

BMG GOLD BULLIONFUND

SEMI-ANNUAL REPORT

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020



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BMG Gold BullionFund

Semi-Annual Management Report of Fund Performance

For the six-month period ended June 30, 2020



BMG
MANAGEMENT
SERVICES INC.
A BMG Company

Caution regarding forward-looking statements

Certain portions of this Semi-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 that 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 Semi-Annual Management Report of Fund Performance.

This Semi-Annual Management Report of Fund Performance contains financial highlights, but does not contain either the semi-annual or annual financial statements of the BMG Fund. If you have not received a copy of the BMG Fund’s semi-annual or annual financial statements, you may request a copy of such financial statements or quarterly portfolio disclosure at no cost by calling 1.888.474.1001, by writing to us at 280-60 Renfrew Drive, Markham, Ontario, L3R 0E1, or by visiting our website at www.bmg-group.com or SEDAR at www.sedar.com.

MANAGEMENT REPORT OF FUND PERFORMANCE

Investment Objective and Strategies

BMG Gold BullionFund (the “BMG Fund”) invests only 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 and convenient method for investors seeking to hold gold bullion for capital preservation, long-term appreciation, portfolio diversification and portfolio hedging purposes.

All physical 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 the first six months of 2020.

Risk

The risks associated with investing in the BMG Fund remain as stated in the simplified prospectus dated November 27, 2019. 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 the first six months of 2020.

Results of Operations

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

During the first six months of 2020, the net asset value (“NAV”) of the BMG Fund increased 25.6% from \$95.6 million at December 31, 2019 to \$120.1 million at June 30, 2020. The increase was primarily driven by \$4.9 million in net subscriptions, and \$20.8 million in realized and unrealized gains on gold bullion investment, offset by \$1.2 million in total expenses. As at June 30, 2020, the BMG Fund’s gold holdings were 49,658 ounces, compared to 48,218 ounces at December 31, 2019.

For the six months ended June 30, 2020, the NAV per unit of the BMG Fund’s Class A units increased by 20.0% in Canadian dollars, and 14.2% in US dollars, while the NAV per unit of the BMG Fund’s Class F units increased by 20.6% in Canadian dollars, and 14.8% in US dollars. The better performance in Canadian dollars is due to the Canadian dollar depreciation of 4.8% against the US dollar in the first six months of 2020. Please see *Past Performance* for the performance data of other classes.

During the first six months of 2020, the gold price increased by 16.3%, from US\$1,523.00 on December 31, 2019 to reach a high of US\$1,771.60 per ounce in June, and closed at US\$1,768.10 on June 30.

Daily average net assets increased by 22.7%, from \$90.0 million during the first six months of 2019 to \$110.4 million for the same period in 2020. During the first six months of 2020, total expenses increased by 9.4% compared with the same period in 2019. This increase is lower than the increase in daily average net assets, because Class I units were issued in 2019 for which no management fees are charged to, or payable by, the BMG Fund.

MANAGEMENT REPORT OF FUND PERFORMANCE (*continued*)

Recent Developments

During the first half of 2020, the global COVID-19 pandemic placed enormous negative implications on the world economy. In an attempt to slow the spread of the virus, governments ordered businesses to close and employees to self-quarantine at home. As a result of the shutdowns, the unemployment rate is approaching levels reached during the Great Depression, and this has led to reduced economic growth and a dramatic expansion in debt at all levels. Major institutions, such as the OECD and the World Bank, have forecasted negative GDP growth for the economy throughout 2020 with estimates for recovery in GDP occurring in 2021. Governments across the world have urgently responded to the COVID-19 pandemic through an unprecedented expansion of monetary policy in an attempt to compensate employees and businesses that were shut down. A combination of historically low interest rates and elevated levels of financial stimulus from central banks created an artificial floor for declining equity market prices, which have since recovered to near highs. The reduction to near zero for interest rates continues to reduce the cost of carrying precious metals such as silver and gold. However, the implications of the unprecedented increase in debt through liquidity injections provided by central banks has caused a debasement in currencies with a positive effect on precious metals.

Some believe that this will lead to long-term inflationary conditions due to the loss of purchasing power in currencies. Historically, gold has increased an average of 15% when inflation is greater than 3%. These conditions, mixed with a plethora of geopolitical uncertainty, have allowed gold to perform extremely well throughout the year and provide excellent opportunities for gold appreciation in the future. Amid the economic slowdown that resulted from government responses to the COVID-19 pandemic, gold has continued to display its ability to preserve wealth, as well as maintain its historically low correlation to other asset classes such as equities.

During the peak of uncertainty experienced within markets during March, gold experienced less downside volatility than various other asset classes and has since provided exceptional wealth preservation during persistent economic uncertainty. During the most recent market trough, the maximum decline experienced for the spot price of gold was 3.2%, while other assets such as the S&P 500 declined more than 30%. As of the end of June, gold has performed exceptionally well, appreciating 21.9% in Canadian dollars (CAD) and 16.1% in US dollars (USD). Consumer sentiment for gold-backed products has remained positive throughout the year, as inflows have been positive each month in 2020. The catalysts for gold appreciation have continued to grow throughout the year. The possibility of a second wave of COVID-19, political uncertainty (trade tensions, elections) and elevated levels of financial stimulus are examples of catalysts that could elevate the gold price even higher throughout the balance of 2020. With gold surpassing its previous high of US\$1,900 per ounce, it is poised to continue in an accelerated secular bull market for the near future.

Related-Party Transactions

Manager and Trustee

BMG Management Services Inc. (“the Manager”) 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 fund and unitholder accounting, recordkeeping and other administrative services. At June 30, 2020, the Manager held no units of the BMG Fund.

In consideration of 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 six months ended June 30, 2020, the BMG Fund incurred management fees of \$830,609.

Distributor

BMG 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 in the exempt market pursuant to prospectus exemptions.

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 2019 is available at www.bmg-group.com.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about each class of units of the BMG Fund, and are intended to help you understand the BMG Fund's financial performance for the past six months ended June 30, 2020, and the years shown ended December 31, and/or from the period since the particular class was first offered. The information is derived from the BMG Fund's financial statements.

THE FUND'S NET ASSETS PER CLASS A UNIT	2020	2019	2018	2017	2016	2015
Net assets - beginning of period ⁽¹⁾	\$ 5.60	\$ 5.11	\$ 4.91	\$ 4.85	\$ 4.75	\$ 4.61
Increase (decrease) from operations:						
Total revenue	-	-	-	-	-	-
Total expenses (excluding distributions)	(0.09)	(0.16)	(0.15)	(0.15)	(0.16)	(0.15)
Realized gains for the period	0.05	0.15	0.15	0.15	0.06	0.02
Unrealized gains for the period	1.12	0.49	0.16	0.08	0.21	0.26
Total increase from operations⁽²⁾	1.08	0.48	0.16	0.08	0.11	0.13
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total distributions⁽³⁾	-	-	-	-	-	-
Net assets – end of period	\$ 6.72	\$ 5.60	\$ 5.11	\$ 4.91	\$ 4.85	\$ 4.75
RATIOS AND SUPPLEMENTAL DATA:						
Total net asset value (000's) ⁽¹⁾	\$ 64,586	\$ 53,708	\$ 58,235	\$ 71,760	\$ 88,712	\$ 88,683
Number of units outstanding ⁽¹⁾	9,615,908	9,594,728	11,396,452	14,617,973	18,284,540	18,673,326
Management expense ratio (%) ⁽²⁾	2.96	3.02	3.07	3.02	2.97	3.05
Management expense ratio before waivers or absorption (%)	2.96	3.02	3.07	3.02	2.97	3.05
Trading expense ratio (%) ⁽³⁾	-	-	-	-	-	-
Portfolio turnover rate (%) ⁽⁴⁾	3.07	17.79	16.69	5.54	10.48	2.80
Net asset value per unit	\$ 6.72	\$ 5.60	\$ 5.11	\$ 4.91	\$ 4.85	\$ 4.75

For explanatory notes, please refer to "Explanatory Notes to Financial Highlights" at the end of the section.

THE FUND'S NET ASSETS PER CLASS B3 UNIT	2020	2019	2018	2017	2016	2015*
Net assets - beginning of period ⁽¹⁾	\$ 11.96	\$ 10.78	\$ 10.25	\$ 10.01	\$ 9.68	\$ 10.00
Increase (decrease) from operations:						
Total revenue	-	-	-	-	-	-
Total expenses (excluding distributions)	(0.12)	(0.20)	(0.21)	(0.19)	(0.18)	(0.12)
Realized gains for the period	0.11	0.31	0.28	0.32	0.15	0.02
Unrealized gains (losses) for the period	2.49	1.04	0.96	0.11	(1.13)	0.16
Total increase (decrease) from operations⁽²⁾	2.48	1.15	1.03	0.24	(1.16)	0.06
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total distributions⁽³⁾	-	-	-	-	-	-
Net assets – end of period	\$ 14.44	\$ 11.96	\$ 10.78	\$ 10.25	\$ 10.01	\$ 9.68
RATIOS AND SUPPLEMENTAL DATA:						
Total net asset value (000's) ⁽¹⁾	\$ 162	\$ 134	\$ 136	\$ 585	\$ 571	\$ 122
Number of units outstanding ⁽¹⁾	11,210	11,210	12,591	57,102	57,102	12,590
Management expense ratio (%) ⁽²⁾	1.76	1.81	1.98	1.80	1.68	1.77
Management expense ratio before waivers or absorption (%)	1.76	1.81	1.98	1.80	1.68	1.77
Trading expense ratio (%) ⁽³⁾	-	-	-	-	-	-
Portfolio turnover rate (%) ⁽⁴⁾	3.07	17.79	16.69	5.54	10.48	2.80
Net asset value per unit	\$ 14.44	\$ 11.96	\$ 10.78	\$ 10.25	\$ 10.01	\$ 9.68

*Data is from March 27, 2015, the date the Class B3 units were first offered, to December 31, 2015. 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 C2 UNIT	2020	2019	2018*
Net assets - beginning of period ⁽¹⁾	\$ 11.10	\$ 9.98	\$ 10.00
Increase (decrease) from operations:			
Total revenue	-	-	-
Total expenses (excluding distributions)	(0.09)	(0.16)	(0.11)
Realized gains for the period	0.11	0.30	0.27
Unrealized gains (losses) for the period	2.25	0.93	(0.06)
Total increase from operations⁽²⁾	2.27	1.07	0.10
Distributions:			
From net investment income (excluding dividends)	-	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	-	-	-
Total distributions⁽³⁾	-	-	-
Net assets – end of period	\$ 13.42	\$ 11.10	\$ 9.98
RATIOS AND SUPPLEMENTAL DATA:			
Total net asset value (000's) ⁽¹⁾	\$ 537	\$ 413	\$ 319
Number of units outstanding ⁽¹⁾	40,050	37,223	31,966
Management expense ratio (%) ⁽²⁾	1.46	1.51	1.54
Management expense ratio before waivers or absorption (%)	1.46	1.51	1.54
Trading expense ratio (%) ⁽³⁾	-	-	-
Portfolio turnover rate (%) ⁽⁴⁾	3.07	17.79	16.69
Net asset value per unit	\$ 13.42	\$ 11.10	\$ 9.98

*Data is from March 27, 2018, the date the Class C2 units were first offered, to December 31, 2018. 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	2020	2019	2018	2017	2016	2015
Net assets - beginning of period ⁽¹⁾	\$ 11.89	\$ 10.68	\$ 10.09	\$ 9.81	\$ 9.44	\$ 9.02
Increase (decrease) from operations:						
Total revenue	-	-	-	-	-	-
Total expenses (excluding distributions)	(0.09)	(0.15)	(0.14)	(0.14)	(0.14)	(0.13)
Realized gains for the period	0.11	0.32	0.35	0.31	0.11	0.03
Unrealized gains for the period	2.40	1.04	0.25	0.18	0.96	0.58
Total increase (decrease) from operations⁽²⁾	2.42	1.21	0.46	0.35	0.93	0.48
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total distributions⁽³⁾	-	-	-	-	-	-
Net assets – end of period	\$ 14.38	\$ 11.89	\$ 10.68	\$ 10.09	\$ 9.81	\$ 9.44
RATIOS AND SUPPLEMENTAL DATA:						
Total net asset value (000's) ⁽¹⁾	\$ 3,740	\$ 2,812	\$ 1,895	\$ 769	\$ 937	\$ 1,371
Number of units outstanding ⁽¹⁾	260,070	236,536	177,527	76,175	95,582	145,228
Management expense ratio (%) ⁽²⁾	1.32	1.37	1.42	1.37	1.32	1.38
Management expense ratio before waivers or absorption (%)	1.32	1.37	1.42	1.37	1.32	1.38
Trading expense ratio (%) ⁽³⁾	-	-	-	-	-	-
Portfolio turnover rate (%) ⁽⁴⁾	3.07	17.79	16.69	5.54	10.48	2.80
Net asset value per unit	\$ 14.38	\$ 11.89	\$ 10.68	\$ 10.09	\$ 9.81	\$ 9.44

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 D UNIT	2020	2019	2018*
Net assets - beginning of period ⁽¹⁾	\$ 11.39	\$ 10.31	\$ 10.00
Increase (decrease) from operations:			
Total revenue	-	-	-
Total expenses (excluding distributions)	(0.14)	(0.24)	(0.21)
Realized gains for the period	0.10	0.31	0.40
Unrealized gains for the period	2.13	1.01	0.76
Total increase from operations⁽²⁾	2.09	1.08	0.95
Distributions:			
From net investment income (excluding dividends)	-	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	-	-	-
Total distributions⁽³⁾	-	-	-
Net assets – end of period	\$ 13.72	\$ 11.39	\$ 10.31
RATIOS AND SUPPLEMENTAL DATA:			
Total net asset value (000's) ⁽¹⁾	\$ 4,781	\$ 2,336	\$ 1,191
Number of units outstanding ⁽¹⁾	348,350	205,068	115,478
Management expense ratio (%) ⁽²⁾	2.14	2.18	2.25
Management expense ratio before waivers or absorption (%)	2.14	2.18	2.25
Trading expense ratio (%) ⁽³⁾	-	-	-
Portfolio turnover rate (%) ⁽⁴⁾	3.07	17.79	16.69
Net asset value per unit	\$ 13.72	\$ 11.39	\$ 10.31

*Data is from January 16, 2018, the date the Class D units were first offered, to December 31, 2018. For explanatory notes, please refer to "Explanatory Notes to Financial Highlights" at the end of the section.

THE FUND'S NET ASSETS PER CLASS F UNIT	2020	2019	2018	2017	2016	2015
Net assets - beginning of period ⁽¹⁾	\$ 6.74	\$ 6.08	\$ 5.78	\$ 5.64	\$ 5.46	\$ 5.25
Increase (decrease) from operations:						
Total revenue	-	-	-	-	-	-
Total expenses (excluding distributions)	(0.07)	(0.12)	(0.11)	(0.11)	(0.11)	(0.11)
Realized gains for the period	0.06	0.17	0.18	0.18	0.07	0.02
Unrealized gains (losses) for the period	1.37	0.57	0.14	0.06	(0.30)	0.22
Total increase (decrease) from operations⁽²⁾	1.36	0.62	0.21	0.13	(0.34)	0.13
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total distributions⁽³⁾	-	-	-	-	-	-
Net assets – end of period	\$ 8.12	\$ 6.74	\$ 6.08	\$ 5.78	\$ 5.64	\$ 5.46
RATIOS AND SUPPLEMENTAL DATA:						
Total net asset value (000's) ⁽¹⁾	\$ 16,234	\$ 13,572	\$ 16,234	\$ 14,941	\$ 11,888	\$ 6,214
Number of units outstanding ⁽¹⁾	2,043,863	2,014,864	2,669,694	2,586,138	2,106,585	1,137,417
Management expense ratio (%) ⁽²⁾	1.88	1.91	1.95	1.91	1.85	1.90
Management expense ratio before waivers or absorption (%)	1.88	1.91	1.95	1.91	1.85	1.90
Trading expense ratio (%) ⁽³⁾	-	-	-	-	-	-
Portfolio turnover rate (%) ⁽⁴⁾	3.07	17.79	6.69	5.54	10.48	2.80
Net asset value per unit	\$ 8.12	\$ 6.74	\$ 6.08	\$ 5.78	\$ 5.64	\$ 5.46

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 S1 UNIT	2020	2019	2018	2017	2016	2015
Net assets - beginning of period ⁽¹⁾	\$ 11.77	\$ 10.53	\$ 9.91	\$ 9.61	\$ 9.22	\$ 8.77
Increase (decrease) from operations:						
Total revenue	-	-	-	-	-	-
Total expenses (excluding distributions)	(0.06)	(0.11)	(0.15)	(0.10)	(0.10)	(0.10)
Realized gains for the period	0.11	0.31	0.32	0.31	0.11	0.03
Unrealized gains for the period	2.48	1.02	0.41	0.10	0.42	0.60
Total increase from operations⁽²⁾	2.53	1.22	0.62	0.31	0.43	0.53
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total distributions⁽³⁾	-	-	-	-	-	-
Net assets – end of period	\$ 14.26	\$ 11.77	\$ 10.53	\$ 9.91	\$ 9.61	\$ 9.22
RATIOS AND SUPPLEMENTAL DATA:						
Total net asset value (000's) ⁽¹⁾	\$ 1,300	\$ 1,141	\$ 1,126	\$ 1,111	\$ 1,134	\$ 1,158
Number of units outstanding ⁽¹⁾	91,200	96,950	106,950	112,050	118,050	125,696
Management expense ratio (%) ⁽²⁾	0.97	1.03	1.07	1.02	0.96	1.04
Management expense ratio before waivers or absorption (%)	0.97	1.03	1.07	1.02	0.96	1.04
Trading expense ratio (%) ⁽⁴⁾	-	-	-	-	-	-
Portfolio turnover rate (%) ⁽³⁾	3.07	17.79	16.69	5.54	10.48	2.80
Net asset value per unit	\$ 14.26	\$ 11.77	\$ 10.53	\$ 9.91	\$ 9.61	\$ 9.22

For explanatory notes, please refer to "Explanatory Notes to Financial Highlights" at the end of the section.

THE FUND'S NET ASSETS PER CLASS S2 UNIT	2020	2019	2018	2017	2016	2015
Net assets - beginning of period ⁽¹⁾	\$ 11.37	\$ 10.22	\$ 9.67	\$ 9.41	\$ 9.08	\$ 8.68
Increase (decrease) from operations:						
Total revenue	-	-	-	-	-	-
Total expenses (excluding distributions)	(0.09)	(0.16)	(0.15)	(0.15)	(0.15)	(0.14)
Realized gains for the period	0.11	0.29	0.30	0.30	0.10	0.03
Unrealized gains for the period	2.36	0.86	0.43	0.11	0.74	0.51
Total increase from operations⁽²⁾	2.38	0.99	0.58	0.26	0.69	0.40
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total distributions⁽³⁾	-	-	-	-	-	-
Net assets – end of period	\$ 13.75	\$ 11.37	\$ 10.22	\$ 9.67	\$ 9.41	\$ 9.08
RATIOS AND SUPPLEMENTAL DATA:						
Total net asset value (000's) ⁽¹⁾	\$ 34	\$ 28	\$ 38	\$ 46	\$ 45	\$ 62
Number of units outstanding ⁽¹⁾	2,500	2,500	3,700	4,800	4,800	6,800
Management expense ratio (%) ⁽²⁾	1.45	1.50	1.54	1.49	1.47	1.55
Management expense ratio before waivers or absorption (%)	1.45	1.50	1.54	1.49	1.47	1.55
Trading expense ratio (%) ⁽³⁾	-	-	-	-	-	-
Portfolio turnover rate (%) ⁽⁴⁾	3.07	17.79	16.69	5.54	10.48	2.80
Net asset value per unit	\$ 13.75	\$ 11.37	\$ 10.22	\$ 9.67	\$ 9.41	\$ 9.08

For explanatory notes, please refer to "Explanatory Notes to Financial Highlights" at the end of the section.

FINANCIAL HIGHLIGHTS (continued)

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 a particular class was first offered to the end of the period. The NAV per class presented in the financial statements does not differ from the NAV per class 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. 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.

Management Fees

Management fees are paid by each class of the BMG Fund to the Manager, 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 Manager provides, or arranges for the provision of, all management and administrative services for day-to-day operations, including providing fund and unitholder accounting, recordkeeping and other administrative services. 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 C2, 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 B3, Class C2, Class C3, Class D, Class F, Class S1 and Class S2 units, and how those fees are split between trailer fees and portfolio administration.

	Class A	Class B3	Class C2	Class C3	Class D	Class F	Class S1	Class S2
Management Fee	2.25%	1.25%	0.87%	0.75%	1.50%	1.25%	0.45%	0.95%
Portfolio Administration Fee	55.6%	60%	100%	100%	83.3%	100%	100%	47.4%
Trailer Fee (maximum rate as a percentage of management fees)	44.4%	40%	0%	0%	16.7%	0%	0%	52.6%

Out of the management fees that the Manager received from the BMG Fund, the Manager paid trailer fees of \$293,572 during the six months ended June 30, 2020.

Operating Expenses

For the six months ended June 30, 2020, the Manager did not absorb BMG Fund operating expenses, because the management expense ratios were below the expense cap. The decision to reduce operating expenses is made at the discretion of the Manager, and may be changed at any time.

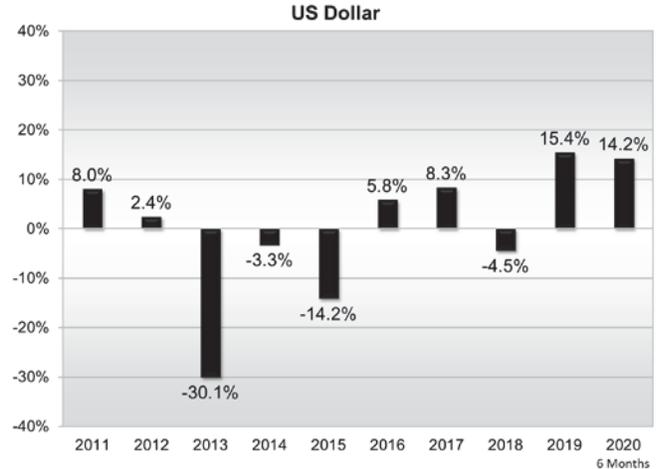
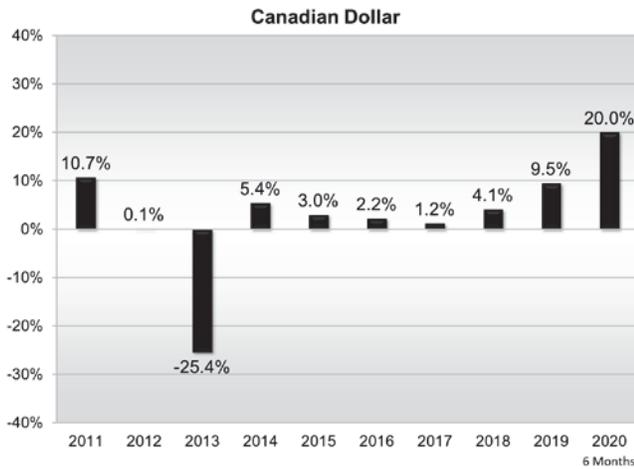
PAST PERFORMANCE

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.

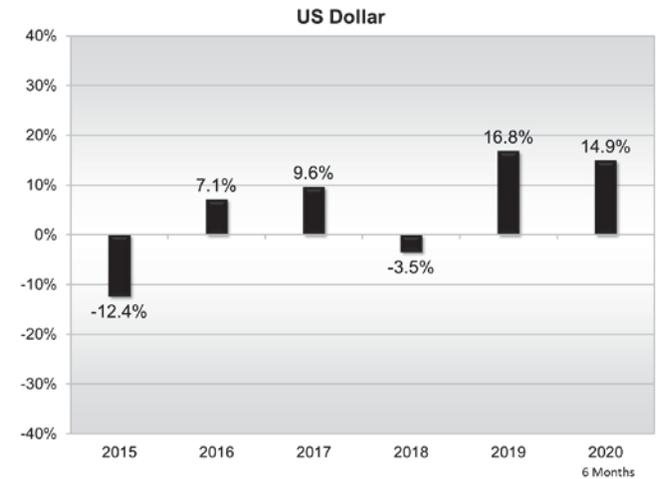
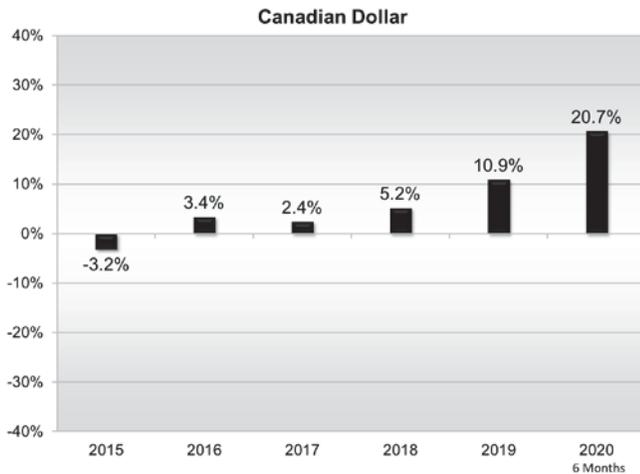
Year-by-Year Returns

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 and for the six months ended June 30, 2020. 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 period.

Class A



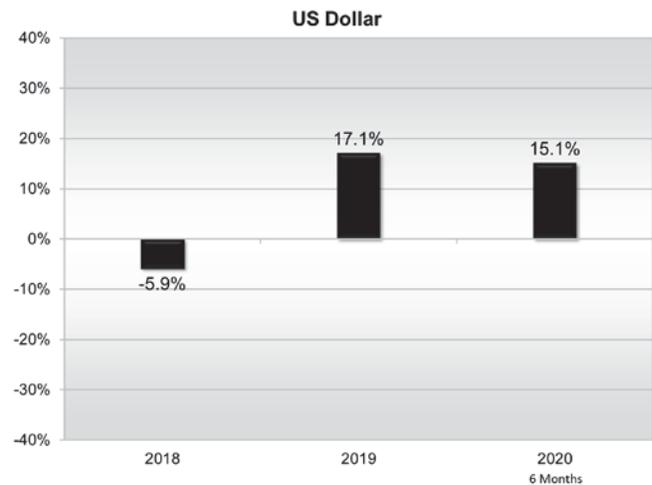
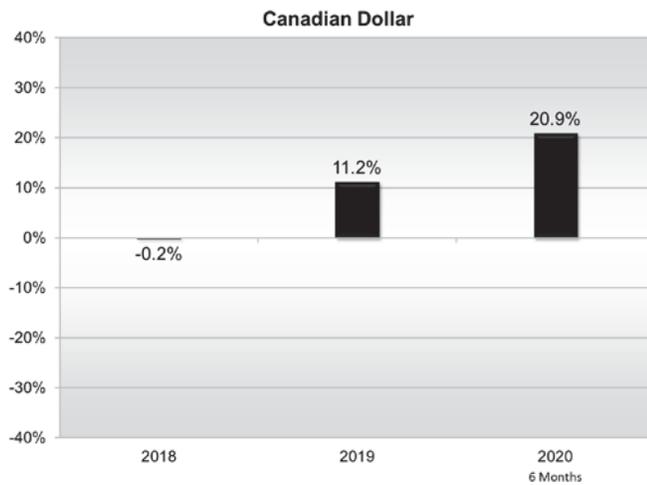
Class B3



The return shown for 2015 is for the period from March 27, 2015, the date the Class B3 units were first offered.

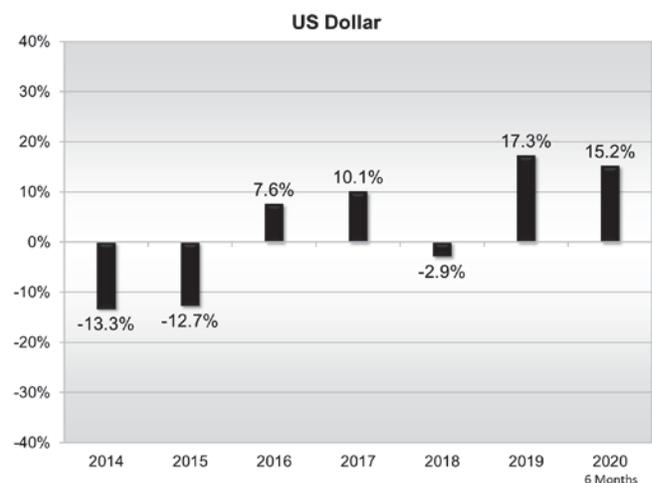
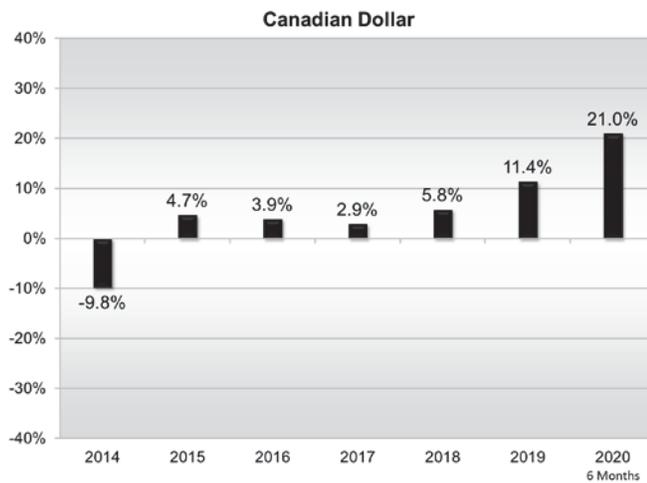
PAST PERFORMANCE (continued)

Class C2



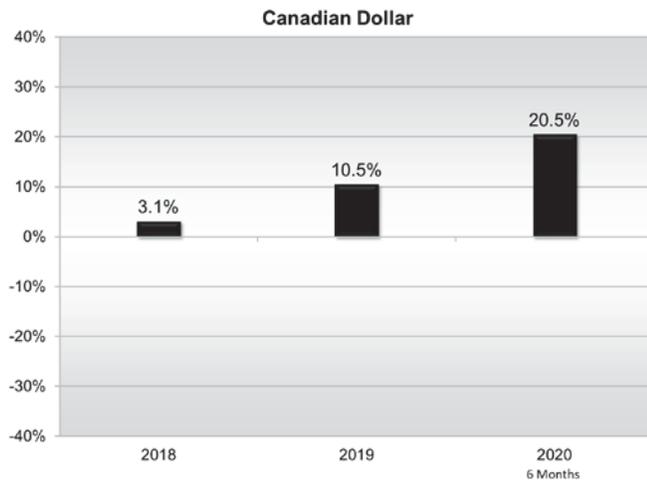
The return shown for 2018 is for the period from March 27, 2018, the date the Class C2 units were first offered.

Class C3



The return shown for 2014 is for the period from March 12, 2014, the date the Class C3 units were first offered.

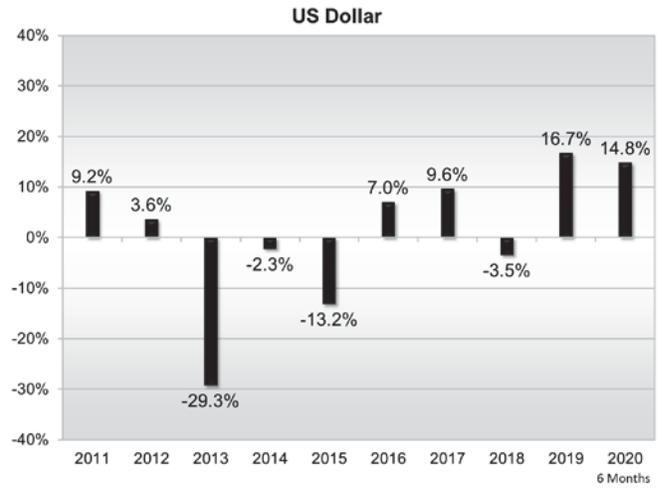
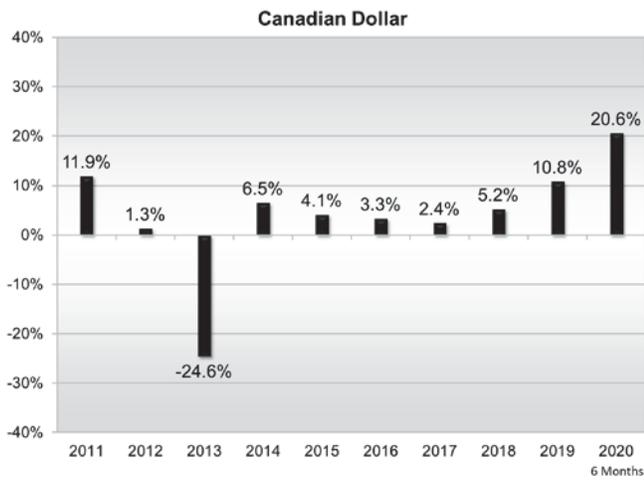
Class D



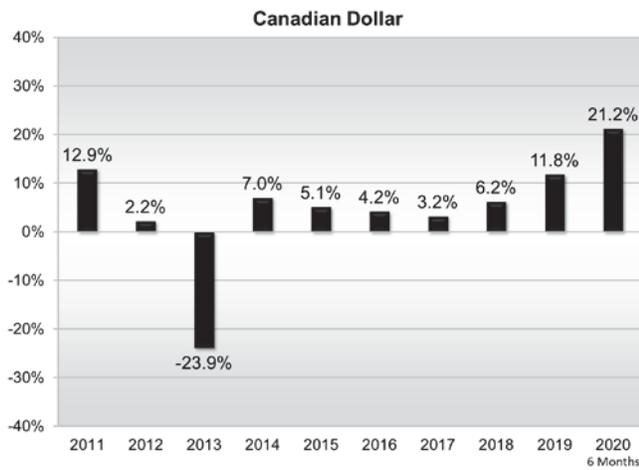
The return shown for 2018 is for the period from January 16, 2018, the date the Class D units were first offered.

PAST PERFORMANCE (continued)

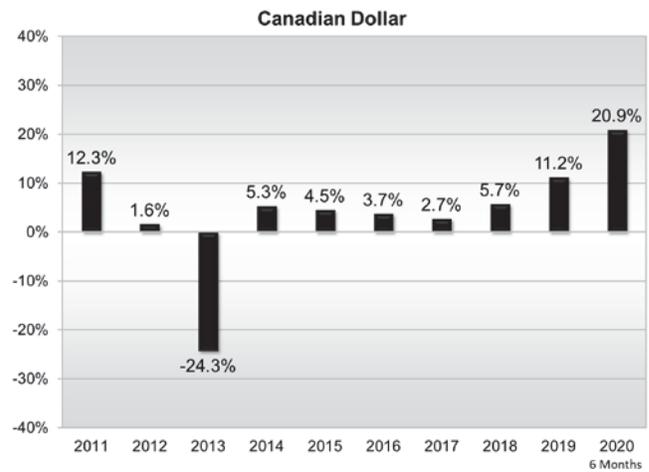
Class F



Class S1



Class S2



SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2020

	Allocated ounces	Unallocated ounces	Total Fine ounces	Average Cost \$	Fair Value \$	Total %
Gold Bullion	49,444.864	212.896	49,657.760	78,912,836	119,584,159	99.5
Net Investment				78,912,836	119,584,159	99.5
Cash and Other Assets Less Liabilities					560,256	0.5
Net assets attributable to holders of redeemable units					120,144,415	100.0

As at December 31, 2019

	Allocated ounces	Unallocated ounces	Total Fine ounces	Average Cost \$	Fair Value \$	Total %
Gold Bullion	47,814.067	404.385	48,218.452	74,500,682	95,228,879	99.6
Net Investment				74,500,682	95,228,879	99.6
Cash and Other Assets Less Liabilities					353,424	0.4
Net assets attributable to holders of redeemable units					95,582,303	100.0

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.bmg-group.com.

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