BMG Gold BullionFund

Annual Management Report of Fund Performance

For the year ended December 31, 2014

Caution regarding forward-looking statements

Certain portions of this Annual Management Report of Fund Performance, including, but not limited to, ‘‘Recent Developments’’, may contain forward-looking statements about the BMG Gold BullionFund (the “BMG Fund”) including statements with respect to strategies, risks, expected performance events and conditions. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “could”, “would”, “forecasts”, ‘‘expects’’, ‘‘anticipates’’, ‘‘intends’’, ‘‘plans’’, ‘‘believes’’, ‘‘estimates’’, ‘‘projects’’ and similar forward-looking expressions or negative versions thereof.

Forward-looking statements are not guarantees of future performance and actual results or events could differ materially from those expressed or implied in any forward-looking statements made by the BMG Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, such as interest and foreign currency rates, investment sentiment, volatility of precious metals prices, demand for various precious metals, and other factors affecting precious metals, currency fluctuations, global equity and capital markets, changes in government relations, unexpected judicial or regulatory proceedings and catastrophic events. We stress that the above-mentioned list of important factors is not exhaustive. Some of these risks, uncertainties and other factors are described in the BMG Fund’s simplified prospectus, under the heading ‘‘Risk Factors’’.

We encourage you to consider these and other factors carefully before making any investment decisions. Forward-looking statements should not be unduly relied upon. Further, you should be aware the BMG Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance, and that the forward-looking statements speak only to the date of this Management Report of Fund Performance.

This Annual Management Report of Fund Performance contains financial highlights, but does not contain the complete annual financial statements of the BMG Fund. Security holders may request a copy of the BMG Fund’s annual financial statements, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure at no cost by calling 888.474.1001, by writing to us at 280-60 Renfrew Drive, Markham, Ontario, L3R 0E1, or by visiting our website at www.bmgbullion.com or SEDAR at www.sedar.com.

MANAGEMENT REPORT OF FUND PERFORMANCE

Investment Objective and Strategies

The BMG Gold BullionFund (the "BMG Fund") invests in unencumbered, fully allocated physical gold that is held by the Bank of Nova Scotia. The BMG Fund's objective is to provide a secure, convenient, low-cost, medium-risk alternative for investors seeking to hold gold bullion for capital preservation, long-term appreciation, portfolio diversification and portfolio hedging purposes.

All bullion purchased by the BMG Fund meets the "London Good Delivery" standard as set out by the London Bullion Market Association (LBMA).

The economic factors that determine the price of gold are, in most cases, opposed to the factors that determine the prices of most other financial assets. Ownership of BMG Fund units, therefore, acts as a hedge against the volatility of other investments. Units of a class of the BMG Fund are not speculative, and are only intended to be one part of an investment strategy.

A small portion of the BMG Fund's assets (generally no more than 5%) may be held in cash to allow the BMG Fund to pay its expenses, and to facilitate any redemption of units of a class of the BMG Fund. The BMG Fund will not use derivatives or invest in securities or certificates of companies that produce gold bullion. The BMG Fund will not invest in foreign securities, and it does not hedge its holdings. The value of the BMG Fund, therefore, is purely a function of the spot price of gold bullion. The BMG Fund's objectives and strategies did not change in 2014.

Risk

The risks associated with investing in the BMG Fund remain as stated in the simplified prospectus of the BMG Fund dated as of September 5, 2014. The principal risk associated with investing in the BMG Fund is the fluctuating price of gold, as well as fluctuations in the relationship between the Canadian and US dollars. In addition, the BMG Fund will be subject to precious metals risk, non-hedging strategy risk and specialization risk. Our view of the BMG Fund's risk rating was unchanged in 2014.

Results of Operations

All monetary amounts are expressed in Canadian dollars, unless otherwise indicated.

In 2014, the net asset value ("NAV") of the BMG Fund decreased 6.5% from $110.4 million at December 31, 2013 to $103.2 million at December 31, 2014. The decline was primarily driven by $13.6 million in net redemptions, offset by $6.4 million in net income from operations during the period. An unrealized gain on investments in gold bullion of $9.9 million was the major contributor to net income for the year. As at December 31, 2014, the BMG Fund's gold holdings were 73,623 ounces compared to 86,416 ounces at December 31, 2013.

For the year ended December 31, 2014, the NAV per unit of BMG Fund's Class A units experienced a gain of 5.4% in Canadian dollars but a loss of 3.3% in US dollars, while the NAV per unit of BMG Fund's Class F units experienced a gain of 6.5% in Canadian dollars, but a loss of 2.3% in US dollars. The reason for the gain in Canadian dollars but a loss in US dollars is that Canadian dollars depreciated 8.3% against US dollars in 2014. Gold closed the year at US$1,199.25, not far removed from its 2013 year-end price of US$1,201.50. The year had a promising start as the gold price increased by 15% to reach a high of US$1,385 per ounce in March, but moved downward thereafter, falling to a low of US$1,142 per ounce in November.

Daily average net assets decreased from $132.3 million in 2013 to $111.9 million in 2014. This represents a 15.4% decrease, which is in line with the decrease in total expenses after absorption of $118,861 by Bullion Management Services Inc. (the "Manager"). The decrease is primarily driven by net redemptions and the performance of precious metals as discussed in "Recent Developments" section of this report.

MANAGEMENT REPORT OF FUND PERFORMANCE (*continued*)

A number of factors have contributed to the price of bullion remaining subdued. The official inflation rate has been trending lower in most major economies, and in certain economies there are even concerns of deflation. The US Federal Reserve ended its quantitative easing program, which signaled to the financial markets the central bank's confidence in an improving US economy. This resulted in the US dollar gaining strength against other global currencies during the year. Because bullion is priced in US dollars, the strengthening dollar has placed downward pressure on the gold price. Commodity prices, especially oil, came under significant pressure in the latter half of the year, and bullion was also affected by the broad sell-off. The escalation of global geopolitical uncertainties in Ukraine and the Middle East did not provide enough support in the price of bullion as a safe haven asset to counter the negative headwinds.

Recent Developments

The International Monetary Fund has reduced the global GDP outlook for 2015 by 0.3%, to between 3.5% and 3.7%, because GDP growth outside of the US has failed to gain momentum. The more than 50% decline in oil prices over the past six months will benefit the global economy. However, this positive effect is expected to be outweighed by negative factors such as the downside risks in oil-producing countries, minimal growth in the European Union and Japan, and slowing emerging economies, including China. The financial markets have become more volatile as a result of these uncertainties. While there has been much discussion regarding an increase in interest rates in 2015 after the US Federal Reserve ended its quantitative easing program, the markets have actually seen the opposite. The Bank of Canada recently cut interest rates by 0.25%, and the European Central Bank expanded its stimulus measures with a €60 billion per month bond-buying program, beginning on March 2015, to support the Eurozone's respective economies. The euro has been under pressure due to renewed concerns over Greek debt, speculation over their potential exit from the euro, and the Swiss National Bank unpegging the Swiss franc from the euro.

Gold

Gold traded in a narrow range between US$1,142 and US$1,385 during 2014, which is close to the estimated average all-in cost of production –US$1,200– for many miners. The mining industry has curtailed its investment in exploration and production, cancelled projects and sought to lower their average cost by focusing on their higher-grade ore. While this helps the miners in the short term, over the longer term, production may be curtailed since the current level of exploration may not be sufficient to replace depleted supplies. This is likely to put upward pressure on gold prices over the mid to longer term due to a supply deficit.

Consumer demand for gold was high in 2013 because of the declining bullion price. While demand in 2014 may not have been as brisk, it is nevertheless expected to be robust, based on longer-term trends. China, already the world's largest gold producer, overtook India in 2013 as the world's largest consumer of gold, a trend that continued in 2014. The imposition of import duties in India last year has not significantly dampened demand for gold jewelry, which is linked to deep-rooted cultural traditions.

Central bank demand for gold remained strong, and Russia continues to be a major purchaser, especially in light of its geopolitical issues, sanctions and a falling ruble. Russia's latest holdings were reported at 1,206.8 tonnes, up 17% from 2013, and this reflects a tripling in the last ten years. Macroeconomic events as noted above are providing further impetus for central banks to diversify their reserves and increase their gold holdings.

Merger

The BMG Gold Advantage Return BullionFund (the "Merging Fund") merged with the BMG Fund on August 28, 2014. The merger was effected on a taxable basis and subsequent to the merger, unitholders of Merging Fund who became unitholders of the BMG Fund were issued units of the BMG Fund. A total of 397,254.725 units of the BMG Fund shown in the table below were issued on August 28, 2014 to unitholders of the Merging Fund pursuant to the merger. The merger was subject to the receipt of applicable regulatory approval and unitholder approval of the Merging Fund.

Terminated classes of the Merging Fund	Total units of terminated classes	Value of terminated classes	Continuing classes of The BMG Fund	New units issued of continuing classes	Value of new units issued of continuing classes
Class A	288,613.757	$ 1,725,431.17	Class A	366,440.482	$ 1,725,431.17
Class F	19,116.679	$ 118,148.72	Class F	22,140.154	$ 118,148.72
Class G1	14,824.515	$ 85,891.81	Class G1	8,674.089	$ 85,891.81
Total	322,554.951	$ 1,929,471.70	Total	397,254.725	$ 1,929,471.70

Reclassification of Certain Classes

On or around March 27, 2015, all of the outstanding units of Class G1 and Class G5 of the BMG Fund on that date will be reclassified into Class A and Class B3 units of the BMG Fund.

Transition to International Financial Reporting Standards ("IFRS")

The BMG Fund adopted International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") in 2014, as required by Canadian securities regulation and the Canadian Accounting Standards Board. Previously, the BMG Fund prepared interim and annual financial statements in accordance with Canadian Generally Accepted Accounting Principles as defined in Part V of the CPA Handbook ("Canadian GAAP"). The adoption of IFRS did not result in any changes to the previously reported net assets of the BMG Fund.

The only voluntary exemption adopted by the BMG Fund upon transition was the ability to designate a financial asset or financial liability at fair value through profit and loss ("FVTPL") upon transition to IFRS. All financial assets designated at FVTPL upon transition were previously carried at fair value under Canadian GAAP as required by Accounting Guideline 18, *Investment Companies*.

Under Canadian GAAP, the BMG Fund was exempt from providing a statement of cash flows. Under IFRS, IAS 1 requires that a complete set of financial statements includes a statement of cash flows for the current and comparative periods, without exception.

Previously under Canadian GAAP, the fair value of the BMG Fund's investments in gold bullion was measured at the London PM Fix price for gold. Under IFRS, the Manager concluded that previous fair value measurements are representative, and are used to measure the fair value of gold bullion investments. As a result, the aggregate adjustment to net assets attributable to holders of redeemable units as at January 1, 2013 and December 31, 2013 is nil.

Under Canadian GAAP, the BMG Fund accounted for its redeemable units as equity. Under IFRS, IAS 32 requires that units that include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as financial liabilities. The BMG Fund's units do not meet the criteria in IAS 32 for classification as equity, and have therefore been reclassified as financial liabilities on transition to IFRS.

Related-Party Transactions

Manager and Trustee

Bullion Management Services Inc. is the manager, trustee, registrar and transfer agent for the BMG Fund. The Manager provides, or arranges for the provision of, all management and administrative services for day-to-day operations, including providing BMG Fund and unitholder accounting, recordkeeping and other administrative services. At December 31, 2014, the Manager held 51,062 Class A units of the BMG Fund.

In consideration of the management and administrative services, the BMG Fund pays the Manager a monthly management fee based on the NAV of the various classes of units of the BMG Fund, calculated daily. For the year ended December 31, 2014, the BMG Fund incurred management fees of $2,345,200.

Distributor

Bullion Marketing Services Inc., an affiliate of the Manager, has been retained by the Manager to assist with the marketing and distribution of units of the BMG Fund.

Operating Expenses

For the year ended December 31, 2014, the Manager absorbed Fund operating expenses of $118,861. The decision to reduce operating expenses is made at the discretion of the Manager, and may be changed at any time.

Independent Review Committee

The Manager has created an independent review committee ("IRC") to review and provide impartial judgment on conflict of interest matters. The IRC reviews potential conflicts of interest referred to it by the Manager, and makes recommendations on whether a course of action is fair and reasonable for the BMG Fund. The IRC prepares an annual report of its activities for interested parties. A copy of the IRC's report for 2014 will be available at www.bmgbullion.com at the end of March 2015.

The IRC positively recommended the merger (mentioned above) on June 20, 2014.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the each class of units of the BMG Fund, and are intended to help you understand the BMG Fund's financial performance for the years shown ended December 31, and/or from the period since the inception of a particular class. The information is derived from the BMG Fund's audited annual financial statements.

THE FUND'S NET ASSETS PER CLASS A UNIT	2014	2013	2012	2011	2010
Net assets - beginning of year(1)	**$4.38**	**$5.87**	**$5.86**	**$5.30**	**$4.61**
Increase (decrease) from operations:					
Total revenue	-	-	-	-	-
Total expenses (excluding distributions)	(0.14)	(0.15)	(0.18)	(0.18)	(0.15)
Realized gains (losses) for the period	(0.01)	0.02	0.03	0.08	0.01
Unrealized gains (losses) for the period	0.40	(1.36)	0.13	0.60	1.03
Total increase (decrease) from operations(2)	**0.25**	**(1.49)**	**(0.02)**	**0.50**	**0.89**
Distributions:					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions(3)	**-**	**-**	**-**	**-**	**-**
Net assets at December 31 of year shown	**$4.61**	**$4.38**	**$5.87**	**$5.86**	**$5.30**
RATIOS AND SUPPLEMENTAL DATA:					
Total net asset value (000's)(1)	$87,596	$92,289	$132,887	$107,456	$83,191
Number of units outstanding(1)	18,990,314	21,089,045	22,643,692	18,344,756	15,706,850
Management expense ratio (%)(2)	3.06	3.06	3.01	3.06	3.06
Management expense ratio before waivers or absorption (%)	3.17	3.07	3.01	3.17	3.30
Trading expense ratio (%)(3)	-	-	-	-	-
Portfolio turnover rate (%)(4)	1.62	7.20	3.30	8.84	3.15
Net asset value per unit	$4.61	$4.38	$5.87	$5.86	$5.30

Class A was incepted on September 4, 2009. For explanatory notes, please refer to "Explanatory Notes to Financial Highlights" at the end of the section.

THE FUND'S NET ASSETS PER CLASS C3 UNIT	2014*
Net assets - beginning of year(1)	**$10.00**
Increase (decrease) from operations:	
Total revenue	-
Total expenses (excluding distributions)	(0.11)
Realized losses for the period	(0.03)
Unrealized losses for the period	(0.45)
Total increase (decrease) from operations (2)	**(0.59)**
Distributions:	
From net investment income (excluding dividends)	-
From dividends	-
From capital gains	-
Return of capital	-
Total distributions(3)	-
Net assets at December 31 of year shown	**$9.02**
RATIOS AND SUPPLEMENTAL DATA:	
Total net asset value (000's)(1)	$1,392
Number of units outstanding(1)	154,333
Management expense ratio (%)(2)	1.48
Management expense ratio before waivers or absorption (%)	1.48
Trading expense ratio (%)(3)	-
Portfolio turnover rate (%)(4)	1.62
Net asset value per unit	$9.02

Data is from the date of inception of Class C3 to December 31, 2014. Class C3 was incepted on March 12, 2014. For explanatory notes, please refer to "Explanatory Notes to Financial Highlights" at the end of the section.

FINANCIAL HIGHLIGHTS *(continued)*

THE FUND’S NET ASSETS PER CLASS F UNIT	2014	2013	2012	2011	2010*
Net assets - beginning of year[1]	**$4.93**	**$6.53**	**$6.45**	**$5.76**	**$5.00**
Increase (decrease) from operations:					
Total revenue	-	-	-	-	-
Total expenses (excluding distributions)	(0.11)	(0.11)	(0.12)	(0.13)	(0.11)
Realized gains (losses) for the period	(0.01)	0.03	0.04	0.09	0.01
Unrealized gains (losses) for the period	0.85	(1.55)	0.11	(0.27)	1.04
Total increase (decrease) from operations [2]	**0.73**	**(1.63)**	**0.03**	**(0.31)**	**0.94**
Distributions:					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions[3]	-	-	-	-	-
Net assets at December 31 of year shown	**$5.25**	**$4.93**	**$6.53**	**$6.45**	**$5.76**
RATIOS AND SUPPLEMENTAL DATA:					
Total net asset value (000's)[1]	$3,636	$5,832	$10,164	$7,272	$2,020
Number of units outstanding[1]	692,988	1,183,930	1,556,336	1,127,724	350,395
Management expense ratio (%)[2]	2.02	1.92	1.87	1.93	2.02
Management expense ratio before waivers or absorption (%)	2.05	1.92	1.87	1.93	2.10
Trading expense ratio (%)[3]	-	-	-	-	-
Portfolio turnover rate (%)[4]	1.62	7.20	3.30	8.84	3.15
Net asset value per unit	$5.25	$4.93	$6.53	$6.45	$5.76

**Data is from the date of inception of Class F to December 31, 2010. Class F was incepted on January 18, 2010. For explanatory notes, please refer to "Explanatory Notes to Financial Highlights" at the end of the section.*

THE FUND’S NET ASSETS PER CLASS S1 UNIT	2014	2013	2012	2011	2010*
Net assets - beginning of year[1]	**$8.20**	**$10.77**	**$10.54**	**$9.34**	**$9.48**
Increase (decrease) from operations:					
Total revenue	-	-	-	-	-
Total expenses (excluding distributions)	(0.13)	(0.10)	(0.11)	(0.11)	(0.02)
Realized gains (losses) for the period	(0.03)	0.04	0.06	0.13	-
Unrealized gains (losses) for the period	0.86	(2.57)	0.32	1.55	(0.13)
Total increase (decrease) from operations [2]	**0.70**	**(2.63)**	**0.27**	**1.57**	**(0.15)**
Distributions:					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions[3]	-	-	-	-	-
Net assets at December 31 of year shown	**$8.77**	**$8.20**	**$10.77**	**$10.54**	**$9.34**
RATIOS AND SUPPLEMENTAL DATA:					
Total net asset value (000's)[1]	$1,296	$1,460	$3,629	$4,071	$5,560
Number of units outstanding[1]	147,691	178,190	336,896	386,181	595,356
Management expense ratio (%)[2]	1.51	1.06	0.99	1.06	1.20
Management expense ratio before waivers or absorption (%)	1.51	1.06	0.99	1.06	1.20
Trading expense ratio (%)[3]	-	-	-	-	-
Portfolio turnover rate (%)[4]	1.62	7.20	3.30	8.84	3.15
Net asset value per unit	$8.77	$8.20	$10.77	$10.54	$9.34

**Data is from the date of inception of Class S1 to December 31, 2010. Class S1 was incepted on November 9, 2010. For explanatory notes, please refer to "Explanatory Notes to Financial Highlights" at the end of the section.*

FINANCIAL HIGHLIGHTS *(continued)*

THE FUND'S NET ASSETS PER CLASS S2 UNIT	2014	2013	2012	2011	2010*
Net assets - beginning of year(1)	**$8.25**	**$10.90**	**$10.73**	**$9.55**	**$9.70**
Increase (decrease) from operations:					
Total revenue	-	-	-	-	-
Total expenses (excluding distributions)	(0.28)	(0.16)	(0.17)	(0.16)	(0.02)
Realized gains (losses) for the period	(0.03)	0.11	0.06	0.14	-
Unrealized gains (losses) for the period	1.00	(1.58)	0.28	1.23	(0.13)
Total increase (decrease) from operations (2)	**0.69**	**(1.63)**	**0.17**	**1.21**	**(0.15)**
Distributions:					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions(3)	-	-	-	-	-
Net assets at December 31 of year shown	**$8.68**	**$8.25**	**$10.90**	**$10.73**	**$9.55**
RATIOS AND SUPPLEMENTAL DATA:					
Total net asset value (000's)(1)	$106	$147	$1,547	$1,911	$1,937
Number of units outstanding(1)	12,208	17,833	141,884	178,049	202,718
Management expense ratio (%)(2)	3.15	1.61	1.58	1.55	1.69
Management expense ratio before waivers or absorption (%)	3.15	1.61	1.58	1.55	1.69
Trading expense ratio (%)(3)	-	-	-	-	-
Portfolio turnover rate (%)(4)	1.62	7.20	3.30	8.84	3.15
Net asset value per unit	$8.68	$8.25	$10.90	$10.73	$9.55

**Data is from the date of inception of Class S2 to December 31, 2010. Class S2 was incepted on November 9, 2010. For explanatory notes, please refer to "Explanatory Notes to Financial Highlights" at the end of the section.*

Explanatory Notes to Financial Highlights

Fund's Net Assets per Unit of each Class

(1) This information is derived from the BMG Fund's financial statements. In the period a BMG Fund or Class is established, the financial information is provided from the date of inception to the end of the period. Information from 2014 and 2013 is in accordance with IFRS. Information for years prior to 2013 is reported under Canadian GAAP. The net assets per class presented in the financial statements do not differ from the net asset value calculated for fund pricing purposes.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) in net assets from operations is based on the weighted average number of units outstanding over the fiscal period. This table is not intended to be a reconciliation of opening and closing net assets per unit.

(3) The BMG Fund did not make any distributions.

Ratios and Supplemental Data

(1) This information is provided as at the end of the period shown.

(2) The management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average NAV during the period.

(3) The trading expense ratio represents the total commissions and other portfolio transaction costs expressed as an annualized percentage of NAV during the period.

(4) The BMG Fund's portfolio turnover rate indicates how actively the BMG Fund's gold bullion investments are traded. A portfolio turnover rate of 100% is equivalent to the BMG Fund buying and selling all its gold bullion once in the course of the relevant period. There is no trading cost payable by the BMG Fund in the year. The higher a portfolio turnover rate in a year, the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the BMG Fund.

FINANCIAL HIGHLIGHTS *(continued)*

Management Fees

Management fees are paid by each class of the BMG Fund, and are calculated at the applicable annual percentage of the NAV of each class of the BMG Fund. A portion of the management fees paid by the BMG Fund is for trailer fees paid to dealers. The trailer fees are a percentage of the daily average NAV of the applicable class of units of the BMG Fund that are held by the dealers' clients. No trailer fees are paid with respect to Class C3, Class F or Class S1 units of the BMG Fund. The table below outlines the BMG Fund's annual management fees for Class A, Class C3, Class F, Class S1 and Class S2 units, and how those fees are split between trailer fees and portfolio administration.

	Class A	Class C3	Class F	Class S1	Class S2
Management Fee	2.25%	0.75%	1.25%	0.45%	0.95%
Portfolio Administration Fee	55.6%	100%	100%	100%	47.4%
Trailer Fee *(maximum rate as a percentage of management fees)*	44.4%	0%	0%	0%	52.6%

Out of the management fees that the Manager received from the BMG Fund, the Manager paid trailer fees of $969,685 during the year ended December 31, 2014.

PAST PERFORMANCE

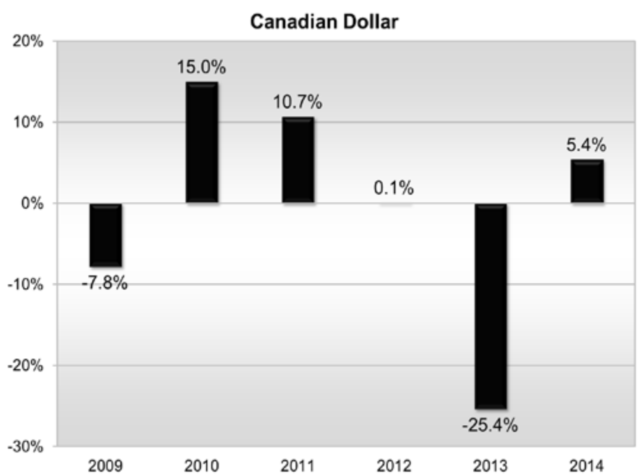
The following information does not take into account sales or redemption charges that would have reduced returns. Past performance does not necessarily indicate how the BMG Fund will perform in the future.

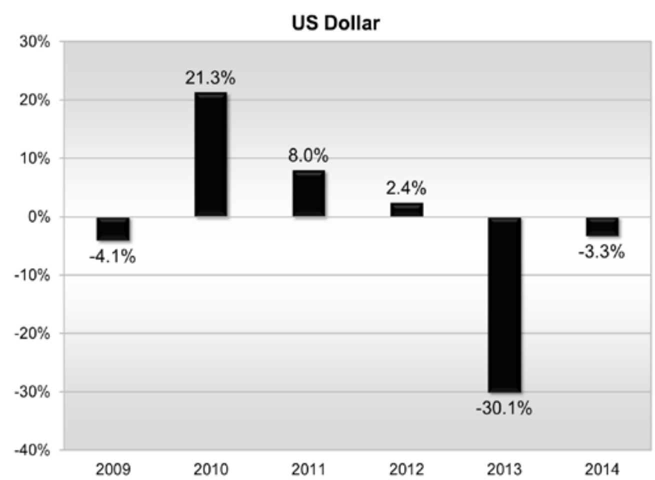
Class C3 has existed for less than 12 months, therefore performance is not available for disclosure for this class.

Year-by-Year Returns

The following bar charts show the BMG Fund's performance for each class of units of the BMG Fund in Canadian and US dollars, as applicable, in each of the years shown. They illustrate how the BMG Fund's performance has changed from year to year. In percentage terms, the charts show how much an investment made on the first day of each financial year has increased or decreased by the last day of each financial year.

Class A

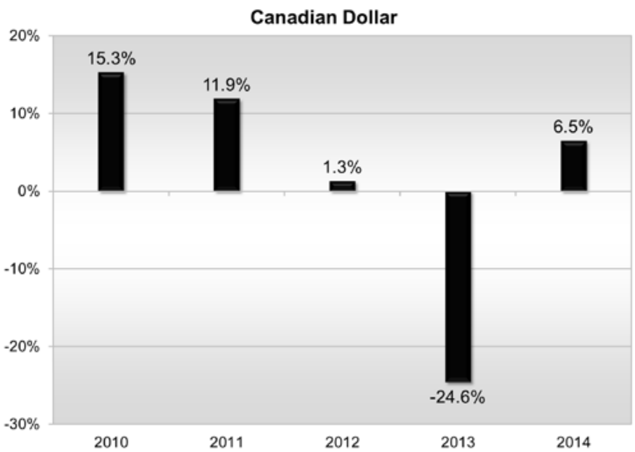


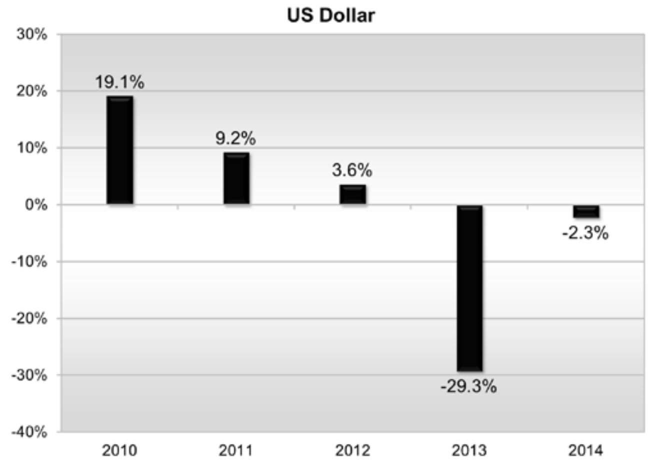


The return shown for 2009 is for the period from inception on September 4.

PAST PERFORMANCE *(continued)*

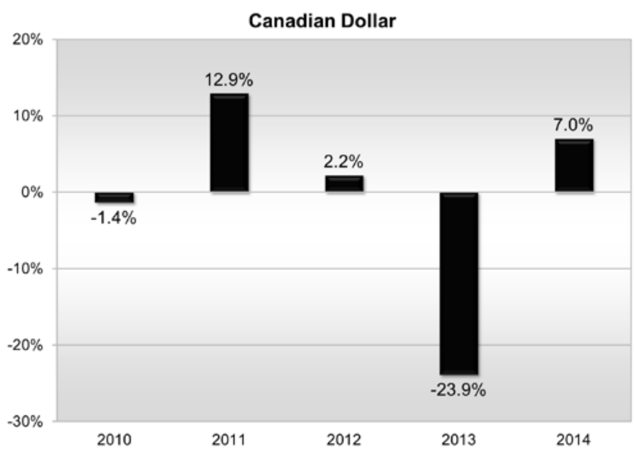
Class F



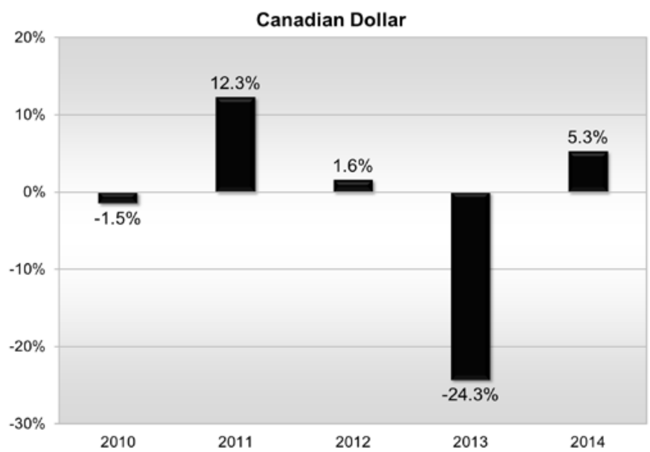


The return shown for 2010 is for the period from inception on January 18.

Class S1



Class S2



The return shown for 2010 is for the period from inception on November 9 for the classes S1 and S2.

PAST PERFORMANCE *(continued)*

Annual Compound Returns

The following table shows the annual compound total returns for each class of units of the BMG Fund in Canadian dollars and US dollars since inception, or for the five, three or one year periods ended on December 31, 2014, as applicable . Annual returns in Canadian dollars are compared to inflation as measured by the Canadian Consumer Price Index ("CPI") as calculated by Statistics Canada, as well as to Bank of Canada's 3-month Treasury Bills. Annual returns in US dollars are compared to inflation as measured by the US CPI as calculated by the US Department of Labor, as well as to US 3-month Treasury Bills.

Class A

	Since Inception (September 2009)	5 Years	3 Years	1 Year
The BMG Fund Class A CDN$	-1.5%	0.0%	-7.7%	5.4%
Inflation (CPI, Statistics Canada)	1.6%	1.6%	1.2%	1.5%
Bank of Canada, 3-month Treasury Bills	0.8%	0.9%	0.9%	0.9%
The BMG Fund Class A US$	-2.6%	-2.0%	-11.6%	-3.3%
Inflation (CPI, US Dept. of Labor)	1.6%	1.7%	1.3%	0.8%
US, 3-month Treasury Bills	0.1%	0.1%	0.1%	0.0%

Class F

	Since Inception (January 2010)	3 Years	1 Year
The BMG Fund Class F CDN$	1.0%	-6.6%	6.5%
Inflation (CPI, Statistics Canada)	1.6%	1.2%	1.5%
Bank of Canada, 3-month Treasury Bills	0.9%	0.9%	0.9%
The BMG Fund Class F US$	-1.5%	-10.6%	-2.3%
Inflation (CPI, US Dept. of Labor)	1.6%	1.3%	0.8%
US, 3-month Treasury Bills	0.1%	0.1%	0.0%

Class S1 and S2

	Since Inception (November 2010)	3 Years	1 Year
The BMG Fund Class S1 CDN$	-1.8%	-5.9%	7.0%
The BMG Fund Class S2 CDN$	-2.6%	-6.8%	5.3%
Inflation (CPI, Statistics Canada)	1.4%	1.2%	1.5%
Bank of Canada, 3-month Treasury Bills	0.8%	0.9%	0.9%

The above comparison demonstrates how the BMG Fund has performed against the benchmarks over the time periods indicated. For example, over a 3-year period, the BMG Fund's Canadian-dollar Class A units returned 8.9% less than inflation, and Class F 7.8% less than inflation, while 3-month Canadian Treasury Bills returned 0.3% less than inflation. In 2014, the BMG Fund out-performed the benchmarks in Canadian dollars, since Class A units returned 3.9% above inflation, while 3-month Canadian Treasury Bills returned 0.6% less than inflation.

SUMMARY OF INVESTMENT PORTFOLIO

As at December 31, 2014

	Allocated ounces	Unallocated ounces	Total Fine ounces	Average Cost $	Fair Value $	Total %
Gold Bullion	73,306.433	316.719	73,623.152	103,642,068	102,265,037	98.88
Cash				1,160,068	1,159,880	1.12
Total Investment				**104,802,136**	**103,424,917**	**100.00**

Due to ongoing portfolio transactions, the Summary of Investment Portfolio may have changed by the time you purchase units of the BMG Fund. A quarterly update is available. To obtain a copy, please contact our Client Services team at 1.888.474.1001 or visit www.bmgbullion.com.

The BMG Group of Companies includes the parent company, Bullion Management Group Inc., and its wholly owned subsidiaries, Bullion Management Services Inc., Bullion Marketing Services Inc., BMG DSC Inc. and Bullion Custodial Services Inc. (collectively "BMG").

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BMG

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