

BMG SILVER BULLIONFUND

SEMI-ANNUAL REPORT

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020



BMG MANAGEMENT SERVICES INC.

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BMG Silver BullionFund

Semi-Annual Management Report of Fund Performance

For the six-month period ended June 30, 2020



B M G
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 Silver 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 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 Silver BullionFund (the “BMG Fund”) invests in unencumbered, fully allocated physical silver 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 silver 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 silver 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 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 silver 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 silver 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 silver, 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 10.3% from \$11.6 million at December 31, 2019 to \$12.9 million at June 30, 2020. The increase was primarily driven by \$0.9 million in net subscriptions and \$0.5 million in unrealized and realized gains on bullion investment. As at June 30, 2020, the BMG Fund’s silver holdings were 524,407 ounces, compared to 492,398 ounces at December 31, 2019.

For the six months ended June 30, 2019, the NAV per unit of the BMG Fund’s Class A units increased by 2.1% in Canadian dollars, but declined by 2.8% in US dollars, while the NAV per unit of the BMG Fund’s Class F units increased by 2.7% in Canadian dollars, but declined by 2.3% 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.

Daily average net assets increased by 49.4%, from \$7.7 million during the first six months of 2019 to \$11.5 million for the same period in 2020. For the first six months of 2020, total expenses increased by 32.3% 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.

The silver price reached a high of US\$18.78 per ounce in February, fell to a low of US\$12.01 per ounce in March, and closed at US\$17.85 on June 30.

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

NOTES TO FINANCIAL STATEMENTS (continued)

(Unaudited)

Foreign Currency Exposure

June 30, 2020

Description	US \$	Canada \$	Total \$
Cash	44,820	79,354	124,174
Investments in silver bullion	12,745,736	-	12,745,736
Other Net Assets	(2,127)	(20,410)	(22,537)
Net Assets	12,788,429	58,944	12,847,373
Percent	99.5%	0.5%	100.0%

December 31, 2019

Description	US \$	Canada \$	Total \$
Cash	10,215	99,160	109,375
Investments in silver bullion	11,522,024	-	11,522,024
Other Net Assets	(2,002)	(21,869)	(23,871)
Net Assets	11,530,237	77,291	11,607,528
Percent	99.3%	0.7%	100.0%

8. Capital Management

Redeemable units issued and outstanding are considered to be the capital of the BMG Fund. The BMG Fund does not have any specific capital requirements on the subscription and redemption of units, other than certain minimum subscription requirements. Unitholders are entitled to require payment of the net asset value per unit of the BMG Fund for all or any of the units of such unitholder by giving written notice to the Manager. The written notice must be received no later than 4:00 p.m. EST on the valuation day upon which the units are to be redeemed. Additionally, the notice must be irrevocable, and the signature thereon must be guaranteed by a Canadian chartered bank, a trust company or an investment dealer acceptable to the Manager. The units are redeemable for cash equal to a pro rata share of the BMG Fund’s net asset value.

9. Fair Value Measurement

All fair value measurements above are recurring. The carrying values of cash, subscriptions receivable, due from broker, due from manager, accounts payable and accrued liabilities, management fees payable, redemptions payable and the BMG Fund’s obligation for net assets attributable to holders of redeemable units approximate their fair values because of their short-term nature. Fair values are classified as Level 1 when the related investment is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are classified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

There were no transfers between levels for the period ended June 30, 2020 and 2019. In addition, there were no investments or transactions classified in Level 3 for the period ended June 30, 2020 and 2019.

NOTES TO FINANCIAL STATEMENTS (continued)

(Unaudited)

liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the table are contractual undiscounted cash flows.

June 30, 2020

Financial liabilities	On demand	< 3 Months	Total
Management fees payable	\$ -	\$ 9,614	\$ 9,614
Accounts payable and accrued liabilities	-	37,212	37,212
Redeemable units	12,847,373	-	12,847,373

December 31, 2019

Financial liabilities	On demand	< 3 Months	Total
Management fees payable	\$ -	\$ 8,507	\$ 8,507
Redemptions payable	-	36,505	36,505
Accounts payable and accrued liabilities	-	26,889	26,889
Redeemable units	11,607,528	-	11,607,528

Interest Rate Risk

The majority of the BMG Fund's financial assets and liabilities were non-interest-bearing as at June 30, 2020 and December 31, 2019. Accordingly, the BMG Fund is not directly exposed to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency Risk

Silver bullion is generally quoted and traded in US dollars and, as a result, the BMG Fund is subject to foreign currency risk. The BMG Fund does not hedge its foreign currency exposure.

The BMG Fund holds cash in Canadian and US dollars to pay redemptions and operating costs. The Manager monitors the cash balance of the BMG Fund on a daily basis, and only purchases silver bullion when surplus cash is available. Normally the cash balance is less than 5% of the assets of the BMG Fund.

As at June 30, 2020, 99.5% [December 31, 2019: 99.3%] of the BMG Fund's net assets were exposed to US dollars. If the exchange rate with the Canadian dollar increased or decreased by 1%, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$127,884 [December 31, 2019: \$115,302].

Actual results may differ from this sensitivity analysis and the difference could be material, because the price of bullion tends to be negatively correlated with the US dollar.

MANAGEMENT REPORT OF FUND PERFORMANCE (continued)

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 unprecedented expansion of monetary policy in attempt to compensate employees and business 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. A continuation of existing economic conditions provides an excellent opportunity for silver appreciation in the future.

By the end of June, silver had appreciated 3.9% in Canadian dollars (CAD) but had depreciated 1.1% in US dollars (USD). Due to implications attributable to the COVID-19 pandemic, silver has experienced increased levels of volatility. During the peak of pandemic fears in March, silver reached an annual low of \$12.01 (USD), which represented a 33% decline in value year to date. Silver has since recovered to \$17.85 (USD), which represents a 48.6% increase in value since the annual low. The upside momentum is expected to increase alongside gold throughout the remainder of the year. The gold:silver ratio measures the amount of silver ounces required to purchase one ounce of gold. That ratio peaked at 123:5 during the heightened pandemic fears experienced in March and has since recovered to 99:1. A reversion to the historical mean would indicate silver at \$30 (USD), which implies that significant upside for silver exists for the remainder of 2020.

The economic slowdowns experienced this year have created both problems and opportunities for silver. Supply chain issues that were unavoidable due to COVID-19 restrictions resulted in extended delivery times and higher premiums required within the industry. These supply chain issues directly affected production processes for many companies, which changed supply and demand characteristics. The shutdowns hindered silver production for the year due to mine closures, which may add to silver price appreciation because of issues with supply. Weak consumer confidence levels and spikes in the unemployment rate have caused negative implications for both industrial usage of silver (automobiles and electronics) and silver jewelry sales. Meanwhile, the rapid deterioration of the economy has led to increased levels of investment in silver bars, coins and exchange-traded products. Investors are taking notice of positive changes within the silver industry, as managed money positions on the COMEX have been net long over the last year. Throughout history, silver has been considered a safe-haven investment/product, and it can be expected to maintain this categorization in the future. With continued quantitative easing measures being taken on by economies in order to aid a struggling society and fears of a second wave of COVID-19, the outlook for silver remains positive.

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 \$46,727.

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*
Net assets - beginning of period ⁽¹⁾	\$ 8.05	\$ 7.53	\$ 7.80	\$ 8.37	\$ 10.00
Decrease from operations:					
Total revenue	-	-	-	0.01	-
Total expenses (excluding distributions)	(0.12)	(0.24)	(0.24)	(0.25)	(0.07)
Realized gains (losses) for the period	0.01	(0.04)	(0.41)	(0.06)	-
Unrealized gains (losses) for the period	0.32	0.75	0.28	(0.58)	(1.38)
Total increase (decrease) from operations⁽²⁾	0.21	0.47	(0.37)	(0.88)	(1.45)
Distributions:					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total annual distributions⁽³⁾	-	-	-	-	-
Net assets - end of period	\$ 8.22	\$ 8.05	\$ 7.53	\$ 7.80	\$ 8.37
RATIOS AND SUPPLEMENTAL DATA:					
Total net asset value (000's) ⁽¹⁾	\$ 3,646	\$ 3,343	\$ 3,536	\$ 4,884	\$ 1,750
Number of units outstanding ⁽¹⁾	443,729	415,405	469,731	625,973	209,162
Management expense ratio (%) ⁽²⁾	3.25	3.25	3.25	3.06	3.06
Management expense ratio before waivers or absorption (%)	3.86	4.30	5.58	5.00	15.27
Trading expense ratio (%) ⁽³⁾	-	-	-	-	-
Portfolio turnover rate (%) ⁽⁴⁾	3.85	10.83	13.78	8.00	-
Net asset value per unit	\$ 8.22	\$ 8.05	\$ 7.53	\$ 7.80	\$ 8.37

*Data is from September 26, 2016, the date the Class A units were first offered, to December 31, 2016. For explanatory notes, please refer to "Explanatory Notes to Financial Highlights" at the end of the section.

THE FUND'S NET ASSETS PER CLASS D UNIT	2020	2019	2018*
Net assets - beginning of period ⁽¹⁾	\$ 10.43	\$ 9.69	\$ 10.00
Decrease from operations:			
Total revenue	-	-	-
Total expenses (excluding distributions)	(0.12)	(0.24)	(0.22)
Realized gains (losses) for the period	0.02	(0.04)	(0.55)
Unrealized gains for the period	0.69	1.02	0.83
Total increase from operations⁽²⁾	0.59	0.74	0.06
Distributions:			
From net investment income (excluding dividends)	-	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	-	-	-
Total annual distributions⁽³⁾	-	-	-
Net assets - end of period	\$ 10.69	\$ 10.43	\$ 9.69
RATIOS AND SUPPLEMENTAL DATA:			
Total net asset value (000's) ⁽¹⁾	\$ 1,549	\$ 852	\$ 328
Number of units outstanding ⁽¹⁾	144,893	81,693	33,883
Management expense ratio (%) ⁽²⁾	2.50	2.50	2.50
Management expense ratio before waivers or absorption (%)	3.12	3.50	5.14
Trading expense ratio (%) ⁽³⁾	-	-	-
Portfolio turnover rate (%) ⁽⁴⁾	3.85	10.83	13.78
Net asset value per unit	\$ 10.69	\$ 10.43	\$ 9.69

*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.

NOTES TO FINANCIAL STATEMENTS (continued)

(Unaudited)

5. Sales Commission

A sales commission may be charged by a registered dealer or representative at the time an investor buys Class A units or Class B units of the BMG Fund. The maximum amount of the sales commission for Classes A and B is 5.26% of the net amount invested. The sales commission is only negotiable for Classes A and B. No sales commission is currently charged for Class F units of the BMG Fund. A discount dealer may charge a fee at the time an investor buys Class D units.

The Manager paid trailer fees to dealers of \$16,467 during the first six months of 2020 [2019: \$15,601].

6. Income Tax Loss Carryforwards

As at December 31, 2020, the BMG Fund had no non-capital losses available to offset future years' taxable income.

For tax purposes, the BMG Fund generally treats gains from the disposition of bullion as capital gains, rather than income, as it intends to be a long-term passive holder of bullion, and it generally disposes of its holdings in bullion only for the purposes of meeting redemptions or to fund the payment of expenses incurred by the BMG Fund. The Canada Revenue Agency has, however, expressed the opinion that gains or losses of mutual fund trusts resulting from transactions in commodities should generally be treated for tax purposes as ordinary income rather than as capital gains, although the treatment in each particular case remains a question of fact to be determined having regard to all the circumstances. The Canada Revenue Agency may assert that its position applies to BMG Fund's transactions in respect of bullion.

As at December 31, 2019, the BMG Fund has no capital loss carryforwards [December 31, 2018: \$83,000] available to offset future years' taxable income.

7. Financial Risk Management

The BMG Fund's financial instruments consist primarily of cash, subscriptions receivable, due from broker, due from Manager, investments in silver bullion, management fees payable, redemptions payable, accounts payable and accrued liabilities. The BMG Fund's financial instruments are exposed to various types of risk, including market risk, credit risk, liquidity risk, interest rate risk and currency risk. These risks and related risk-management practices employed by the BMG Fund are described below.

Market Risk

Market risk is the risk that the fair value or future cash flows of silver bullion investments will fluctuate because of changes in market prices or transaction timing. The market price of silver is affected by a variety of factors, including demand, supply, international events and economic events. The BMG Fund employs a purchase-and-hold investment strategy with purchases in one type of investment. Since the BMG Fund does not lease silver, the only future cash flows will be from dispositions of silver bullion. Dispositions of bullion will be necessary to pay redemptions when cash reserves are not adequate.

As at June 30, 2020, the effect on the BMG Fund's net assets if there were a 5% increase or decrease in the price of silver bullion, with all other variables held constant, would be an increase or decrease of \$637,287 [December 31, 2019: \$576,101].

The actual result will vary depending upon the quantity of silver held and other factors, and the difference may be material.

Credit Risk

As at June 30, 2020, the BMG Fund had no investments in debt instruments and/or derivatives. The BMG Fund limits its exposure to credit loss by placing its cash in high-credit-quality issuers. Dispositions of silver bullion, if any, are with a major Canadian chartered bank (or subsidiary thereof) that is a recognized dealer in bullion. The BMG Fund may have credit exposure to the Canadian chartered bank (or subsidiary thereof) to the extent of any unsettled trades.

Liquidity Risk

The BMG Fund is exposed to daily cash redemptions of redeemable units. The BMG Fund aims to retain sufficient cash positions to maintain liquidity. In addition, silver bullion is readily realizable and liquid. Therefore, the BMG Fund's liquidity risk is minimal. All liabilities are payable within a year. Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity will be representative of the actual cash outflows, as holders of these instruments typically retain them for longer periods. The tables below analyze the BMG Fund's financial

NOTES TO FINANCIAL STATEMENTS (continued)

(Unaudited)

Total net assets attributable to holders of redeemable units per class and per unit

For the six-month period ended June 30, 2020

	Net assets attributable to holders of redeemable units, beginning of period	Subscriptions	Redemptions	Increase in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period	Net assets attributable to holders of redeemable units per unit	Increase in net assets attributable to holders of redeemable units per unit
	\$	\$	\$	\$	\$	\$	\$
Class A	3,342,947	461,732	(249,452)	91,033	3,646,260	8.22	0.21
Class D	852,232	817,669	(180,539)	59,667	1,549,059	10.69	0.59
Class F	335,932	181,405	(181,495)	27,509	363,351	8.56	0.64
Class I	7,076,417	-	-	212,286	7,288,703	11.37	0.33
Total	11,607,528	1,460,806	(611,486)	390,495	12,847,373	N/A	N/A

For the six-month period ended June 30, 2019

	Net assets attributable to holders of redeemable units, beginning of period	Subscriptions	Redemptions	Decrease in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period	Net assets attributable to holders of redeemable units per unit	Decrease in net assets attributable to holders of redeemable units per unit
	\$	\$	\$	\$	\$	\$	\$
Class A	3,536,325	260,492	(482,178)	(256,663)	3,057,976	6.96	(0.57)
Class D	328,199	302,530	(152,961)	(38,227)	439,541	8.99	(0.75)
Class F	589,680	-	(154,360)	(37,226)	398,094	7.17	(0.57)
Class I	-	6,301,000	(930)	(233,115)	6,066,955	9.46	(0.43)
Total	4,454,204	6,864,022	(790,429)	(565,231)	9,962,566	N/A	N/A

4. Related-Party Transactions

Management Fees

The Manager is responsible for the day-to-day activities of the BMG Fund, providing or arranging for all required administrative services, and arranging for the distribution of units of the BMG Fund. For these services, the BMG Fund pays the Manager an annual management fee as defined by the rates set out below. The fees are payable monthly in arrears based on the average daily net assets of the BMG Fund.

Class A	2.25%
Class D	1.50%
Class F	1.25%
Class I	0.00%

For the six-month period ended June 30, 2020, the BMG Fund incurred management fees of \$46,727 [2019: \$42,578].

For the six-month period ended June 30, 2020, the Manager absorbed the BMG Fund operating expenses of \$14,389 [2019: \$32,267]. The decision to reduce expenses is made at the discretion of the Manager, and may be changed at any time.

Holdings of Related Party

The Manager and its affiliates held no units of the BMG Fund as at June 30, 2020 and 2019.

FINANCIAL HIGHLIGHTS (continued)

THE FUND'S NET ASSETS PER CLASS F UNIT	2020	2019	2018	2017	2016*
Net assets - beginning of period ⁽¹⁾	\$ 8.34	\$ 7.72	\$ 7.91	\$ 8.40	\$ 10.00
Decrease from operations:					
Total revenue	-	-	-	0.01	-
Total expenses (excluding distributions)	(0.09)	(0.17)	(0.16)	(0.17)	(0.05)
Realized gains (losses) for the period	0.01	(0.05)	(0.43)	(0.06)	-
Unrealized gains (losses) for the period	0.72	0.67	0.51	(0.47)	(1.64)
Total increase (decrease) from operations⁽²⁾	0.64	0.45	(0.08)	(0.69)	(1.69)
Distributions:					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total annual distributions⁽³⁾	-	-	-	-	-
Net assets - end of period	\$ 8.56	\$ 8.34	\$ 7.72	\$ 7.91	\$ 8.40
RATIOS AND SUPPLEMENTAL DATA:					
Total net asset value (000's) ⁽¹⁾	\$ 363	\$ 336	\$ 590	\$ 633	\$ 223
Number of units outstanding ⁽¹⁾	42,449	40,288	76,429	80,065	26,521
Management expense ratio (%) ⁽²⁾	2.15	2.15	2.15	2.02	2.02
Management expense ratio before waivers or absorption (%)	2.79	3.32	4.64	4.09	21.15
Trading expense ratio (%) ⁽³⁾	-	-	-	-	-
Portfolio turnover rate (%) ⁽⁴⁾	3.85	10.83	13.78	8.00	-
Net asset value per unit	\$ 8.56	\$ 8.34	\$ 7.72	\$ 7.91	\$ 8.40

*Data is from September 26, 2016, the date the Class F units were first offered, to December 31, 2016. 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 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 silver bullion investments are traded. A portfolio turnover rate of 100% is equivalent to the BMG Fund buying and selling all its silver 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.

FINANCIAL HIGHLIGHTS (continued)

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 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 F units of the BMG Fund. The table below outlines the BMG Fund's annual management fees for Class A, Class D and Class F units, and how those fees are split between trailer fees and portfolio administration.

	Class A	Class D	Class F
Management Fee	2.25%	1.50%	1.25%
Portfolio Administration Fee	55.6%	83.3%	100%
Trailer Fee (maximum rate as a percentage of management fees)	44.4%	16.7%	0%

Out of the management fees that the Manager received from the BMG Fund, the Manager paid trailer fees of \$16,467 during the six months ended June 30, 2020.

Operating Expenses

For the six months ended June 30, 2020, the Manager absorbed BMG Fund operating expenses of \$14,389. The decision to reduce operating expenses is made at the discretion of the Manager, and may be changed at any time.

NOTES TO FINANCIAL STATEMENTS (continued)

(Unaudited)

resulted in the appreciation of the fair value of investments during the current reporting period. The longer-term effects of the COVID-19 situation will depend on future developments that are highly uncertain, rapidly evolving and difficult to predict. These effects may differ in magnitude depending on a number of scenarios, which BMG Funds continues to monitor and take into consideration.

New Standards, Interpretations and Amendments effective January 1, 2019

BMG Fund did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards

New Standards, Interpretations and Amendments effective after June 30, 2020 that have not been early adopted

No new standards, amendments to standards and interpretations are effective for annual periods beginning after June 30, 2020 that have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the BMG Fund.

3. Redeemable Units

Each unit of each class of the BMG Fund represents an interest in the assets of that class of the BMG Fund. All units of a class of the BMG Fund generally have the same rights and privileges. Each unit of each class of the BMG Fund is entitled to one vote at any meeting of unitholders of the BMG Fund. Each unit of each class of the BMG Fund is also entitled, subject to any management fee distributions, to participate equally in any distributions by the BMG Fund. Fractional units of a class of the BMG Fund are proportionately entitled to all the same rights as other units of that class of the BMG Fund, except that they are non-voting. All units of each class of the BMG Fund are fully paid when issued, and are generally not transferable. Units of each class of the BMG Fund are redeemable at the option of the unitholder owning such units. The number of units of the BMG Fund that may be issued is unlimited. The units of each class of the BMG Fund are issued and redeemed at the NAV per unit of that class of the BMG Fund. There are no differences between the NAV per unit of each class of the BMG Fund and the Net Assets Attributable to Holders of Redeemable Units per Unit of each class of the BMG Fund.

Unitholder transactions during the six-month period ended June 30:

	Class A		Class D	
	2020	2019	2020	2019
Balance - beginning of period	415,405	469,731	81,693	33,883
Issued	59,790	35,917	80,637	31,989
Redeemed	(31,466)	(66,456)	(17,437)	(16,990)
Balance - end of period	443,729	439,192	144,893	48,882
Average units outstanding	428,366	450,287	100,862	51,082

	Class F		Class I	
	2020	2019	2020	2019
Balance - beginning of period	40,288	76,429	641,045	-
Issued	23,888	-	-	641,145
Redeemed	(21,727)	(20,944)	-	(100)
Balance - end of period	42,449	55,485	641,045	641,045
Average units outstanding	43,301	65,616	641,045	537,724

NOTES TO FINANCIAL STATEMENTS (continued)

(Unaudited)

Foreign Currency Translation

The BMG Fund's subscriptions and redemptions are denominated in Canadian dollars, which is also its functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates

(Unaudited)

prevailing on the dates that transactions occur. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing on the measurement date. Foreign exchange losses are presented in the Statements of Comprehensive Income (Loss).

Calculation of Per-Unit Net Asset Value ("NAV") Attributable to Holders of Redeemable Units

The NAV of each class of units of the BMG Fund is calculated in Canadian dollars at 4:00 p.m. (EST) on each day that the Toronto Stock Exchange is open for trading.

The NAV per unit of each class of the BMG Fund that is used for subscriptions and redemptions is the same as the net assets attributable to holders of redeemable units per unit of that class that is used in these financial statements.

A separate NAV is calculated for each class of units of the BMG Fund by taking that class's proportionate share of the BMG Fund's assets less that class's proportionate share of the BMG Fund's common liabilities and deducting from this amount all liabilities that relate solely to that specific class. The NAV per unit for each class is determined by dividing the NAV of each class by the number of units of that class outstanding at the relevant valuation date.

Income Taxes

The BMG Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). All of the BMG Fund's net income for tax purposes and sufficient capital gains realized in any period are required to be distributed to unitholders such that no tax is payable by the BMG Fund. As a result, the BMG Fund does not record income taxes. Since the BMG Fund does not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred income tax asset. Refer to Note 6 for unused income tax losses.

Increase (Decrease) in Per-Unit Net Assets Attributable to Holders of Redeemable Units

Any increase (decrease) in per-unit net assets attributable to holders of redeemable units represents the change in net assets attributable to holders of redeemable units of each class divided by the weighted average number of units of that class of the BMG Fund outstanding during the period (see Note 3).

Critical Estimates and Judgments

In the application of the BMG Fund's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Board of Directors considers the currency of the primary economic environment in which the BMG Fund operates to be the Canadian dollar, as this is the currency that, in their opinion, most faithfully represents the economic effects of underlying transactions, events and conditions. Furthermore, the Canadian dollar is the currency in which the BMG Fund measures its performance, and also issues and redeems its redeemable units.

The BMG Fund has been closely monitoring developments related to COVID-19, including the existing and potential effect on global and local economies, and has implemented its business continuity plan, thus ensuring minimal interruption to the business. Governments worldwide have put various measures in place to contain the spread of the virus; these have directly and indirectly affected many businesses. The COVID-19 pandemic has had a positive effect on the price of gold, which has

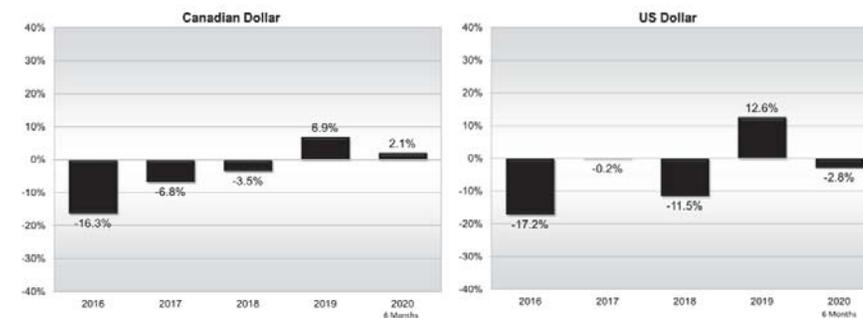
PAST PERFORMANCE

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.

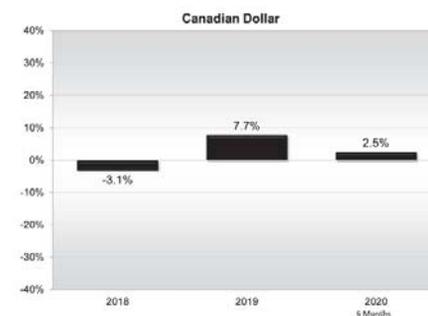
Class A



The return shown for 2016 is for the period from September 26, 2016, the date the Class A units were first offered.

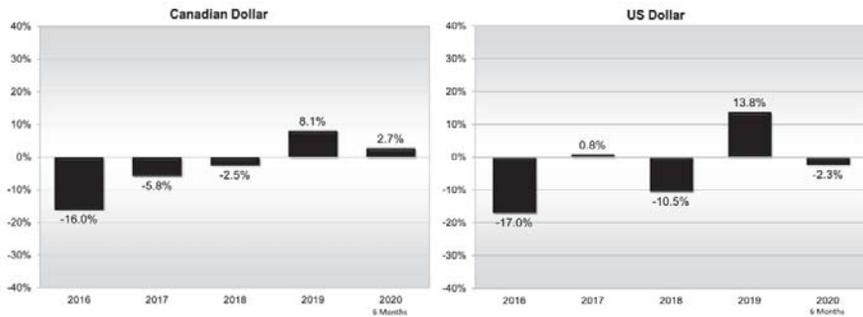
PAST PERFORMANCE (continued)

Class D



The return shown for 2018 is for the period from January 18, 2018, the date the Class D units were first offered.

Class F



The return shown for 2016 is for the period from September 26, 2016, the date the Class F units were first offered.

NOTES TO FINANCIAL STATEMENTS (continued)

(Unaudited)

Comprehensive Loss as incurred. Financial assets classified at amortized cost are recognized on the day that they are transferred to the BMG Fund at fair value, plus transaction costs that are directly attributable to their acquisition or issue.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired, or the BMG Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities, other than those at fair value through profit or loss, are recognized initially at fair value plus transaction costs that are directly attributable to their acquisition or issue. Financial liabilities arising from the redeemable units issued by the BMG Fund are presented at the redemption amount representing the investors' right to a residual interest in the BMG Fund's net assets.

Realized gains and losses on investments in silver bullion are recognized in the Statements of Comprehensive Income (Loss). Costs of investments in silver bullion are determined on an average cost basis.

(c) Subsequent measurement

Subsequent to initial recognition, the BMG Fund measures all financial instruments classified at fair value through profit or loss at fair value, with changes in the fair value recognized in the Statements of Comprehensive Loss. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of financial instruments traded in active markets is based on their quoted market prices at the close of trading on the reporting date. The fair value of financial instruments that are not traded in an active market is determined using a valuation technique, or sourced from a reputable broker/counterparty.

(d) Fair value measurement

Fair value is the price that would be received on the sale of an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the BMG Fund has access at that date.

The value of silver bullion is priced based on the available spot price. The difference between the silver bullion spot price and the average cost of the investment in silver bullion held at the Statements of Financial Position date is shown as "Net unrealized losses on investments in silver bullion."

The fair values of investments denominated in foreign currencies are translated into Canadian dollars at the rates of exchange applicable on the relevant valuation date.

(e) Classification of fair value measurement

IFRS 13 requires the BMG Fund to classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

Level 1	Unadjusted quoted prices in active markets
Level 2	Inputs other than quoted prices included in Level 1 that are observable either directly (i.e. prices) or indirectly (i.e. derived from prices)
Level 3	Unobservable inputs

Fair value of investments in silver bullion is classified at Level 1 within the fair value hierarchy.

Income and Expense Recognition

The BMG Fund follows the daily accrual method of recording investment income and expenses. Expenses specifically related to each class of units of the BMG Fund are charged directly to that class of units. Income, expenses and realized and unrealized gains (losses) are allocated to each class of the BMG Fund based on that class's pro-rated share of the total net assets of the BMG Fund.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

1. Formation of the Fund

BMG Silver BullionFund (the “BMG Fund”) was established under the laws of Ontario by a Master Declaration of Trust and Regulation each dated September 21, 2016, as amended. The BMG Fund commenced operation on September 26, 2016. The address of the BMG Fund’s registered office is: 280-60 Renfrew Drive, Markham, ON, L3R 0E1. BMG Management Services Inc. (the “Manager”) is the trustee and manager of the BMG Fund. The BMG Fund currently offers five classes of units.

These financial statements pertain to Class A, Class D, Class F and Class I units. The classes were first started on the following dates:

Class A	September 26, 2016	Class F	September 26, 2016
Class D	January 16, 2018	Class I	February 27, 2019

All classes share the same attributes from a valuation perspective, except that they are subject to different management fee rates.

The BMG Fund invests only in silver bullion, with the objective of providing a secure, convenient, low-cost alternative for investors seeking to hold silver bullion for capital preservation, long-term appreciation, portfolio diversification and portfolio hedging purposes. The BMG Fund’s fixed investment strategy avoids the need for a portfolio manager.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

Basis of Preparation

These interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements including International Accounting Standard (“IAS”) 34 – *Interim Financial Reporting*. The Statements of Financial Position are as at June 30, 2020 and December 31, 2019, and the Statements of Comprehensive Income (Loss), Changes in Net Assets Attributable to Holders of Redeemable Units and Cash Flows are for the six-month periods ended June 30, 2020 and 2019. The Schedule of Investment Portfolio is as at June 30, 2020. Throughout this document, reference to the periods refers to the reporting periods described above. These interim financial statements should be read in conjunction with the annual financial statements contained in the BMG Fund’s 2019 Annual Report.

The interim financial statements were authorized for issue by the Board of Directors on September 29, 2020.

The interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments in silver bullion at fair value through profit or loss, and are presented in Canadian dollars, which is the BMG Fund’s functional and presentation currency.

Financial Instruments

(a) Classification

The BMG Fund classifies its investments in silver bullion at fair value through profit or loss.

The BMG Fund classifies financial assets and financial liabilities other than its investments in silver bullion and redeemable units into the following categories:

- Financial assets at amortized cost: Cash, due from Manager and subscriptions receivable
- Financial liabilities at amortized cost and designated as other financial liabilities: Accounts payable and accrued liabilities, management fees payable and redemption payable

(b) Recognition/derecognition

Purchases and sales of investments in silver bullion are recognized on the trade date, the date on which the BMG Fund commits to purchase or sell the investment. Transaction costs for such instruments are recognized directly in the Statements of

SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2020

	Allocated ounces	Unallocated ounces	Total Fine ounces	Average Cost \$	Fair Value \$	Total %
Silver Bullion	520,513.689	3,893.575	524,407.264	11,310,941	12,745,736	99.2
Net Investment				11,310,941	12,745,736	99.2
Cash and Other Assets Less Liabilities					101,637	0.8
Net assets attributable to holders of redeemable units					12,847,373	100.0

As at December 31, 2019

	Allocated ounces	Unallocated ounces	Total Fine ounces	Average Cost \$	Fair Value \$	Total %
Silver Bullion	488,522.459	3,875.656	492,398.115	10,576,793	11,522,024	99.3
Net Investment				10,576,793	11,522,024	99.3
Cash and Other Assets Less Liabilities					85,504	0.7
Net assets attributable to holders of redeemable units					11,607,528	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.