailed on pages 2 to 8:

- credit;
- cybersecurity;
- interest rates;
- large investor; and
- securities lending, repurchase and reverse repurchase transactions.

Who should invest in this fund?

The Portfolio is suitable for investors who:

- want a secure investment for the cash portion of their investment portfolio along with interest income;
- need ready access to their money;
- are looking for a short-term investment; and
- prefer low investment risk.

See ***Portfolio risk classification*** on page 24 for a description of how we determined the classification of this Portfolio's investment risk level.

Distribution policy

The Portfolio's net income is credited daily and distributed monthly to unitholders. Net realized capital gains are distributed to unitholders at the end of December. Distributions are automatically reinvested in additional units of the Portfolio unless you request in writing that the Portfolio pay the distributions in cash.

Fund expenses indirectly borne by investors

Please refer to page 26 for the assumptions used in this table. The assumptions do not reflect the actual results of the Portfolio.

	1 yr	**3 yrs**	**5 yrs**	**10 yrs**
Expenses payable over:	$0.51	$1.62	$2.83	$6.45

BMO Private Canadian Short-Term Bond Portfolio

Fund details

Type of fund:	Canadian bond
Securities offered:	Mutual fund trust units
Date started[1]:	February 25, 1998
Registered plan eligibility:	Qualified investment
Sub-advisor:	BMO Asset Management Inc. Toronto, Ontario

[1] The Portfolio was established on May 15, 1997 and first offered its units by way of prospectus on February 25, 1998.

What does the fund invest in?

Investment objectives

The Portfolio's investment objectives are to produce a high level of interest income, and to preserve the capital invested.

The Portfolio invests primarily in high quality fixed income securities such as bonds and debentures issued by governments and corporations in Canada that mature in more than one year.

The Portfolio's fundamental investment objectives may not be changed without the prior approval of a majority of the votes cast by unitholders at a meeting called specifically for such purpose.

Investment strategies

The sub-advisor primarily uses the following strategies to seek to achieve the Portfolio's objectives:

- selection of fixed income securities in reference to the characteristics of a widely recognized Canadian short-term bond index (which includes bonds with remaining effective terms greater than 1 year and less than or equal to 5 years);
- diversification of the Portfolio by allocating investments among government and corporate securities, including securities backed by mortgages or other financial assets;
- investment primarily in securities which will provide a steady stream of annual income;
- investment of up to 35% of the Portfolio's assets at the time of purchase in securities of exchange traded funds and other mutual funds, which may include funds that are managed by us or one of our affiliates or associates; and

- investment in cash or short-term instruments such as money market securities while seeking investment opportunities or for defensive purposes to reflect general economic and/or market conditions.

The Portfolio may use derivative instruments to gain exposure to securities and markets instead of investing in the securities directly. The Portfolio may also use derivative instruments to try to reduce risk by protecting the Portfolio against potential losses from changes in interest rates and reducing the impact of currency fluctuations on the Portfolio's holdings (i.e., hedging purposes). The Portfolio may also use derivatives in an effort to enhance yield. The Portfolio may use futures contracts, swap agreements or options, or enter into forward transactions. The Portfolio will only use derivatives as permitted by Canadian securities regulators. To the extent that an underlying fund in which the Portfolio invests uses derivatives, such underlying fund may use derivatives in a similar manner as permitted for the Portfolio.

The Portfolio may enter into securities lending, repurchase and reverse repurchase transactions to earn additional income. These transactions will be used in conjunction with the other investment strategies in a manner considered appropriate to achieving the Portfolio's investment objectives. Please see ***Securities lending, repurchase and reverse repurchase transactions*** on page 7.

On occasion, up to 35% of the net assets of the Portfolio may be invested in foreign securities.

What are the risks of investing in the fund?

Investing in this Portfolio may involve risks associated with the following, which are detailed on pages 2 to 8:

- credit;
- currency;
- cybersecurity;
- derivatives transactions;
- fixed income investments;
- foreign investments;
- fund of funds;
- indexing;
- interest rates;
- large investor;
- mortgage related securities and asset backed securities; and
- securities lending, repurchase and reverse repurchase transactions.

Who should invest in this fund?

The Portfolio is suitable for investors who:

- want a core Canadian fixed income fund for their investment portfolio;
- want the potential for a regular income stream;
- are comfortable with low investment risk (i.e., you are willing to accept some fluctuations in the market value of your investment over the short-term); and

- have a medium to long-term investment horizon.

See ***Portfolio risk classification*** on page 24 for a description of how we determined the classification of this Portfolio's investment risk level.

Distribution policy

The Portfolio's net income is distributed monthly to unitholders. Net realized capital gains are distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Portfolio unless you request in writing that the Portfolio pay the distributions in cash.

Fund expenses indirectly borne by investors

Please refer to page 26 for the assumptions used in this table. The assumptions do not reflect the actual results of the Portfolio.

	1 yr	**3 yrs**	**5 yrs**	**10 yrs**
Expenses payable over:	$0.21	$0.65	$1.13	$2.58

BMO Private Canadian Mid-Term Bond Portfolio

Fund details

Type of fund:	Canadian bond
Securities offered:	Mutual fund trust units
Date started:	June 28, 2000
Registered plan eligibility:	Qualified investment
Sub-advisor:	BMO Asset Management Inc. Toronto, Ontario

What does the fund invest in?

Investment objectives

The Portfolio's investment objective is to produce superior returns through a combination of interest income and capital growth while also pursuing capital preservation.

The Portfolio invests primarily in high quality fixed income securities such as bonds and debentures issued by governments and corporations in Canada that mature in more than one year.

The Portfolio's fundamental investment objective may not be changed without the prior approval of a majority of the votes cast by unitholders at a meeting called specifically for such purpose.

Investment strategies

The sub-advisor primarily uses the following strategies to seek to achieve the Portfolio's objectives:

- selection of fixed income securities in reference to the characteristics of a widely recognized Canadian mid-term bond index (which includes bonds with remaining effective terms greater than 5 years and less than or equal to 10 years);
- diversification of the Portfolio by allocating investments among government and corporate debt securities, including securities backed by mortgages or other financial assets;
- investment of a portion of the Portfolio's assets in non-investment grade fixed income securities;
- investment of up to 35% of the Portfolio's assets at the time of purchase in securities of exchange traded funds and other mutual funds, which may include funds that are managed by us or one of our affiliates or associates; and
- investment in cash or short-term instruments such as money market securities while seeking investment opportunities or for defensive purposes to reflect general economic and/or market conditions.

The Portfolio may use derivative instruments to gain exposure to securities and markets instead of investing in the securities directly. The Portfolio may also use derivative instruments to try to reduce risk by protecting the Portfolio against potential losses from changes in interest rates and reducing the impact of currency fluctuations on the Portfolio's holdings (i.e., hedging purposes). The Portfolio may also use derivatives to enhance yield. The Portfolio may use futures contracts, swap agreements or options, or enter into forward transactions. The Portfolio will only use derivatives as permitted by Canadian securities regulators. To the extent that an underlying fund in which the Portfolio invests uses derivatives, such underlying fund may use derivatives in a similar manner as permitted for the Portfolio.

The Portfolio may enter into securities lending, repurchase and reverse repurchase transactions to earn additional income. These transactions will be used in conjunction with the other investment strategies in a manner considered appropriate to achieving the Portfolio's investment objectives. Please see ***Securities lending, repurchase and reverse repurchase transactions*** on page 7.

On occasion, up to 35% of the net assets of the Portfolio may be invested in foreign securities.

What are the risks of investing in the fund?

Investing in this Portfolio may involve risks associated with the following, which are detailed on pages 2 to 8:

- credit;
- currency;
- cybersecurity;
- derivatives transactions;
- fixed income investments;
- foreign investments;
- fund of funds;
- indexing;
- interest rates;
- large investor;
- mortgage related securities and asset backed securities; and
- securities lending, repurchase and reverse repurchase transactions.

Who should invest in this fund?

The Portfolio is suitable for investors who:

- want a core Canadian bond fund for their investment portfolio;
- want the potential for higher total returns available from a combination of interest income and capital gains;
- are comfortable with low investment risk (i.e., you are willing to accept some fluctuations in the market value of your investment); and
- have a medium to long-term investment horizon.

See ***Portfolio risk classification*** on page 24 for a description of how we determined the classification of this Portfolio's investment risk level.

Distribution policy

The Portfolio's net income is distributed monthly to unitholders. Net realized capital gains are distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Portfolio unless you request in writing that the Portfolio pay the distributions in cash.

Fund expenses indirectly borne by investors

Please refer to page 26 for the assumptions used in this table. The assumptions do not reflect the actual results of the Portfolio.

	1 yr	**3 yrs**	**5 yrs**	**10 yrs**
Expenses payable over:	$0.31	$0.97	$1.70	$3.87

BMO Private Canadian Corporate Bond Portfolio

Fund details

Type of fund:	Canadian bond
Securities offered:	Mutual fund trust units
Date started:	March 1, 2002
Registered plan eligibility:	Qualified investment
Sub-advisor:	BMO Asset Management Inc. Toronto, Ontario

What does the fund invest in?

Investment objectives

The Portfolio's investment objective is to produce superior returns through a combination of interest income and capital growth while also pursuing capital preservation.

The Portfolio invests primarily in high quality fixed income securities such as bonds and debentures issued by Canadian corporations that mature in more than one year.

The Portfolio's fundamental investment objective may not be changed without the prior approval of a majority of the votes cast by unitholders at a meeting called specifically for such purpose.

Investment strategies

The sub-advisor primarily uses the following strategies to seek to achieve the Portfolio's objectives:

- selection of fixed income securities in reference to the characteristics of a widely recognized Canadian corporate bond index (which includes bonds with remaining effective terms of over one year);
- diversification of the Portfolio by allocating investments among corporate debt securities, including securities backed by mortgages or other financial assets;
- investment of a portion of the Portfolio's assets in non-investment grade fixed income securities;
- investment of up to 35% of the Portfolio's assets at the time of purchase in securities of exchange traded funds and other mutual funds, which may include funds that are managed by us or one of our affiliates or associates;
- investment of a portion of the Portfolio's assets in non-corporate investment grade fixed income securities; and
- investment of a portion of its assets in cash or short-term instruments such as money market securities and/or higher quality debt such as Government of Canada bonds while seeking investment opportunities or for defensive purposes to reflect general economic and/or market conditions.

The Portfolio may use derivative instruments to gain exposure to securities and markets instead of investing in the securities directly. The Portfolio may also use derivative instruments to try to reduce risk by protecting the Portfolio against potential losses from changes in interest rates and reducing the impact of currency fluctuations on the Portfolio's holdings (i.e., hedging purposes). The Portfolio may also use derivatives to enhance yield. The Portfolio may use futures contracts, swap agreements or options, or enter into forward transactions. The Portfolio will only use derivatives as permitted by Canadian securities regulators. To the extent that an underlying fund in which the Portfolio invests uses derivatives, such underlying fund may use derivatives in a similar manner as permitted for the Portfolio.

The Portfolio may enter into securities lending, repurchase and reverse repurchase transactions to earn additional income. These transactions will be used in conjunction with the other investment strategies in a manner considered appropriate to achieving the Portfolio's investment objectives. Please see ***Securities lending, repurchase and reverse repurchase transactions*** on page 7.

On occasion, up to 35% of the net assets of the Portfolio may be invested in foreign securities.

What are the risks of investing in the fund?

Investing in the Portfolio may involve risks associated with the following, which are detailed on pages 2 to 8:

- credit;
- currency;
- cybersecurity;
- derivatives transactions;
- fixed income investments;
- foreign investments;
- fund of funds;
- indexing;
- interest rates;
- large investor;
- mortgage related securities and asset backed securities; and
- securities lending, repurchase and reverse repurchase transactions.

Who should invest in this fund?

The Portfolio is suitable for investors who:

- want a core Canadian corporate bond fund for their investment portfolio;
- want the potential for higher total returns available from a combination of interest income and capital gains;
- are comfortable with low investment risk (i.e., you are willing to accept some fluctuations in the market value of your investment over the short-term); and
- have a medium to long-term investment horizon.

See ***Portfolio risk classification*** on page 24 for a description of how we determined the classification of this Portfolio's investment risk level.

Distribution policy

The Portfolio's net income is distributed monthly to unitholders. Net realized capital gains are distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Portfolio unless you request in writing the Portfolio pay the distributions in cash.

Fund expenses indirectly borne by investors

Please refer to page 26 for the assumptions used in this table. The assumptions do not reflect the actual results of the Portfolio.

	1 yr	**3 yrs**	**5 yrs**	**10 yrs**
Expenses payable over:	$0.41	$1.29	$2.27	$5.16

BMO Private Diversified Yield Portfolio

Fund details

Type of fund:	Canadian equity
Securities offered:	Mutual fund trust units
Date started:	November 1, 2002
Registered plan eligibility:	Qualified investment
Sub-advisor:	BMO Asset Management Inc. Toronto, Ontario

What does the fund invest in?

Investment objectives

The Portfolio's investment objective is to provide income by investing primarily in a diversified portfolio of Canadian securities.

The Portfolio's fundamental investment objective may not be changed without the prior approval of a majority of the votes cast by unitholders at a meeting called specifically for such purpose.

Investment strategies

The sub-advisor primarily uses the following strategies to seek to achieve the Portfolio's objectives:

- bottom-up security selection;
- quantitative and traditional fundamental analyses;
- analysis of the projected earnings growth and cash flows and payout ratios;
- analysis of the quality of the management teams;
- analysis of the business fundamentals;
- analysis of balance sheet strength, credit ratings, and relative valuation considerations; and
- diversification across industries to ensure that the Portfolio is not overly sensitive to a particular line of business.

The Portfolio may invest, but is not limited to investing, in common equities, preferred equity, income trusts, royalty trusts, real estate investment trusts, convertible debentures, and fixed income securities. The Portfolio may also use derivatives to enhance yield.

The Portfolio may use derivative instruments to gain exposure to securities and markets instead of investing in the securities directly. The Portfolio may also use derivative instruments to try to reduce risk by protecting the Portfolio against potential losses from changes in interest rates and reducing the impact of currency fluctuations on the Portfolio's holdings (i.e., hedging purposes).

The Portfolio may use derivative instruments, primarily options, to attempt to generate income in the Portfolio. The Portfolio may use futures contracts, swap agreements or options, or enter into forward transactions. The Portfolio will only use derivatives as permitted by Canadian securities regulators.

The Portfolio may also hold a portion of its assets in cash or short-term instruments such as money market securities and/or fixed income securities such as Government of Canada bonds and/or bonds and debentures issued by Canadian corporations that mature in more than one year while seeking investment opportunities or for defensive purposes to reflect general economic and/or market conditions.

The Portfolio may enter into securities lending, repurchase and reverse repurchase transactions to earn additional income. These transactions will be used in conjunction with the other investment strategies in a manner considered appropriate to achieving the Portfolio's investment objectives. Please see ***Securities lending, repurchase and reverse repurchase transactions*** on page 7.

On occasion, up to 35% of the net assets of the Portfolio may be invested in foreign securities.

What are the risks of investing in the fund?

Investing in this Portfolio may involve risks associated with the following, which are detailed on pages 2 to 8:

- commodity;
- credit;
- currency;
- cybersecurity;
- derivatives transactions;
- equity investments;
- fixed income investments;
- foreign investments;
- interest rates;
- large investor; and
- securities lending, repurchase and reverse repurchase transactions.

Who should invest in this fund?

The Portfolio is suitable for investors who:

- want the potential for an income stream;
- are comfortable with low to medium investment risk (i.e., you are willing to accept some fluctuations in the market value of your investment); and
- have a long-term investment horizon.

See ***Portfolio risk classification*** on page 24 for a description of how we determined the classification of this Portfolio's investment risk level.

Distribution policy

The Portfolio's net income is distributed quarterly to unitholders in March, June, September and December. Net realized capital gains will be distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Portfolio unless you request in writing the Portfolio pay the distributions in cash.

Fund expenses indirectly borne by investors

Please refer to page 26 for the assumptions used in this table. The assumptions do not reflect the actual results of the Portfolio.

	1 yr	**3 yrs**	**5 yrs**	**10 yrs**
Expenses payable over:	$0.41	$1.29	$2.27	$5.16

BMO Private Canadian Income Equity Portfolio

Fund details

Type of fund:	Canadian equity
Securities offered:	Mutual fund trust units
Date started[1]:	March 1, 2002
Registered plan eligibility:	Qualified investment
Sub-advisor:	BMO Asset Management Inc. Toronto, Ontario

1 Two mutual funds, both of which were offered by way of private placement, merged to form the Portfolio on February 28, 2002 and first offered its units by way of prospectus on March 1, 2002.

What does the fund invest in?

Investment objectives

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

The Portfolio's fundamental investment objective may not be changed without the prior approval of a majority of the votes cast by unitholders at a meeting called specifically for such purpose.

Investment strategies

The sub-advisor primarily uses the following strategies to seek to achieve the Portfolio's objectives:

- bottom-up security selection;
- quantitative and traditional fundamental analyses;
- analysis of the company's projected earnings growth;
- analysis of the quality of the company's management; and
- identification of reasonable stock price valuations relative to other companies in the same industry.

The Portfolio may use derivative instruments to gain exposure to securities and markets instead of investing in the securities directly. The Portfolio may also use derivative instruments to try to reduce risk by protecting the Portfolio against potential losses from changes in interest rates and reducing the impact of currency fluctuations on the Portfolio's holdings (i.e., hedging purposes). The Portfolio may also use derivatives to enhance yield. The Portfolio may use futures contracts, swap agreements or options, or enter into forward transactions. The Portfolio will only use derivatives as permitted by Canadian securities regulators.

The Portfolio may hold a portion of its assets in cash or short-term instruments such as money market securities while seeking investment opportunities or for defensive purposes to reflect general economic and/or market conditions.

The Portfolio may enter into securities lending, repurchase and reverse repurchase transactions to earn additional income. These transactions will be used in conjunction with the other investment strategies in a manner considered appropriate to achieving the Portfolio's investment objectives. Please see ***Securities lending, repurchase and reverse repurchase transactions*** on page 7.

On occasion, up to 35% of the net assets of the Portfolio may be invested in foreign securities.

What are the risks of investing in the fund?

Investing in the Portfolio may involve risks associated with the following, which are detailed on pages 2 to 8:

- commodity;
- currency;
- cybersecurity;
- derivatives transactions;
- equity investments;
- foreign investments;
- issuer concentration;
- large investor; and
- securities lending, repurchase and reverse repurchase transactions.

Who should invest in this fund?

The Portfolio is suitable for investors who:

- want a core Canadian equity fund with an income generation mandate;
- prefer medium investment risk (i.e., you are willing to accept fluctuations in the market value of your investment); and
- have a medium to long-term investment horizon.

See ***Portfolio risk classification*** on page 24 for a description of how we determined the classification of this Portfolio's investment risk level.

Distribution policy

The Portfolio's net income is distributed quarterly to unitholders in March, June, September and December. Net realized capital gains are distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Portfolio unless you request in writing the Portfolio pay the distributions in cash.

Fund expenses indirectly borne by investors

Please refer to page 26 for the assumptions used in this table. The assumptions do not reflect the actual results of the Portfolio.

	1 yr	**3 yrs**	**5 yrs**	**10 yrs**
Expenses payable over:	$0.21	$0.65	$1.13	$2.58

BMO Private Canadian Core Equity Portfolio

Fund details

Type of fund:	Canadian equity
Securities offered:	Mutual fund trust units
Date started[1]:	March 1, 2002
Registered plan eligibility:	Qualified investment
Sub-advisor:	BMO Asset Management Inc. Toronto, Ontario

[1] Three mutual funds, all of which were offered by way of private placement, merged to form the Portfolio on February 28, 2002 and first offered its units by way of prospectus on March 1, 2002.

What does the fund invest in?

Investment objectives

The Portfolio's investment objective is to provide long-term capital appreciation through investing primarily in equity securities of large Canadian issuers.

The Portfolio's fundamental investment objective may not be changed without the prior approval of a majority of the votes cast by unitholders at a meeting called specifically for such purpose.

Investment strategies

The sub-advisor primarily uses the following strategies to seek to achieve the Portfolio's objectives:

- bottom-up security selection;
- quantitative and traditional fundamental analyses;
- analysis of the company's projected earnings growth;
- analysis of the quality of the company's management; and
- identification of reasonable stock price valuations relative to other companies in the same industry.

The Portfolio may use derivative instruments to gain exposure to securities and markets instead of investing in the securities directly. The Portfolio may also use derivative instruments to try to reduce risk by protecting the Portfolio against potential losses from changes in interest rates and reducing the impact of currency fluctuations on the Portfolio's holdings (i.e., hedging purposes). The Portfolio may also use derivatives to enhance yield. The Portfolio may use futures contracts, swap agreements or options, or enter into forward transactions. The Portfolio will only use derivatives as permitted by Canadian securities regulators.

The Portfolio may hold a portion of its assets in cash or short-term instruments such as money market securities while seeking investment opportunities or for defensive purposes to reflect general economic and/or market conditions.

The Portfolio may enter into securities lending, repurchase and reverse repurchase transactions to earn additional income. These transactions will be used in conjunction with the other investment strategies in a manner considered appropriate to achieving the Portfolio's investment objectives. Please see ***Securities lending, repurchase and reverse repurchase transactions*** on page 7.

On occasion, up to 35% of the net assets of the Portfolio may be invested in foreign securities.

What are the risks of investing in the fund?

Investing in the Portfolio may involve risks associated with the following, which are detailed on pages 2 to 8:

- commodity;
- currency;
- cybersecurity;
- derivatives transactions;
- equity investments;
- foreign investments;
- issuer concentration;
- large investor; and
- securities lending, repurchase and reverse repurchase transactions.

Who should invest in this fund?

The Portfolio is suitable for investors who:

- want a core Canadian equity fund for their investment portfolio;
- are comfortable with medium investment risk (i.e., you are willing to accept fluctuations in the market value of your investment); and
- have a medium to long-term investment horizon.

See ***Portfolio risk classification*** on page 24 for a description of how we determined the classification of this Portfolio's investment risk level.

Distribution policy

The Portfolio's net income and net realized capital gains are distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Portfolio unless you request in writing the Portfolio pay the distributions in cash.

Fund expenses indirectly borne by investors

Please refer to page 26 for the assumptions used in this table. The assumptions do not reflect the actual results of the Portfolio.

	1 yr	**3 yrs**	**5 yrs**	**10 yrs**
Expenses payable over:	$0.31	$0.97	$1.70	$3.87

BMO Private Canadian Special Equity Portfolio

Fund details

Type of fund:	Canadian small and mid capitalization equity
Securities offered:	Mutual fund trust units
Date started[1]:	February 25, 1998
Registered plan eligibility:	Qualified investment
Sub-advisor:	BMO Asset Management Inc. Toronto, Ontario

1 The Portfolio was established on May 15, 1997 and first offered its units by way of prospectus on February 25, 1998.

What does the fund invest in?

Investment objectives

The Portfolio's investment objective is to provide above average capital growth over the long-term by investing in small and mid sized Canadian companies whose shares are listed on a Canadian stock exchange.

The Portfolio's fundamental investment objective may not be changed without the prior approval of a majority of the votes cast by unitholders at a meeting called specifically for such purpose**.**

Investment strategies

The sub-advisor primarily uses the following strategies to seek to achieve the Portfolio's objectives:

- analysis of the financial results and statistics of the company to determine if the company's stock is well priced;
- analysis of the company's projected earnings and cash flow;
- analysis of the company's operations and research and development to assess the company's potential for future growth;
- analysis of the quality of the company's management;
- analysis of the financial health of the company; and
- continuous monitoring of the company for changes that may affect its profitability.

The Portfolio may use derivative instruments to gain exposure to securities and markets instead of investing in the securities directly. The Portfolio may also use derivative instruments to try to reduce risk by protecting the Portfolio against potential losses from changes in interest rates and reducing the impact of currency fluctuations on the Portfolio's holdings (i.e., hedging purposes). The Portfolio may also use derivatives to enhance yield. The Portfolio may use futures contracts, swap agreements or options, or enter into forward transactions. The Portfolio will only use derivatives as permitted by Canadian securities regulators.

The Portfolio may hold a portion of its assets in cash or short-term instruments such as money market securities while seeking investment opportunities or for defensive purposes to reflect general economic and/or market conditions.

The Portfolio may enter into securities lending, repurchase and reverse repurchase transactions to earn additional income. These transactions will be used in conjunction with the other investment strategies in a manner considered appropriate to achieving the Portfolio's investment objectives. Please see ***Securities lending, repurchase and reverse repurchase transactions risk*** on page 7.

On occasion, up to 35% of the net assets of the Portfolio may be invested in foreign securities.

What are the risks of investing in the fund?

Investing in this Portfolio may involve risks associated with the following, which are detailed on pages 2 to 8:

- commodity;
- currency;
- cybersecurity;
- derivatives transactions;
- equity investments;
- foreign investments;
- large investor;
- liquidity;
- securities lending, repurchase and reverse repurchase transactions; and
- small companies.

Who should invest in this fund?

The Portfolio is suitable for investors who:

- want to invest in a fund which invests in smaller Canadian companies with high growth potential;
- are comfortable with medium to high investment risk (i.e., you are willing to accept fluctuations in the market value of your investment); and
- have a medium to long-term investment horizon.

The Portfolio may not be appropriate for an investor who needs regular income or stability of principal, or is pursuing a short-term investment goal.

See ***Portfolio risk classification*** on page 24 for a description of how we determined the classification of this Portfolio's investment risk level.

Distribution policy

The Portfolio's net income and net realized capital gains are distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Portfolio unless you request in writing that the Portfolio pay the distributions in cash.

Fund expenses indirectly borne by investors

Please refer to page 26 for the assumptions used in this table. The assumptions do not reflect the actual results of the Portfolio.

	1 yr	**3 yrs**	**5 yrs**	**10 yrs**
Expenses payable over:	$0.82	$2.59	$4.53	$10.31

BMO Private U.S. Equity Portfolio

Fund details

Type of fund:	U.S. equity
Securities offered:	Mutual fund trust units
Date started[1]:	February 25, 1998
Registered plan eligibility:	Qualified investment
Sub-advisor:	BMO Asset Management Corp. Chicago, Illinois

1 The Portfolio was established on May 15, 1997 and first offered its units by way of prospectus on February 25, 1998.

What does the fund invest in?

Investment objectives

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

The Portfolio's fundamental investment objective may not be changed without the prior approval of a majority of the votes cast by unitholders at a meeting called specifically for such purpose**.**

Investment strategies

The sub-advisor primarily uses the following strategies to seek to achieve the Portfolio's objectives:

- selection of securities that are considered to be undervalued and to represent stronger than average growth characteristics;
- usage of a disciplined investment process designed to maintain a diversified portfolio of equity securities of higher quality companies to assist in reducing risk; and
- usual investment of at least 65% of the Portfolio's assets in common stock of large capitalization companies.

The Portfolio may use derivative instruments to gain exposure to securities and markets instead of investing in the securities directly. The Portfolio may also use derivative instruments to try to reduce risk by protecting the Portfolio against potential losses from changes in interest rates and reducing the impact of currency fluctuations on the Portfolio's holdings (i.e., for hedging purposes). The Portfolio may also use derivatives to enhance yield. The Portfolio may use futures contracts, swap agreements or options, or enter into forward transactions. The Portfolio will only use derivatives as permitted by Canadian securities regulators.

The Portfolio may hold a portion of its assets in cash or short-term instruments such as money market securities while seeking investment opportunities or for defensive purposes to reflect general economic and/or market conditions.

The Portfolio may enter into securities lending, repurchase and reverse repurchase transactions to earn additional income. These transactions will be used in conjunction with the other investment strategies in a manner considered appropriate to achieving the Portfolio's investment objectives. Please see ***Securities lending, repurchase and reverse repurchase transactions risk*** on page 7.

The Portfolio is expected to have a high portfolio turnover rate. The higher the portfolio turnover rate, the greater the Portfolio's trading costs, and the greater the possibility of unitholders receiving a taxable capital gain as a result of ownership of units in the Portfolio. For more information, see ***Income tax considerations for investors*** on page 17.

What are the risks of investing in the fund?

Investing in this Portfolio may involve risks associated with the following, which are detailed on pages 2 to 8:

- commodity;
- currency;
- cybersecurity;
- derivatives transactions;
- equity investments;
- foreign investments;
- large investor; and
- securities lending, repurchase and reverse repurchase transactions.

Who should invest in this fund?

The Portfolio is suitable for investors who:

- want a U.S. equity fund that focuses on investing in large to mid capitalization companies;
- are comfortable with medium investment risk (i.e., you are willing to accept fluctuations in the market value of your investment); and
- have longer term investment goals.

This Portfolio may not be appropriate for an investor who needs regular income or stability of capital or is pursuing a short-term investment goal.

See ***Portfolio risk classification*** on page 24 for a description of how we determined the classification of this Portfolio's investment risk level.

Distribution policy

The Portfolio's net income and net realized capital gains are distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Portfolio unless you request in writing that the Portfolio pay the distributions in cash.

Fund expenses indirectly borne by investors

Please refer to page 26 for the assumptions used in this table. The assumptions do not reflect the actual results of the Portfolio.

	1 yr	**3 yrs**	**5 yrs**	**10 yrs**
Expenses payable over:	$0.31	$0.97	$1.70	$3.87

BMO Private U.S. Growth Equity Portfolio

Fund details

Type of fund:	U.S. equity
Securities offered:	Mutual fund trust units
Date started:	June 28, 2000
Registered plan eligibility:	Qualified investment
Sub-advisor:	Sands Capital Management, LLC Arlington, Virginia

What does the fund invest in?

Investment objectives

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

The Portfolio's fundamental investment objective may not be changed without the prior approval of a majority of the votes cast by unitholders at a meeting called specifically for such purpose.

Investment strategies

The sub-advisor primarily uses the following strategies to seek to achieve the Portfolio's objectives:

- analysis of a company with consistently superior growth in revenues and earnings;
- analysis of a company in a promising business with distinct competitive advantage;
- analysis of a company with proven management; and
- analysis of a company with very strong transparent financial statements.

The Portfolio may use derivative instruments to gain exposure to securities and markets instead of investing in the securities directly. The Portfolio may also use derivative instruments to try to reduce risk by protecting the Portfolio against potential losses from changes in interest rates and reducing the impact of currency fluctuations on the Portfolio's holdings (i.e., hedging purposes). The Portfolio may also use derivatives to enhance yield. The Portfolio may use futures contracts, swap agreements or options, or enter into forward transactions. The Portfolio will only use derivatives as permitted by Canadian securities regulators.

The Portfolio may hold a portion of its assets in cash or short-term instruments such as money market securities while seeking investment opportunities or for defensive purposes to reflect general economic and/or market conditions.

The Portfolio may use depository receipts as part of its investment strategy.

The Portfolio may enter into securities lending, repurchase and reverse repurchase transactions to earn additional income. These transactions will be used in conjunction with the other investment strategies in a manner considered appropriate to achieving the Portfolio's investment objectives. Please see ***Securities lending, repurchase and reverse repurchase transactions risk*** on page 7.

What are the risks of investing in the fund?

Investing in this Portfolio may involve risks associated with the following, which are detailed on pages 2 to 8:

- commodity;
- currency;
- cybersecurity;
- derivatives transactions;
- equity investments;
- foreign investments;
- issuer concentration;
- large investor*; and
- securities lending, repurchase and reverse repurchase transactions.

* As at April 16, 2018, Le Groupe Gesco-Star ltée held 11.16% of the units of the Portfolio.

Who should invest in this fund?

The Portfolio is suitable for investors who:

- are willing to accept higher short-term risk along with higher potential for long-term growth of capital;
- want to add a U.S. investment with growth potential to diversify their investment portfolio;
- are comfortable with medium to high investment risk (i.e., you are willing to accept fluctuations in the market value of your investment); and
- have longer term investment goals.

This Portfolio may not be appropriate for an investor who needs regular income or stability of principal or is pursuing a short-term investment goal.

See ***Portfolio risk classification*** on page 24 for a description of how we determined the classification of this Portfolio's investment risk level.

Distribution policy

The Portfolio's net income and net realized capital gains are distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Portfolio unless you request in writing that the Portfolio pay the distributions in cash.

Fund expenses indirectly borne by investors

Please refer to page 26 for the assumptions used in this table. The assumptions do not reflect the actual results of the Portfolio.

	1 yr	**3 yrs**	**5 yrs**	**10 yrs**
Expenses payable over:	$3.90	$12.28	$21.52	$48.99

BMO Private U.S. Special Equity Portfolio

Fund details

Type of fund:	U.S. small and mid capitalization equity
Securities offered:	Mutual fund trust units
Date started:	November 1, 2006
Registered plan eligibility:	Qualified investment
Sub-advisor:	William Blair Investment Management, LLC Chicago, Illinois

What does the fund invest in?

Investment objectives

The Portfolio's investment objective is to achieve long-term growth through capital appreciation by primarily investing in equity securities of small and mid capitalization U.S. companies.

The Portfolio's fundamental investment objective may not be changed without the prior approval of a majority of the votes cast by unitholders at a meeting called specifically for such purpose.

Investment strategies

The sub-advisor primarily uses the following strategies to seek to achieve the Portfolio's objectives:

- bottom-up security selection;
- quantitative and traditional fundamental analyses;
- analysis of the financial results, financial condition and potential future growth of the company; and
- identification of companies showing improvement in the growth rates of one or more fundamental metrics, such as revenue, earnings or margins.

The Portfolio may use derivative instruments to gain exposure to securities and markets instead of investing in the securities directly. The Portfolio may also use derivative instruments to try to reduce risk by protecting the Portfolio against potential losses from changes in interest rates and reducing the impact of currency fluctuations on the Portfolio's holdings (i.e., hedging purposes). The Portfolio may also use derivatives to enhance yield. The Portfolio may use futures contracts, swap agreements or options, or enter into forward transactions. The Portfolio will only use derivatives as permitted by Canadian securities regulators.

The Portfolio may hold a portion of its assets in cash or short-term instruments such as money market securities while seeking investment opportunities or for defensive purposes to reflect general economic and/or market conditions.

The Portfolio may enter into securities lending, repurchase and reverse repurchase transactions to earn additional income. These transactions will be used in conjunction with the other investment strategies in a manner considered appropriate to achieving the Portfolio's investment objectives. Please see ***Securities lending, repurchase and reverse repurchase transactions risk*** on page 7.

On January 16, 2017, the Portfolio's sub-advisor was changed. As a result of this sub-advisor change, the Portfolio had a high portfolio turnover rate in 2017. It is not anticipated that the Portfolio will have a high portfolio turnover rate in future years. In general, the higher the portfolio turnover rate, the greater the Portfolio's trading costs, and the greater the possibility that the Portfolio may realize capital gains and distribute them to unitholders in the Portfolio. For more information, see ***Income tax considerations for investors*** on page 17.

What are the risks of investing in the fund?

Investing in this Portfolio may involve risks associated with the following, which are detailed on pages 2 to 8:

- commodity;
- currency;
- cybersecurity;
- derivatives transactions;
- equity investments;
- foreign investments;
- large investor*;
- liquidity;
- securities lending, repurchase and reverse repurchase transactions; and
- small companies.

* As at April 16, 2018, Le Groupe Gesco-Star ltée held 12.05% of the units of the Portfolio.

Who should invest in this fund?

The Portfolio is suitable for investors who:

- want a U.S. equity fund that focuses on investing in small to mid capitalization companies to diversify their investment portfolio;
- are comfortable with medium to high investment risk (i.e., you are willing to accept fluctuations in the market value of your investment); and
- have a long-term investment horizon.

This Portfolio may not be appropriate for an investor who needs regular income or stability of principal or is pursuing a short-term investment goal.

The Portfolio's investment objective changed on October 26, 2012 and therefore monthly returns of the Russell 2500 Growth Index have been used for the period between April 1, 2008 and October 31, 2012 when calculating the 10-year standard deviation of monthly returns of the Portfolio for the purpose of determining the Portfolio's investment risk level. The Russell 2500

Growth Index measures the performance of those Russell 2500 Index companies with higher price-to-book ratios and higher earnings and sales growth rates. The Russell 2500 Index generally includes small and mid capitalization companies, representing the smallest 2,500 companies covered in the Russell 3000 Index, a broad-based U.S. equity market index.

See ***Portfolio risk classification*** on page 24 for a description of how we determined the classification of this Portfolio's investment risk level.

Distribution policy

The Portfolio's net income and net realized capital gains are distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Portfolio unless you request in writing the Portfolio pay the distributions in cash.

Fund expenses indirectly borne by investors

Please refer to page 26 for the assumptions used in this table. The assumptions do not reflect the actual results of the Portfolio.

	1 yr	**3 yrs**	**5 yrs**	**10 yrs**
Expenses payable over:	$7.38	$23.27	$40.78	$92.82

BMO Private International Equity Portfolio

Fund details

Type of fund:	International equity
Securities offered:	Mutual fund trust units
Date started[1]:	February 25, 1998
Registered plan eligibility:	Qualified investment
Sub-advisors:	BMO Asset Management Corp. Chicago, Illinois Pyrford International Limited London, England WCM Investment Management Laguna Beach, California

[1] The Portfolio was established on January 28, 1998 and first offered its units by way of prospectus on February 25, 1998.

What does the fund invest in?

Investment objectives

The Portfolio's investment objective is to provide long-term capital appreciation by investing in a diversified portfolio of primarily equity securities of issuers throughout the world, other than in Canada and the United States.

The Portfolio's fundamental investment objective may not be changed without the prior approval of a majority of the votes cast by unitholders at a meeting called specifically for such purpose.

Investment strategies

The portfolio manager and sub-advisors primarily use the following strategies to seek to achieve the Portfolio's objectives:

- analysis of the financial information available for each potential investment, including a company's operations and potential for growth;
- quantitative and traditional fundamental analyses, including bottom-up security selection;
- analysis of the quality of the company's management;
- analysis of whether the stock is attractively priced in the market;
- analysis of the economic outlook for various countries/regions and industries;
- analysis of expected changes in currency exchange rates; and

- may invest up to 20% of the Portfolio's assets in securities of other mutual funds, which may include mutual funds that are managed by us or one of our affiliates or associates.

The Portfolio may invest some of its assets in securities of companies located in emerging markets and in small and medium capitalization companies. The Portfolio's assets will be diversified by industry and country to help reduce risk.

The Portfolio may hold a portion of its assets in cash or short-term instruments such as money market securities while seeking investment opportunities or for defensive purposes to reflect general economic and/or market conditions.

The Portfolio may use derivative instruments to gain exposure to securities and markets instead of investing in the securities directly. The Portfolio may also use derivative instruments to try to reduce risk by protecting the Portfolio against potential losses from changes in interest rates and reducing the impact of currency fluctuations on the Portfolio's holdings (i.e., hedging purposes). The Portfolio may also use derivatives to enhance yield. The Portfolio may use futures contracts, swap agreements or options, or enter into forward transactions. The Portfolio will only use derivatives as permitted by Canadian securities regulators. To the extent that an underlying fund in which the Portfolio invests uses derivatives, such underlying fund may use derivatives in a similar manner as permitted for the Portfolio.

The Portfolio may enter into securities lending, repurchase and reverse repurchase transactions to earn additional income. These transactions will be used in conjunction with the other investment strategies in a manner considered appropriate to achieving the Portfolio's investment objectives. Please see ***Securities lending, repurchase and reverse repurchase transactions risk*** on page 7.

What are the risks of investing in the fund?

Investing in this Portfolio may involve risks associated with the following, which are detailed on pages 2 to 8:

- commodity;
- currency;
- cybersecurity;
- derivatives transactions;
- equity investments;
- foreign investments;
- fund of funds;
- large investor;
- liquidity;
- securities lending, repurchase and reverse repurchase transactions; and
- small companies.

Who should invest in this fund?

The Portfolio is suitable for investors who:

- want to diversify their investment portfolio to include international investments outside of Canada and the United States;
- are comfortable with medium investment risk (i.e., you are willing to accept fluctuations in the market value of your investment); and
- have longer term investment goals.

This Portfolio may not be appropriate for an investor who needs regular income or stability of capital or is pursuing a short-term investment goal.

See ***Portfolio risk classification*** on page 24 for a description of how we determined the classification of this Portfolio's investment risk level.

Distribution policy

The Portfolio's net income and net realized capital gains are distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Portfolio unless you request in writing that the Portfolio pay the distributions in cash.

Fund expenses indirectly borne by investors

Please refer to page 26 for the assumptions used in this table. The assumptions do not reflect the actual results of the Portfolio.

	1 yr	**3 yrs**	**5 yrs**	**10 yrs**
Expenses payable over:	$3.38	$10.66	$18.69	$42.54

BMO Private Emerging Markets Equity Portfolio

Fund details

Type of fund:	Emerging markets equity
Securities offered:	Mutual fund trust units
Date started:	November 1, 2006
Registered plan eligibility:	Qualified investment
Sub-advisor:	Comgest SA Paris, France

What does the fund invest in?

Investment objectives

The Portfolio's investment objective is to achieve long-term growth through capital appreciation through primarily investing in securities of companies in emerging markets or companies with a connection to emerging markets.

The Portfolio's fundamental investment objective may not be changed without the prior approval of a majority of the votes cast by unitholders at a meeting called specifically for such purpose.

Investment strategies

The portfolio manager and sub-advisor primarily use the following strategies to seek to achieve the Portfolio's objectives:

- bottom-up security selection;
- traditional fundamental and quantitative analyses;
- analysis of a company's balance sheet and earnings;
- analysis of the quality of the company's management;
- select attractively priced companies that show exceptional characteristics with strong competitive positions that are likely to appreciate steadily over the long-term; and
- may invest up to 20% of the Portfolio's assets in securities of other mutual funds, which may include mutual funds that are managed by us or one of our affiliates or associates.

The Portfolio may also invest in securities of companies that trade in emerging markets, or that trade anywhere in the world and earn more than half of their revenue from production, operations or sales in emerging markets.

The Portfolio may use derivative instruments to gain exposure to securities and markets instead of investing in the securities directly. The Portfolio may also use derivative instruments to try to reduce risk by protecting the Portfolio against potential losses from changes in interest rates and reducing the impact of currency fluctuations on the Portfolio's holdings (i.e., hedging purposes). The Portfolio may also use derivatives to enhance yield. The Portfolio may use futures contracts, swap agreements or options, or enter into forward transactions. The Portfolio will only use derivatives as permitted by Canadian securities regulators. To the extent that an underlying fund in which the Portfolio invests uses derivatives, such underlying fund may use derivatives in a similar manner as permitted for the Portfolio.

The Portfolio may hold a portion of its assets in cash or short-term instruments such as money market securities while seeking investment opportunities or for defensive purposes to reflect general economic and/or market conditions.

The Portfolio may enter into securities lending, repurchase and reverse repurchase transactions to earn additional income. These transactions will be used in conjunction with the other investment strategies in a manner considered appropriate to achieving the Portfolio's investment objectives. Please see ***Securities lending, repurchase and reverse repurchase transactions risk*** on page 7.

What are the risks of investing in the fund?

Investing in this Portfolio may involve risks associated with the following, which are detailed on pages 2 to 8:

- commodity;
- currency;
- cybersecurity;
- derivatives transactions;
- equity investments;
- foreign investments;
- fund of funds;
- issuer concentration;
- large investor;
- liquidity;
- securities lending, repurchase and reverse repurchase transactions; and
- small companies.

Who should invest in this fund?

The Portfolio is suitable for investors who:

- want to diversify their investment portfolio to include investments outside of Canada, the United States and other developed markets;
- are comfortable with medium to high investment risk (i.e., you are willing to accept fluctuations in the market value of your investment); and
- have a long-term investment horizon.

See ***Portfolio risk classification*** on page 24 for a description of how we determined the classification of this Portfolio's investment risk level.

Distribution policy

The Portfolio's net income and net realized capital gains are distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Portfolio unless you request in writing the Portfolio pay the distributions in cash.

Fund expenses indirectly borne by investors

Please refer to page 26 for the assumptions used in this table. The assumptions do not reflect the actual results of the Portfolio.

	1 yr	**3 yrs**	**5 yrs**	**10 yrs**
Expenses payable over:	$9.84	$31.02	$54.37	$123.77

BMO PRIVATE PORTFOLIOS

BMO PRIVATE CANADIAN MONEY MARKET PORTFOLIO
BMO PRIVATE CANADIAN SHORT-TERM BOND PORTFOLIO
BMO PRIVATE CANADIAN MID-TERM BOND PORTFOLIO
BMO PRIVATE CANADIAN CORPORATE BOND PORTFOLIO
BMO PRIVATE DIVERSIFIED YIELD PORTFOLIO
BMO PRIVATE CANADIAN INCOME EQUITY PORTFOLIO
BMO PRIVATE CANADIAN CORE EQUITY PORTFOLIO
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

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Additional information about the Portfolios is available in the Portfolios' annual information form, fund facts, management reports of fund performance and financial statements. These documents are incorporated by reference into this simplified prospectus, which means that they legally form part of this simplified prospectus just as if they were printed in it. To obtain a copy of the annual information form, fund facts, management reports of fund performance and financial statements at no cost, call toll free 1-855-852-1026, e-mail us at **contact.centre@bmo.com** or ask your BMO Private Banking professional.

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

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