

**BMG BULLIONFUND**

# **ANNUAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2024**



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# BMG BullionFund

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## Annual Management Report of Fund Performance

For the year ended December 31, 2024



BMG  
MANAGEMENT  
SERVICES INC.  
A BMG Company

### 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 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 Annual Management Report of Fund Performance.

*This Annual Management Report of Fund Performance contains financial highlights, but does not contain either the semi-annual or annual financial statements have been included 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 110 Cochrane Drive, Suite 200, Markham, ON L3R 9S1, or by visiting our website at [www.bmg-group.com](http://www.bmg-group.com) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca)*

## MANAGEMENT REPORT OF FUND PERFORMANCE

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### Investment Objective and Strategies

BMG BullionFund (the “BMG Fund”) invests in equal dollar proportions of unencumbered, fully allocated gold, silver and platinum bullion that is held by The Royal Bank of Canada, subsequent to year end, responsibility for holding the bullion was transferred to The Bank of Montreal. The BMG Fund’s objective is to provide a secure and convenient method for investors seeking to hold gold, silver and platinum 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”).

By investing an equal portion of the BMG Fund's subscription proceeds in gold, silver and platinum bullion, the BMG Fund should be able to effectively reduce its volatility while improving long-term returns. This can be accomplished because the value of gold is based primarily on its monetary qualities, whereas the value of silver and platinum is based primarily on their usefulness as commodities. During normal economic times, the commodity demand for silver and platinum should be higher than for gold, and the value of silver and platinum should typically outperform the value of gold. In contrast, if monetary demand increases, then the value of gold should typically increase faster than that of silver or platinum, although over time both silver and platinum should follow the price of gold. As a result, by investing in all three metals, the BMG Fund should be able to reduce volatility while improving long-term returns.

The economic factors that determine the price of gold, silver and platinum are also, 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, silver or platinum bullion. The BMG Fund will not invest in foreign securities, and does not hedge its holdings. The BMG Fund’s objectives and strategies did not change in 2024.

### Risk

The risks associated with investing in the BMG Fund remain as stated in the simplified prospectus dated November 29, 2024. The principal risk associated with investing in the BMG Fund is the fluctuating price of precious metals, 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 2024.

### Results of Operations

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

In 2024, the net asset value (“NAV”) of the BMG Fund increased 5.6%, from \$91.7 million at December 31, 2023 to \$96.8 million at December 31, 2024. The increase was driven by \$15.6 million in net redemptions offset by \$23.2 million in realized and unrealized gains on bullion, less \$2.4 million in expenses. As at December 31, 2024, the BMG Fund’s bullion holdings were 11,313 ounces of gold, 865,617 ounces of silver and 14,026 ounces of platinum, compared to 14,796 ounces of gold, 1,045,081 ounces of silver and 13,805 ounces of platinum as at December 31, 2023.

For the year ended December 31, 2024, the NAV per unit of the BMG Fund’s Class A units increased by 21.7% in Canadian dollars and increased by 11.5% in US dollars, while the NAV per unit of the BMG Fund’s Class F units increased by 23.0% in Canadian dollars and increased 12.8% in US dollars. The poorer performance in US dollars is due to the Canadian dollars depreciation of 8.32% against the US dollar in 2024. Please see *Past Performance* for the performance data of other classes.

In 2024, the gold price increased by 21.5%, from US\$2,062.40 on December 31, 2023 peaked at a high of US\$2,747.60 per ounce in October, and closed at US\$2,609.10 on December 31, 2024. The prices of silver and platinum increased and declined

## MANAGEMENT REPORT OF FUND PERFORMANCE (*continued*)

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respectively. Silver reached a high of US\$34.72 per ounce in Oct, and closed at US\$28.91 on December 31, 2024. Platinum reached a high of US\$1,094.50 per ounce in May, and closed at US\$914.00 on December 31, 2024.

### Recent Developments

The geopolitical risk landscape remains elevated due to political shifts, escalating global conflicts, and the growing influence of the BRICS coalition, amplified by persistent sanctions. BRICS' pursuit of a gold-backed currency poses a potential threat to the US dollar's dominance as the global reserve currency. Additionally, tensions between the EU and US, coupled with central banks' aggressive gold acquisitions, will further bolster gold's strong performance.

The drive to secure critical minerals through overseas mining operations will reshape geopolitical alliances and rivalries, increasing demand for precious metals, particularly gold. Meanwhile, the strategy of trade tariffs is transforming the political landscape, triggering retaliatory measures that will impact economic relationships with key trading partners such as Canada, the EU, and China.

The year 2024, set the stage for profound geopolitical shifts and monetary policy transformations, with gold prices soaring to nearly \$3,000 per ounce. The global financial paradigm shift is underway, driven by the rise of BRICS, Japan's move to end negative interest rates, the anticipated US rate cut in September, and Donald Trump's victory in November, accompanied by a Republican sweep in Congress and the Senate. These developments are shifting the status quo of the economic and political landscape.

Mutual fund sales have experienced notable changes compared to the same period last year. According to the Investment Funds Institute of Canada (IFIC), mutual fund net sales reached \$15.2 billion, marking the first year of positive net sales since 2021. ETF net sales hit a record \$75 billion, surpassing the combined total of the previous two years. Alternative mutual fund assets amounted to \$28.4 billion, while alternative ETF assets stood at \$19.3 billion, representing 1.3% of total mutual fund assets and 3.7% of total ETF assets, respectively. The sustained growth in alternative mutual fund sales highlights investors' ongoing interest in portfolio diversification, signaling a positive sentiment toward gold and silver as essential components for true diversification.

Investors are increasingly turning to safe-haven assets for true diversification amid growing recession fears and market reactions to shifting political dynamics. Meanwhile, the price of gold has surged by 27% in 2024, nearing \$3,000 per troy ounce.

Despite the current positive sentiment surrounding gold, we expect some redemptions as investors seek liquidity in response to rising costs of food, energy, and living expenses. The US economy is undergoing transformation, driven by various underlying factors, including the resolution of the southern border crisis, the influence of DOGE, and a deeply divided societal narrative. These factors are contributing to a shifting global order, with the America First policy at its core, compounded by persistent geopolitical tensions and US efforts to resolve international conflicts amid record levels of debt. These dynamics are expected to support further growth in gold prices. While gold continues to reach new highs, solidifying its position as a safe-haven asset, silver is still awaiting significant growth, and platinum remains relatively stagnant.

In Canada, gold began 2024 at \$2,719.48 and ended at \$3,752.43. In the US, gold started 2024 at \$2,062.40 and ended at \$2,609.10

In Canada, silver began 2024 at \$31.37 and ended at \$41.57. In the US, silver began 2024 at \$23.79 and ended at US \$28.91.

In Canada, platinum began in 2024 at \$1,326.51 and ended at \$1,314.52. In the US, platinum began 2024 at \$1,006.00 USD and ended at \$914.00, experiencing volatility through this time.

The importance of strategically balancing asset classes with varying correlations to optimize portfolio returns and minimize risk is clear. Integrating gold bullion into a traditional portfolio has not only enhanced the compound annual growth rate but also provided additional stability. Precious metals, particularly gold, have consistently delivered strong historical and relative returns. While silver and platinum have lagged behind gold's recent performance, they are poised to gain momentum as the

## MANAGEMENT REPORT OF FUND PERFORMANCE (*continued*)

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gold bull market extends into 2026. Precious metals have proven to be the top-performing asset class during times of crisis, and gold is expected to continue outperforming other asset classes in the years ahead, making it an essential investment option.

BMG Funds hold only physical precious metals; each unit has equivalent physical bullion stored at LBMA vaults on insured allocated basis.

Gold prices reached historic highs in 2024, driven by escalating geopolitical tensions, with little impact on global gold transactions, alongside a persistent buying spree by central banks. Concerns about the deficit and the potential return to a gold standard have further fueled this bullish trend. The rising influence of the BRICS alliance and sweeping changes in the US political landscape will continue to support demand for gold. This increasing demand, combined with central banks and institutional investors seeking portfolio diversification, will likely sustain upward pressure on prices. Gold's price outlook remains strongly bullish, despite occasional fluctuations. Price targets of \$3,000 in 2025 and nearing \$4,000 in 2026 are becoming a reality. The exceptional performance of gold in 2024, paired with ongoing global turmoil, will draw more long-term investors seeking stability, diversification, and solid returns. Geopolitical risks and economic shifts will further solidify gold's upward trajectory.

The outlook for silver in 2025 is optimistic, with many forecasts suggesting substantial potential for price growth. Rising industrial demand, coupled with potential supply constraints, creates a supportive environment for higher silver prices. Concerns surrounding President Donald Trump's tariff strategy and potential retaliatory actions have heightened fears of shortages and delivery challenges. Increased demand for silver in key industries such as electronics, medical equipment, and the automotive sector is expected to sustain ongoing demand. While silver prices may experience fluctuations as global economic conditions evolve, supply-demand imbalances and broader industrial factors are likely to drive continued upward momentum.

Platinum prices have remained relatively subdued, primarily influenced by supply and demand dynamics. Political support for diesel vehicles is expected to have a notable impact on the platinum market. Key drivers for platinum include industrial demand, advancements in new technologies, fuel cell applications, and stricter emissions regulations, particularly in the automotive sector, where platinum-based catalytic converters play a crucial role. On the supply side, platinum remains a scarce resource. The automotive industry is the largest consumer of platinum, with catalytic converters as the main use. Despite ongoing uncertainties and the influence of President Trump's policies, demand is unlikely to significantly alter platinum's supply deficits, though volatility in the market will continue to affect its price.

### **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 unit holder accounting, recordkeeping and other administrative services. At December 31, 2024, 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 year ended December 31, 2024, the BMG Fund incurred management fees of \$1,597,679.

#### *Distributor*

BMG Management Services Inc. also acts as distributor for 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 2024 is available at [www.bmg-group.com](http://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 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.

<b>THE FUND'S NET ASSETS PER CLASS A UNIT</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Net assets - beginning of year<sup>(1)</sup></b>	\$11.00	\$11.17	\$10.38	\$11.83	\$9.53
<b>Increase (decrease) from operations:</b>					
Total revenue	-	-	-	-	-
Total expenses (excluding distributions)	(0.40)	(0.32)	(0.34)	(0.31)	(0.32)
Realized gains for the period	1.43	0.61	0.64	0.52	0.86
Unrealized gains (losses) for the period	1.57	(0.47)	0.51	(1.66)	1.80
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>2.60</b>	<b>(0.18)</b>	<b>0.81</b>	<b>(1.45)</b>	<b>2.34</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	0.16	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions</b>	<b>0.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets at December 31 of year shown</b>	<b>\$13.38</b>	<b>\$11.00</b>	<b>\$11.17</b>	<b>\$10.38</b>	<b>\$11.83</b>
<b>RATIOS AND SUPPLEMENTAL DATA:</b>					
Total net asset value (000's) <sup>(1)</sup>	\$42,667	\$41,239	\$48,521	\$62,291	\$78,852
Number of units outstanding <sup>(1)</sup>	3,189,725	3,749,820	4,345,060	6,002,607	6,663,266
Management expense ratio (%) <sup>(2)</sup>	3.13	2.95	3.28	3.00	3.00
Management expense ratio before waivers or absorption (%)	3.13	2.95	3.28	3.00	3.00
Trading expense ratio (%) <sup>(3)</sup>	-	-	-	-	-
Portfolio turnover rate (%) <sup>(4)</sup>	0.94	0.68	0.59	4.24	5.86
Net asset value per unit	\$13.38	\$11.00	\$11.17	\$10.38	\$11.83

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

<b>THE FUND'S NET ASSETS PER CLASS B2 UNIT</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Net assets - beginning of year<sup>(1)</sup></b>	\$11.39	\$11.47	\$10.58	\$11.96	\$9.55
<b>Increase (decrease) from operations:</b>					
Total revenue	-	-	-	-	-
Total expenses (excluding distributions)	(0.30)	(0.24)	(0.26)	(0.23)	(0.24)
Realized gains for the period	1.45	0.64	0.63	0.52	0.88
Unrealized gains (losses) for the period	2.20	(0.37)	0.68	(1.67)	1.96
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>3.35</b>	<b>0.03</b>	<b>1.05</b>	<b>(1.38)</b>	<b>2.60</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	0.17	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions</b>	<b>0.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets at December 31 of year shown</b>	<b>\$13.97</b>	<b>\$11.39</b>	<b>\$11.47</b>	<b>\$10.58</b>	<b>\$11.96</b>
<b>RATIOS AND SUPPLEMENTAL DATA:</b>					
Total net asset value (000's) <sup>(1)</sup>	\$1,041	\$2,002	\$2,138	\$1,754	\$2,019
Number of units outstanding <sup>(1)</sup>	75,541	175,809	186,302	165,793	168,797
Management expense ratio (%) <sup>(2)</sup>	2.34	2.14	2.46	2.19	2.16
Management expense ratio before waivers or absorption (%)	2.34	2.14	2.46	2.19	2.16
Trading expense ratio (%) <sup>(3)</sup>	-	-	-	-	-
Portfolio turnover rate (%) <sup>(4)</sup>	0.94	0.68	0.59	4.24	5.86
Net asset value per unit	\$13.97	\$11.39	\$11.47	\$10.58	\$11.96

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 B3 UNIT	2024	2023	2022	2021	2020
Net assets - beginning of year <sup>(1)</sup>	\$12.77	\$12.83	\$11.80	\$13.32	\$10.61
<b>Increase (decrease) from operations:</b>					
Total revenue	-	-	-	-	-
Total expenses (excluding distributions)	(0.30)	(0.24)	(0.26)	(0.24)	(0.23)
Realized gains for the period	1.64	0.71	0.70	0.59	0.97
Unrealized gains (losses) for the period	2.81	(0.53)	0.57	(1.87)	1.97
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>4.15</b>	<b>(0.06)</b>	<b>1.01</b>	<b>(1.52)</b>	<b>2.71</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	0.19	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions</b>	<b>0.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets at December 31 of year shown</b>	<b>\$15.70</b>	<b>\$12.77</b>	<b>\$12.83</b>	<b>\$11.80</b>	<b>\$13.32</b>
<b>RATIOS AND SUPPLEMENTAL DATA:</b>					
Total net asset value (000's) <sup>(1)</sup>	\$624	\$995	\$1,011	\$944	\$1,097
Number of units outstanding <sup>(1)</sup>	39,747	77,912	78,809	79,995	82,399
Management expense ratio (%) <sup>(2)</sup>	2.10	1.90	2.22	1.95	1.93
Management expense ratio before waivers or absorption (%)	2.10	1.90	2.22	1.95	1.93
Trading expense ratio (%) <sup>(3)</sup>	-	-	-	-	-
Portfolio turnover rate (%) <sup>(4)</sup>	0.94	0.68	0.59	4.24	5.86
Net asset value per unit	\$15.70	\$12.77	\$12.83	\$11.80	\$13.32

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

THE FUND'S NET ASSETS PER CLASS C1 UNIT	2024	2023	2022	2021	2020
Net assets - beginning of year <sup>(1)</sup>	\$13.01	\$13.03	\$11.94	\$13.42	\$10.65
<b>Increase (decrease) from operations:</b>					
Total revenue	-	-	-	-	-
Total expenses (excluding distributions)	(0.26)	(0.20)	(0.22)	(0.19)	(0.19)
Realized gains for the period	1.71	0.72	0.72	0.59	0.98
Unrealized gains (losses) for the period	1.74	(0.53)	0.86	(1.88)	1.98
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>3.19</b>	<b>(0.01)</b>	<b>1.36</b>	<b>(1.48)</b>	<b>2.77</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	0.19	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions</b>	<b>0.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets at December 31 of year shown</b>	<b>\$16.06</b>	<b>\$13.01</b>	<b>\$13.03</b>	<b>\$11.94</b>	<b>\$13.42</b>
<b>RATIOS AND SUPPLEMENTAL DATA:</b>					
Total net asset value (000's) <sup>(1)</sup>	\$2,342	\$1,965	\$1,981	\$1,561	\$1,648
Number of units outstanding <sup>(1)</sup>	145,982	151,021	152,032	130,804	122,803
Management expense ratio (%) <sup>(2)</sup>	1.71	1.54	1.84	1.58	1.57
Management expense ratio before waivers or absorption (%)	1.71	1.54	1.84	1.58	1.57
Trading expense ratio (%) <sup>(3)</sup>	-	-	-	-	-
Portfolio turnover rate (%) <sup>(4)</sup>	0.94	0.68	0.59	4.24	5.86
Net asset value per unit	\$16.06	\$13.01	\$13.03	\$11.94	\$13.42

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	2024	2023	2022	2021	2020
Net assets - beginning of year <sup>(1)</sup>	\$12.09	\$12.09	\$11.08	\$12.45	\$9.88
<b>Increase (decrease) from operations:</b>					
Total revenue	-	-	-	-	-
Total expenses (excluding distributions)	(0.23)	(0.17)	(0.20)	(0.15)	(0.17)
Realized gains for the period	1.58	0.64	0.69	0.55	0.90
Unrealized gains (losses) for the period	1.58	(0.58)	0.22	(1.77)	1.97
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>2.90</b>	<b>(0.11)</b>	<b>0.71</b>	<b>(1.37)</b>	<b>2.70</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	0.18	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions</b>	<b>0.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets at December 31 of year shown</b>	<b>\$14.93</b>	<b>\$12.09</b>	<b>\$12.09</b>	<b>\$11.08</b>	<b>\$12.45</b>
<b>RATIOS AND SUPPLEMENTAL DATA:</b>					
Total net asset value (000's) <sup>(1)</sup>	\$737	\$595	\$1,119	\$4,269	\$5,335
Number of units outstanding <sup>(1)</sup>	49,349	49,207	92,525	385,360	428,557
Management expense ratio (%) <sup>(2)</sup>	1.63	1.47	1.83	1.54	1.53
Management expense ratio before waivers or absorption (%)	1.63	1.47	1.83	1.54	1.53
Trading expense ratio (%) <sup>(3)</sup>	-	-	-	-	-
Portfolio turnover rate (%) <sup>(4)</sup>	0.94	0.68	0.59	4.24	5.86
Net asset value per unit	\$14.93	\$12.09	\$12.09	\$11.08	\$12.45

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	2024	2023	2022	2021	2020*
Net assets - beginning of period <sup>(1)</sup>	\$11.34	\$11.33	\$10.36	\$11.63	\$10.00
<b>Increase (decrease) from operations:</b>					
Total revenue	-	-	-	-	-
Total expenses (excluding distributions)	(0.20)	(0.15)	(0.17)	(0.14)	(0.13)
Realized gains for the period	1.51	0.62	0.63	0.51	0.71
Unrealized gains (losses) for the period	1.80	(0.66)	0.58	(1.64)	1.52
<b>Total increase from operations<sup>(2)</sup></b>	<b>3.11</b>	<b>(0.19)</b>	<b>1.04</b>	<b>(1.27)</b>	<b>2.10</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	0.17	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions</b>	<b>0.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets – end of period</b>	<b>\$14.01</b>	<b>\$11.34</b>	<b>\$11.33</b>	<b>\$10.36</b>	<b>\$11.63</b>
<b>RATIOS AND SUPPLEMENTAL DATA:</b>					
Total net asset value (000's) <sup>(1)</sup>	\$6,171	\$6,273	\$7,300	\$6,898	\$8,001
Number of units outstanding <sup>(1)</sup>	440,319	553,276	644,425	665,830	688,106
Management expense ratio (%) <sup>(2)</sup>	1.54	1.33	1.66	1.41	1.40
Management expense ratio before waivers or absorption (%)	1.54	1.33	1.66	1.41	1.40
Trading expense ratio (%) <sup>(3)</sup>	-	-	-	-	-
Portfolio turnover rate (%) <sup>(4)</sup>	0.94	0.68	0.59	4.24	5.86
Net asset value per unit	\$14.01	\$11.34	\$11.33	\$10.36	\$11.63

\*Data is from February 24, 2020, the date the Class C3 units were first offered, to June 30, 2020. 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	2024	2023	2022	2021	2020
Net assets - beginning of period <sup>(1)</sup>	\$12.98	\$13.04	\$12.00	\$13.56	\$10.84
<b>Increase (decrease) from operations:</b>					
Total revenue	-	-	-	-	-
Total expenses (excluding distributions)	(0.31)	(0.24)	(0.26)	(0.18)	(0.27)
Realized gains for the period	1.70	0.72	0.60	0.59	0.98
Unrealized gains (losses) for the period	1.85	(0.51)	0.25	(1.97)	2.06
<b>Total increase from operations<sup>(2)</sup></b>	<b>3.24</b>	<b>(0.03)</b>	<b>0.59</b>	<b>(1.56)</b>	<b>2.77</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	0.19	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions</b>	<b>0.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets – end of period</b>	<b>\$15.96</b>	<b>\$12.98</b>	<b>\$13.04</b>	<b>\$12.00</b>	<b>\$13.56</b>
<b>RATIOS AND SUPPLEMENTAL DATA:</b>					
Total net asset value (000's) <sup>(1)</sup>	\$15,278	\$14,665	\$15,317	\$3,461	\$3,355
Number of units outstanding <sup>(1)</sup>	957,126	1,129,710	1,174,685	288,547	247,309
Management expense ratio (%) <sup>(2)</sup>	2.04	1.87	2.20	2.17	2.19
Management expense ratio before waivers or absorption (%)	2.04	1.87	2.20	2.17	2.19
Trading expense ratio (%) <sup>(3)</sup>	-	-	-	-	-
Portfolio turnover rate (%) <sup>(4)</sup>	0.94	0.68	0.59	4.24	5.86
Net asset value per unit	\$15.96	\$12.98	\$13.04	\$12.00	\$13.56

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	2024	2023	2022	2021	2020
Net assets - beginning of year <sup>(1)</sup>	\$13.57	\$13.63	\$12.53	\$14.13	\$11.25
<b>Increase (decrease) from operations:</b>					
Total revenue	-	-	-	-	-
Total expenses (excluding distributions)	(0.32)	(0.25)	(0.27)	(0.25)	(0.24)
Realized gains for the period	1.79	0.76	0.74	0.62	1.03
Unrealized gains (losses) for the period	1.86	(0.60)	0.53	(1.99)	2.04
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>3.33</b>	<b>(0.09)</b>	<b>1.00</b>	<b>(1.62)</b>	<b>2.83</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	0.20	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets at December 31 of year shown</b>	<b>\$16.69</b>	<b>\$13.57</b>	<b>\$13.63</b>	<b>\$12.53</b>	<b>\$14.13</b>
<b>RATIOS AND SUPPLEMENTAL DATA:</b>					
Total net asset value (000's) <sup>(1)</sup>	\$27,026	\$23,149	\$21,677	\$19,754	\$21,983
Number of units outstanding <sup>(1)</sup>	1,619,722	1,706,135	1,590,714	1,577,067	1,555,900
Management expense ratio (%) <sup>(2)</sup>	2.03	1.86	2.18	1.91	1.90
Management expense ratio before waivers or absorption (%)	2.03	1.86	2.18	1.91	1.90
Trading expense ratio (%) <sup>(3)</sup>	-	-	-	-	-
Portfolio turnover rate (%) <sup>(4)</sup>	0.94	0.68	0.59	4.24	5.86
Net asset value per unit	\$16.69	\$13.57	\$13.63	\$12.53	\$14.13

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.

#### *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 bullion investments are traded. A portfolio turnover rate of 100% is equivalent to the BMG Fund buying and selling all its 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. The Manager provides, or arranges for the provision of, all management and administrative services for day-to-day operations, including providing fund and unit holder accounting, recordkeeping and other administrative services. 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 C1, Class C2, Class C3 and Class F units of the BMG Fund. The table below outlines the BMG Fund's annual management fees for the Class A, Class B2, Class B3, Class C1, Class C2, Class C3, Class D and Class F units of the BMG Fund, and how those fees are split between trailer fees and portfolio administration.

	Class A	Class B2	Class B3	Class C1	Class C2	Class C3	Class D	Class F
Management Fee	2.25%	1.49%	1.25%	1.00%	0.87%	0.75%	1.25%	1.25%
Portfolio Administration Fee	55.6%	59.4%	60%	100%	100%	100%	100%	100%
Trailer Fee ( <i>maximum rate as a percentage of management fees</i> )	44.4%	41.6%	40%	0%	0%	0%	0%	0%

Out of the management fees that the Manager received from the BMG Fund, the Manager paid trailer fees of \$433,709 during the year ended December 31, 2024.

### Operating Expenses

During 2024, the Manager did not absorb BMG Fund operating expenses. The decision to reduce operating expenses is made at the discretion of the Manager, and may be changed at any time.

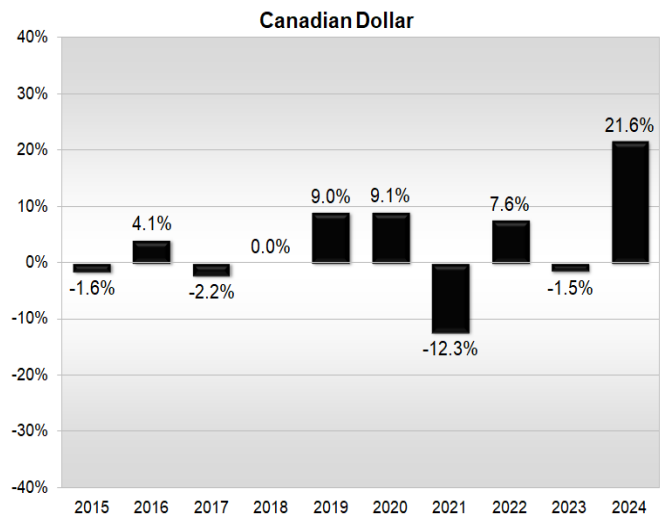
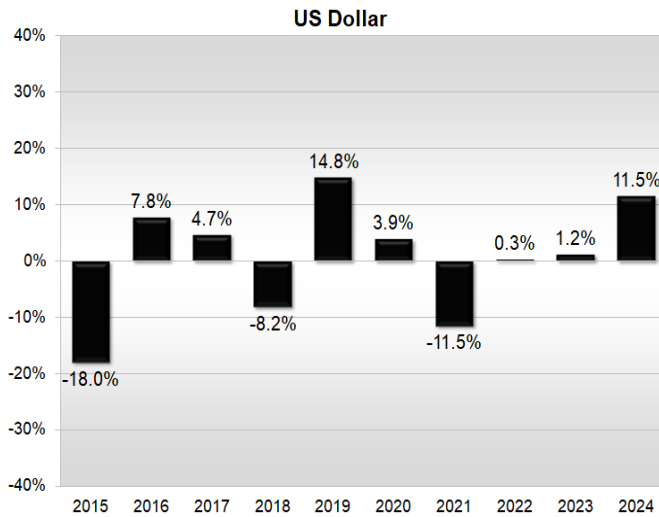
## PAST PERFORMANCE

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.

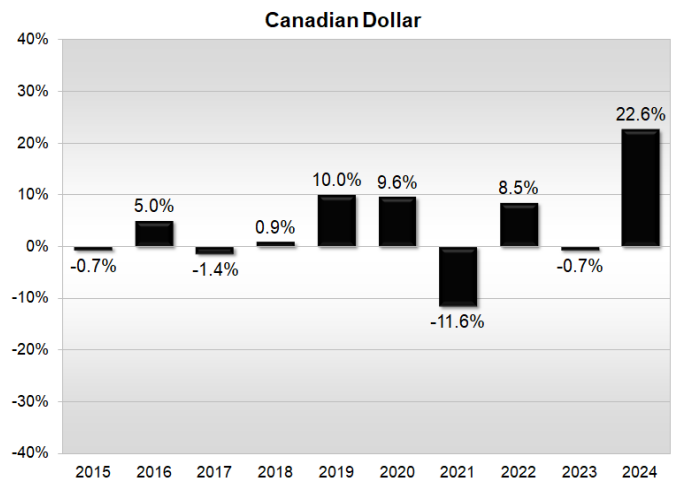
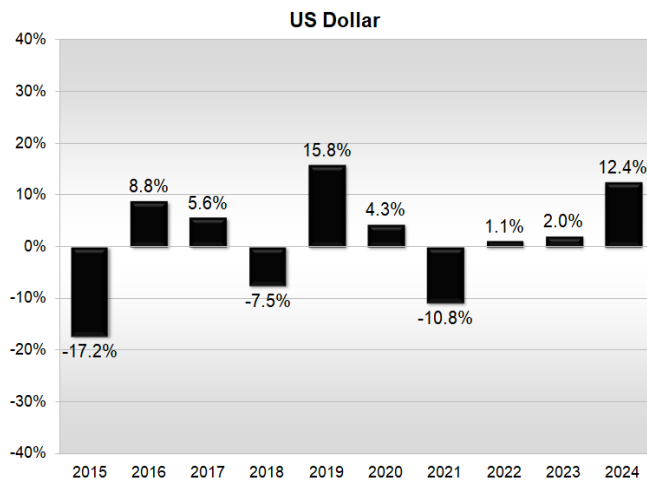
### Year-by-Year Returns

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. 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

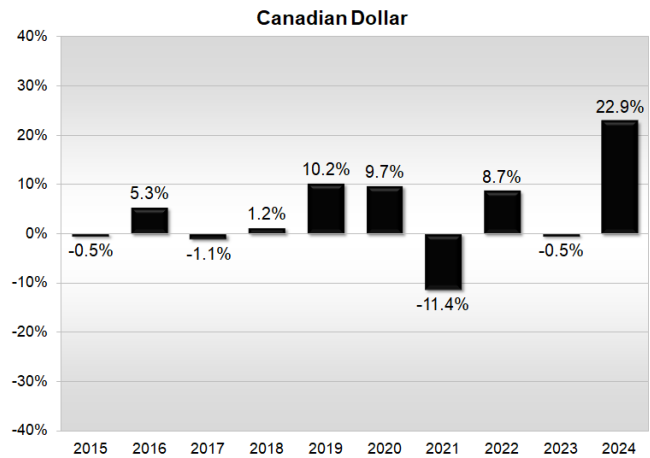
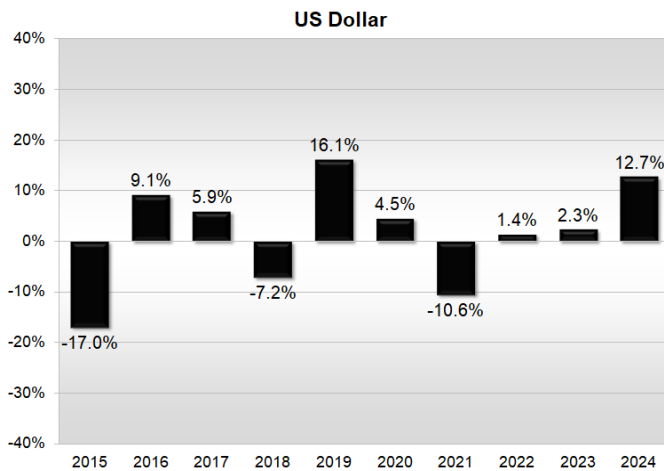


#### Class B2

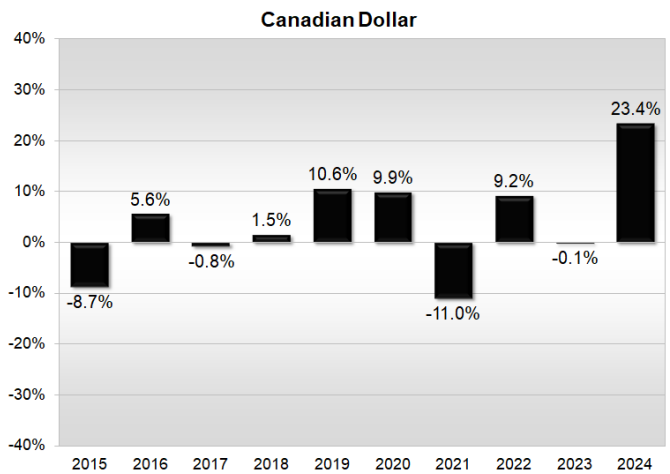
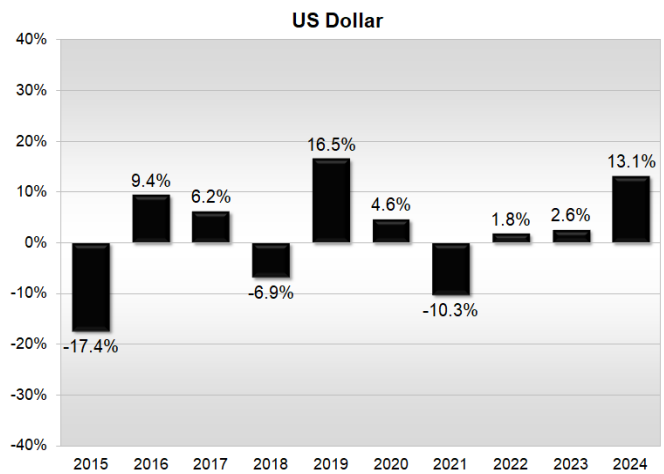


## PAST PERFORMANCE (continued)

### Class B3

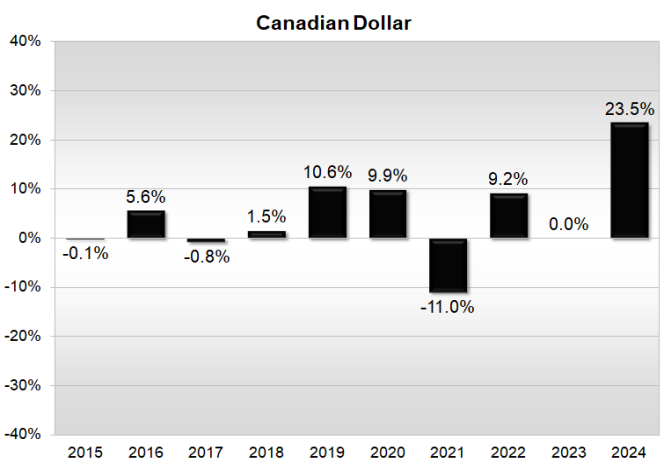
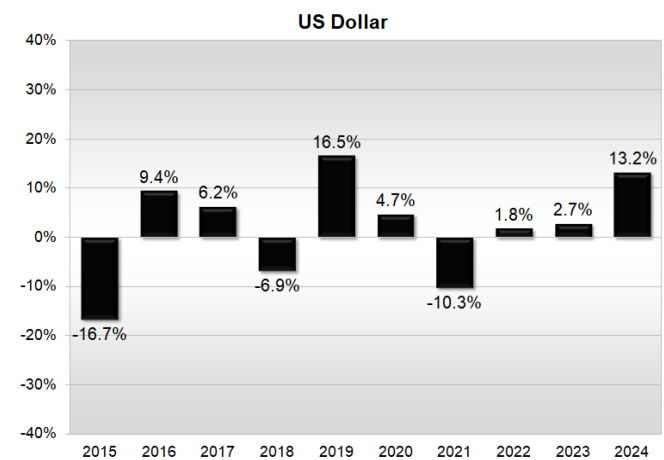


### Class C1



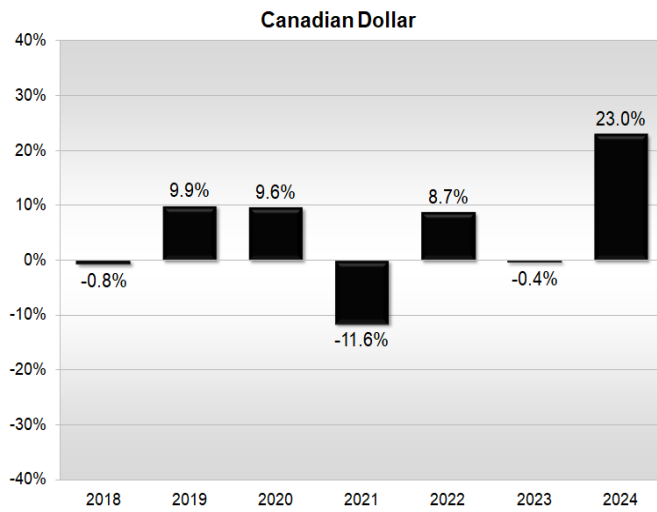
The return shown for 2015 is for the period from March 27, 2015, the date the Class C1 units were first offered.

### Class C2



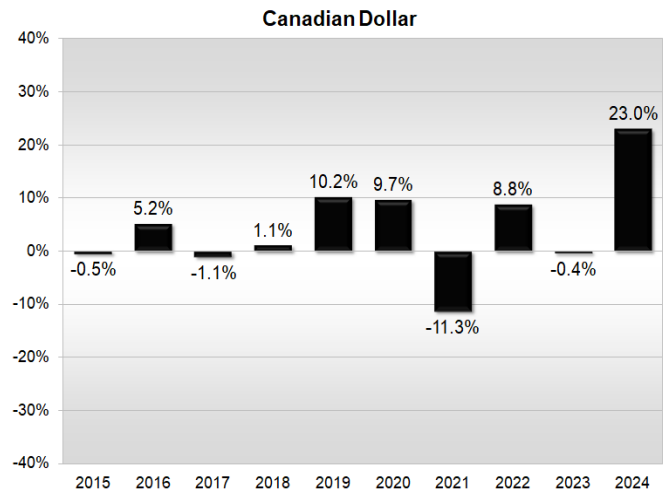
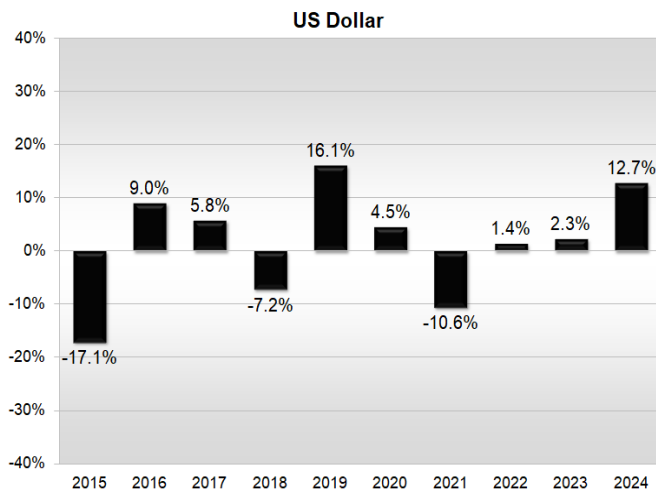
**PAST PERFORMANCE (continued)**

*Class D*



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

*Class F*



## 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 and US dollars since inception, or for the ten-, five-, three- and one-year periods ended on December 31, 2023, 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 (March 2002)	10 Years	5 Years	3 Years	1 Year
The BMG Fund Class A CDN\$	3.58%	4.37%	7.02%	8.83%	21.63%
Inflation (CPI, Statistics Canada)	2.17%	2.62%	3.48%	4.10%	2.30%
Bank of Canada, 3-month Treasury Bills	1.87%	1.73%	2.41%	3.16%	3.14%
The BMG Fund Class A US\$	4.03%	2.13%	4.83%	4.22%	11.51%
Inflation (CPI, US Dept. of Labor)	2.35%	2.39%	3.40%	3.70%	3.00%
US, 3-month Treasury Bills	1.62%	2.02%	2.85%	4.70%	4.20%

#### Class B2

	Since Inception (February 2014)	5 Years	3 Years	1 Year
The BMG Fund Class B2 CDN\$	3.19%	7.89%	9.71%	22.63%
Inflation (CPI, Statistics Canada)	2.55%	3.48%	4.10%	2.30%
Bank of Canada, 3-month Treasury Bills	1.73%	2.41%	3.16%	3.14%
The BMG Fund Class B2 US\$	0.73%	5.68%	5.06%	12.43%
Inflation (CPI, US Dept. of Labor)	2.39%	3.40%	3.70%	3.00%
US, 3-month Treasury Bills	1.84%	2.85%	4.70%	4.20%

#### Class B3

	Since Inception (November 2013)	5 years	3 Years	1 Year
The BMG Fund Class B3 CDN\$	4.19%	8.15%	9.98%	22.92%
Inflation (CPI, Statistics Canada)	2.44%	3.48%	4.10%	2.30%
Bank of Canada, 3-month Treasury Bills	1.73%	2.41%	3.16%	3.14%
The BMG Fund Class B3 US\$	1.27%	5.94%	5.32%	12.69%
Inflation (CPI, US Dept. of Labor)	2.32%	3.40%	3.70%	3.00%
US, 3-month Treasury Bills	1.69%	2.85%	4.70%	4.20%

## PAST PERFORMANCE (continued)

### Class C1

	Since Inception (March 2015)	5 Year	3 Year	1 Year
The BMG Fund Class C1 CDN\$	5.03%	8.55%	10.38%	23.37%
Inflation (CPI, Statistics Canada)	2.62%	3.48%	4.10%	2.30%
Bank of Canada, 3-month Treasury Bills	1.81%	2.41%	3.16%	3.14%
The BMG Fund Class C1 US\$	3.60%	6.33%	5.71%	13.11%
Inflation (CPI, US Dept. of Labor)	2.47%	3.40%	3.70%	3.00%
US, 3-month Treasury Bills	2.02%	2.85%	4.70%	4.20%

### Class C2

	Since Inception (March 2014)	5 Years	3 Years	1 Year
The BMG Fund Class C2 CDN\$	3.84%	8.61%	10.46%	23.46%
Inflation (CPI, Statistics Canada)	2.55%	3.48%	4.10%	2.30%
Bank of Canada, 3-month Treasury Bills	1.73%	2.41%	3.16%	3.14%
The BMG Fund Class C2 US\$	1.41%	6.38%	5.78%	13.20%
Inflation (CPI, US Dept. of Labor)	2.39%	3.40%	3.70%	3.00%
US, 3-month Treasury Bills	1.84%	2.85%	4.70%	4.20%

### Class D

	Since Inception (January 2018)	5 Years	3 Years	1 Years
The BMG Fund Class D CDN\$	7.05%	8.05%	9.99%	22.96%
Inflation (CPI, Statistics Canada)	3.10%	3.48%	4.10%	2.30%
Bank of Canada, 3-month Treasury Bills	2.30%	2.41%	3.16%	3.14%

### Class F

	Since Inception (September 2004)	10 Years	5 Years	3 Years	1 Year
The BMG Fund Class F CDN\$	5.18%	5.52%	8.20%	10.03%	22.98%
Inflation (CPI, Statistics Canada)	2.16%	2.62%	3.48%	4.10%	2.30%
Bank of Canada, 3-month Treasury Bills	1.80%	1.73%	2.41%	3.16%	3.14%
The BMG Fund Class F US\$	4.67%	3.26%	5.98%	5.37%	12.75%
Inflation (CPI, US Dept. of Labor)	2.39%	2.39%	3.40%	3.70%	3.00%
US, 3-month Treasury Bills	1.67%	2.02%	2.85%	4.70%	4.20%



## SUMMARY OF INVESTMENT PORTFOLIO

As at December 31, 2024

	Allocated ounces	Unallocated ounces	Total Fine ounces	Average Cost \$	Fair Value \$	Total %
Gold Bullion	11,019.432	293.841	11,313.273	12,951,728	42,452,393	43.8
Platinum Bullion	13,373.817	651.501	14,025.318	19,989,129	18,437,038	19.0
Silver Bullion	840,488.430	25,128.904	865,617.334	15,746,219	35,984,912	37.2
<b>Net Investment</b>				<b>48,687,076</b>	<b>96,874,343</b>	<b>100.0</b>
Cash and Other Assets Less Liabilities					(21,372)	(0.0)
<b>Net assets attributable to holders of redeemable units</b>					<b>96,852,971</b>	<b>100.0</b>

As at December 31, 2023

	Allocated ounces	Unallocated ounces	Total Fine ounces	Average Cost \$	Fair Value \$	Total %
Gold Bullion	14,224.233	572.019	14,796.252	16,713,683	40,238,243	43.9
Platinum Bullion	13,373.817	430.827	13,804.644	19,686,795	18,312,482	20.0
Silver Bullion	1,022,570.030	22,511.181	1,045,081.211	18,829,219	32,783,673	35.7
<b>Net Investment</b>				<b>55,229,697</b>	<b>91,334,398</b>	<b>99.6</b>
Cash and Other Assets Less Liabilities					393,105	0.4
<b>Net assets attributable to holders of redeemable units</b>					<b>91,727,503</b>	<b>100.0</b>

Since the BMG Fund does not rebalance its portfolio holdings, the 33.3% allocation target may differ due to the difference in performance of each metal.

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](http://www.bmg-group.com).

# **BMG BullionFund**

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## **Annual Financial Statements**

For the years ended December 31, 2024 and 2023



**B M G**  
**MANAGEMENT**  
**SERVICES INC.**  
A BMG Company

## MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

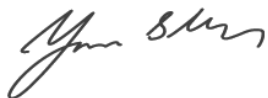
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The accompanying financial statements of BMG BullionFund (the “BMG Fund”) have been prepared by BMG Management Services Inc., in its capacity as manager (the “Manager”) of the BMG Fund, and have been approved by the Board of Directors of BMG Management Services Inc. The Board of Directors is responsible for the information and representations contained in these financial statements and in the Management Report of Fund Performance.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards, and include certain amounts that are based on estimates and judgments made by the Manager. The material accounting policies that the Manager believes are appropriate for the BMG Fund are described in Note 2 to the financial statements.

The Audit Committee of the Board of Directors is responsible for reviewing the financial statements and the Management Report of Fund Performance, and for recommending them to the Board of Directors of the Manager for approval, in addition to meeting with management and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.

RSM Canada LLP is the external auditor of the BMG Fund, and is appointed by the trustee of the BMG Fund. The auditor of the BMG Fund has audited the financial statements in accordance with Canadian Generally Accepted Auditing Standards to enable it to express to the unitholders its opinion on the financial statements. The auditor’s report is set out herein.



Yvonne Blaszczyk  
President & CEO  
Director



Helen Gillard  
Director



## INDEPENDENT AUDITOR'S REPORT

To the Unitholders of BMG BullionFund

### *Opinion*

We have audited the financial statements of BMG BullionFund, (the "Fund"), which comprise the statements of financial position as at December 31, 2024 and 2023 and the statements of comprehensive income (loss), changes in net assets attributable to holders of redeemable units and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

Management is responsible for the other information. The other information comprises the Annual Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Annual Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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ASSURANCE | TAX | CONSULTING

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## INDEPENDENT AUDITOR'S REPORT *(continued)*

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In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*RSM Canada LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
March 31, 2025  
Toronto, Ontario

## STATEMENTS OF FINANCIAL POSITION

As at December 31

	2024	2023
	\$	\$
<b>ASSETS</b>		
Current assets		
Cash	363,087	601,313
Investments in bullion [Average cost \$48,687,076; December 2023 - \$55,229,697]	96,874,343	91,334,398
Subscriptions receivable	-	1,150
Prepaid fees	-	49,407
<b>Total assets</b>	<b>97,237,430</b>	<b>91,986,268</b>
<b>LIABILITIES</b>		
Current liabilities		
Management fees payable	155,635	133,033
Redemptions payable	82,144	13,994
Accounts payable and accrued liabilities	146,680	111,738
<b>Total liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>384,459</b>	<b>258,765</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>96,852,971</b>	<b>91,727,503</b>
<b>Net assets attributable to holders of redeemable units per class (Note 3)</b>		
Class A	42,666,701	41,239,339
Class B2	1,041,044	2,002,259
Class B3	624,028	995,154
Class C1	2,342,368	1,965,392
Class C2	736,832	595,082
Class C3	6,170,631	6,273,049
Class D	15,278,016	14,665,404
Class E15	967,130	842,631
Class F	27,026,221	23,149,193
	<b>96,852,971</b>	<b>91,727,503</b>

See accompanying notes.

On behalf of the Board of Directors of BMG Management Services Inc.,  
Trustee and Manager of BMG BullionFund



Yvonne Blaszczyk  
Director



Helen Gillard  
Director

## STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the years ended December 31

	2024 \$	2023 \$
<b>INVESTMENT INCOME (LOSS)</b>		
Net change in unrealized gains (losses) on investments in bullion	12,082,565	(4,185,608)
Net realized gains on investments in bullion	11,071,148	5,318,601
Net Foreign exchange (losses) gains	7,690	(4,825)
Other Income	20,387	18,455
<b>Total investment income</b>	<b>23,181,790</b>	<b>1,146,623</b>
<b>EXPENSES</b>		
Management fees (Note 4)	1,597,679	1,584,549
Security holder reporting costs	312,200	309,400
Bullion storage fees	148,576	585
Services tax	193,711	181,716
Other administrative expenses	27,943	25,536
Legal fees	32,600	27,300
Audit fees	41,640	38,220
Filing fees	44,146	27,664
Independent Review Committee fees	9,164	6,734
<b>Total expenses</b>	<b>2,407,659</b>	<b>2,201,704</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>20,774,131</b>	<b>(1,055,081)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class (Note 3)</b>		
Class A	8,781,933	(744,031)
Class B2	371,939	6,527
Class B3	225,716	(4,644)
Class C1	463,110	(1,478)
Class C2	141,750	(7,998)
Class C3	1,678,980	(113,396)
Class D	3,302,760	(35,719)
Class E15	206,068	2,793
Class F	5,601,875	(157,135)
	<b>20,774,131</b>	<b>(1,055,081)</b>

See accompanying notes.

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31

	2024 \$	2023 \$
Net assets attributable to holders of redeemable units, beginning of year	91,727,503	99,938,736
Issue of redeemable units	5,549,124	8,836,315
Reinvestments of distributions to redeemable units	1,128,344	-
Redemption of redeemable units	(21,163,265)	(15,992,467)
Distributions from capital gains	(1,162,866)	-
Increase (decrease) in net assets attributable to holders of redeemable units	20,774,131	(1,055,081)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>96,852,971</b>	<b>91,727,503</b>

See accompanying notes.

## STATEMENTS OF CASH FLOWS

For the years ended December 31

	2024 \$	2023 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	20,774,131	(1,055,081)
Adjustments to reconcile increase (decrease) in net assets resulting from operations to net cash provided by operating activities		
Purchases of investments in bullion	(907,001)	(651,035)
Proceeds from sales of investments in bullion	18,520,769	10,401,920
Net realized gains on investments in bullion	(11,071,148)	(5,318,601)
Net change in unrealized (gains) losses on investments in bullion	(12,082,565)	4,185,608
Net changes in non-cash operating balances:		
Prepaid fees	49,407	(49,407)
Management fees payable	22,602	(16,263)
Accounts payable and accrued liabilities	34,942	(156,039)
<b>Net cash provided by operating activities</b>	<b>15,341,137</b>	<b>7,341,102</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of redeemable units	5,422,833	8,290,035
Amounts paid on redemption of redeemable units	(20,967,674)	(15,471,983)
Distributions from capital gains net of reinvestments	(34,522)	-
<b>Net cash used in financing activities</b>	<b>(15,579,363)</b>	<b>(7,181,948)</b>
<b>Net increase in cash during the year</b>	<b>(238,226)</b>	<b>159,154</b>
<b>Cash, beginning of year</b>	<b>601,313</b>	<b>442,159</b>
<b>Cash, end of year</b>	<b>363,087</b>	<b>601,313</b>

See accompanying notes.



## SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2024

	Allocated ounces	Unallocated ounces	Total Fine ounces	Average Cost \$	Fair Value \$	Total %
Gold Bullion	11,019.432	293.841	11,313.273	12,951,728	42,452,393	43.8
Platinum Bullion	13,373.817	651.501	14,025.318	19,989,129	18,437,038	19.0
Silver Bullion	840,488.430	25,128.904	865,617.334	15,746,219	35,984,912	37.2
<b>Net Investment</b>				<b>48,687,076</b>	<b>96,874,343</b>	<b>100.0</b>
Cash and Other Assets Less Liabilities					(21,372)	(0.0)
<b>Net assets attributable to holders of redeemable units</b>					<b>96,852,971</b>	<b>100.0</b>

As at December 31, 2023

	Allocated ounces	Unallocated ounces	Total Fine ounces	Average Cost \$	Fair Value \$	Total %
Gold Bullion	14,224.233	572.019	14,796.252	16,713,683	40,238,243	43.9
Platinum Bullion	13,373.817	430.827	13,804.644	19,686,795	18,312,482	20.0
Silver Bullion	1,022,570.030	22,511.181	1,045,081.211	18,829,219	32,783,673	35.7
<b>Net Investment</b>				<b>55,229,697</b>	<b>91,334,398</b>	<b>99.6</b>
Cash and Other Assets Less Liabilities					393,105	0.4
<b>Net assets attributable to holders of redeemable units</b>					<b>91,727,503</b>	<b>100.0</b>

The BMG Fund's investments in bullion are held pursuant to a custodial agreement with a major Canadian chartered bank (or subsidiary thereof) on an allocated, segregated basis.

The allocated bullion is recorded by refinery, exact weight in ounces and identification number.

The BMG Fund's bullion is free and clear of any lien or claim that the major Canadian chartered bank (or subsidiary thereof) may have, except where the claim arises from any unpaid costs.

## NOTES TO FINANCIAL STATEMENTS

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### 1. Formation of the Fund

BMG BullionFund (the “BMG Fund”) was established under the laws of Ontario by a Master Declaration of Trust and a Regulation, each dated January 15, 2002, as amended. The address of the BMG Fund’s registered office is: 110 Cochrane Drive, Suite 200, Markham, ON L3R 9S1. Bullion Management Services Inc. (the “Manager”) is the trustee and manager of the BMG Fund. The BMG Fund currently offers nine classes of units.

The classes were first offered on the following dates:

Class A	March 5, 2002	Class C3	September 3, 2013
Class B2	February 24, 2014	Class D	January 16, 2018
Class B3	November 11, 2013	Class E15	February 20, 2008
Class C1	March 27, 2015	Class F	September 15, 2004
Class C2	March 12, 2014		

The BMG Fund is also authorized to issue Class G and Class I units, none of which are currently issued. All classes share the same attributes from a valuation perspective, except that they are subject to different management fee rates.

The BMG Fund invests in equal dollar proportions of unencumbered gold, silver and platinum bullion, with the objective of providing a secure, convenient, low-cost alternative for investors seeking to hold 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.

The financial statements were authorized for issue by the Board of Directors of the Manager on March 31, 2025.

### 2. Summary of Material Accounting Policy Information

#### Disclosure of Accounting Policies - Amendment to IAS 1

Effective January 1, 2023, the BMG Fund adopted the IAS 1 amendment with regards to disclosure of material accounting policies. This amendment did not have a material impact on these financial statements.

#### Basis of Preparation

These financial statements have been prepared in compliance with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

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

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2024 that have a material effect on the financial statements of the BMG Fund.

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise indicated.

#### Financial Instruments

##### (a) Classification

The BMG Fund classifies its investments in bullion based on both the BMG Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The performance of the investments in bullion is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. As such, the BMG Fund classifies its investments in bullion at fair value through profit or loss.

## NOTES TO FINANCIAL STATEMENTS (continued)

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The BMG Fund's obligation for net assets attributable to holders of redeemable units represents a financial liability and is measured at the redemption amount, which approximates fair value as of the reporting date. All other financial assets and liabilities are measured at amortized cost.

### *(b) Recognition/derecognition*

Purchases and sales of investments in 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 Comprehensive Income (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 assets.

Realized gains and losses on investments in bullion are recognized as "Net realized gains on investments in bullion" in the Statements of Comprehensive Income (Loss). Costs of investments in 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 as "Net change in unrealized gains (losses) on investments in bullion" in the Statements of Comprehensive Income (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, if any, 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 gold, silver and platinum bullion is priced based on available spot prices. The difference between the bullion spot prices and the average cost of the respective investments in bullion held at the Statements of Financial Position date is shown as "Net change in unrealized gains (losses) on investments in 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	Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the BMG Fund can access at the measurement date
Level 2	Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3	Inputs are unobservable inputs for the asset or liability

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

## **NOTES TO FINANCIAL STATEMENTS (continued)**

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### **Income and Expense Recognition**

The BMG Fund follows the daily accrual method of recording investment income and expenses. Expenses, such as management fees, 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.

### **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 prevailing on the dates that transactions occur. Foreign currency monetary assets and monetary liabilities are translated into the functional currency using the exchange rate prevailing on the measurement date. Foreign exchange gains and 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 increase (decrease) 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 year (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 Manager 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.

## NOTES TO FINANCIAL STATEMENTS *(continued)*

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### **New Standards, Interpretations and Amendments effective after December 31, 2024 that have not been early adopted**

No new standards and interpretations that are effective after December 31, 2024, have 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.

## NOTES TO FINANCIAL STATEMENTS (continued)

### Unitholder transactions during the years ended December 31:

	Class A		Class B2	
	2024	2023	2024	2023
Balance - beginning of year	3,749,820	4,345,060	175,809	186,302
Issued	54,482	95,721	-	26,819
Reinvested	36,892		894	
Redeemed	(651,469)	(690,961)	(102,162)	(37,312)
<b>Balance - end of year</b>	<b>3,189,725</b>	<b>3,749,820</b>	<b>74,541</b>	<b>175,809</b>
Average units outstanding	3,378,637	4,038,787	110,947	188,596

	Class B3		Class C1	
	2024	2023	2024	2023
Balance - beginning of year	77,912	78,809	151,021	152,032
Issued	-	-	-	2,014
Reinvested	477		1,749	
Redeemed	(38,642)	(897)	(6,878)	(3,025)
<b>Balance - end of year</b>	<b>39,747</b>	<b>77,912</b>	<b>145,892</b>	<b>151,021</b>
Average units outstanding	54,374	78,144	145,072	151,587

	Class C2		Class C3	
	2024	2023	2024	2023
Balance - beginning of year	49,207	92,525	553,276	644,425
Issued	24,502	-	120,420	203,853
Reinvested	592		5,280	
Redeemed	(24,952)	(43,318)	(238,657)	(295,002)
<b>Balance - end of year</b>	<b>49,349</b>	<b>49,207</b>	<b>440,319</b>	<b>553,276</b>
Average units outstanding	48,835	69,818	539,960	600,831

	Class D		Class E15	
	2024	2023	2024	2023
Balance - beginning of year	1,129,710	1,174,685	54,418	56,646
Issued	28,317	87,109	-	-
Reinvested	11,120		604	
Redeemed	(212,021)	(132,084)	(4,631)	(2,228)
<b>Balance - end of year</b>	<b>957,126</b>	<b>1,129,710</b>	<b>50,391</b>	<b>54,418</b>
Average units outstanding	1,018,680	1,132,729	51,521	54,912

	Class F	
	2024	2023
Balance - beginning of year	1,706,135	1,590,714
Issued	164,597	295,677
Reinvested	18,871	
Redeemed	(269,881)	(180,256)
<b>Balance - end of year</b>	<b>1,619,722</b>	<b>1,706,135</b>
Average units outstanding	1,681,650	1,685,876

## NOTES TO FINANCIAL STATEMENTS (continued)

### Total Net Assets Attributable to Holders of Redeemable Units per Class and per Unit

For the year ended December 31, 2024

	Net assets attributable to holders of redeemable units, beginning of year	Subscriptions	Reinvestments	Redemptions	Increase in net assets attributable to holders of redeemable units	Distribution from Capital Gain	Net assets attributable to holders of redeemable units, end of year	Net assets attributable to holders of redeemable units per unit	Increase in net assets attributable to holders of redeemable units per unit
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Class A	41,239,339	721,893	493,481	(8,057,071)	8,781,933	(512,874)	42,666,701	13.38	2.60
Class B2	2,002,259	-	12,484	(1,333,154)	371,939	(12,484)	1,041,044	13.97	3.35
Class B3	995,154	-	7,483	(596,842)	225,716	(7,483)	624,028	15.70	4.15
Class C1	1,965,392	-	28,089	(86,134)	463,110	(28,089)	2,342,368	16.06	3.19
Class C2	595,082	350,691	8,836	(350,691)	141,750	(8,836)	736,832	14.93	2.90
Class C3	6,273,049	1,470,350	73,997	(3,251,748)	1,678,980	(73,997)	6,170,631	14.01	3.11
Class D	14,665,404	427,653	177,506	(3,112,025)	3,302,760	(183,282)	15,278,016	15.96	3.24
Class E15	842,631	-	11,598	(81,569)	206,068	(11,598)	967,130	19.19	4.00
Class F	23,149,193	2,578,537	314,870	(4,294,031)	5,601,875	(324,223)	27,026,221	16.69	3.33
<b>Total</b>	<b>91,727,503</b>	<b>5,549,124</b>	<b>1,128,344</b>	<b>(21,163,265)</b>	<b>20,774,131</b>	<b>(1,162,866)</b>	<b>96,852,971</b>	<b>N/A</b>	<b>N/A</b>

For the year ended December 31, 2023

	Net assets attributable to holders of redeemable units, beginning of year	Subscriptions	Reinvestments	Redemptions	Increase in net assets attributable to holders of redeemable units	Distribution from Capital Gain	Net assets attributable to holders of redeemable units, end of year	Net assets attributable to holders of redeemable units per unit	Increase in net assets attributable to holders of redeemable units per unit
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Class A	48,520,916	1,075,489	-	(7,613,035)	(744,031)	-	41,239,339	11.00	(0.18)
Class B2	2,137,685	282,697	-	(424,650)	6,527	-	2,002,259	11.39	0.03
Class B3	1,011,439	-	-	(11,641)	(4,644)	-	995,154	12.77	(0.06)
Class C1	1,980,983	25,300	-	(39,413)	(1,478)	-	1,965,392	13.01	(0.01)
Class C2	1,119,001	-	-	(515,921)	(7,998)	-	595,082	12.09	(0.11)
Class C3	7,300,419	2,295,577	-	(3,209,551)	(113,396)	-	6,273,049	11.34	(0.19)
Class D	15,317,251	1,107,067	-	(1,723,195)	(35,719)	-	14,665,404	12.98	(0.03)
Class E15	874,065	-	-	(34,227)	2,793	-	842,631	15.48	0.05
Class F	21,676,977	4,050,185	-	(2,420,834)	(157,135)	-	23,149,193	13.57	(0.09)
<b>Total</b>	<b>99,938,736</b>	<b>8,836,315</b>	<b>-</b>	<b>(15,992,467)</b>	<b>(1,055,081)</b>	<b>-</b>	<b>91,727,503</b>	<b>N/A</b>	<b>N/A</b>

#### 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 C3	0.75%
Class B2	1.49%	Class D	1.25%
Class B3	1.25%	Class E15	0.50%
Class C1	1.00%	Class F	1.25%
Class C2	0.87%		

For the year ended December 31, 2024, the BMG Fund incurred management fees of \$1,597,679 [2023: \$1,584,549].

## NOTES TO FINANCIAL STATEMENTS (continued)

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### Holdings of Related Party

The Manager did not hold any units of funds on December 31, 2024 and 2023.

### 5. Sales Commission

A sales commission may be charged by a registered dealer or representative at the time an investor buys Class A units, Class B units, Class E units, or Class G units of the BMG Fund. The maximum amount of the sales commission for Classes A, B, E and G is 5% of the net amount invested. The sales commission is only negotiable for Classes A, B, E and G. No sales commission is currently charged for the other classes of 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 \$433,709 during the 2024 fiscal year [2023: \$458,831].

### 6. Income Tax Loss Carryforwards

As at December 31, 2024, the BMG Fund had no capital or 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.

### 7. Financial Risk Management

The BMG Fund's financial instruments consist primarily of cash, subscriptions receivable, investments in bullion, management fees payable, redemptions payable and accounts payable and accrued liabilities. The BMG Fund's cash and bullion holdings 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 investments in bullion will fluctuate because of changes in market prices or transaction timing. The market price of gold, silver and platinum 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 allocated one-third to each of gold, silver and platinum bullion. Since the BMG Fund does not lease bullion, the only future cash flows will be from dispositions of bullion. Dispositions of bullion will be necessary to pay redemptions when cash reserves are not adequate.

As at December 31, 2024, the effect on the BMG Fund's net assets if there were a 5% increase, or decrease, in the price of gold, silver and platinum bullion, with all other variables held constant, would be an increase, or decrease, of \$4,843,717 [2023: \$4,566,720].

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

#### Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. As at December 31, 2024 and 2023, 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 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.



## NOTES TO FINANCIAL STATEMENTS (continued)

### Liquidity Risk

Liquidity risk is the risk that a fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due, or can only do so on terms that are materially disadvantageous. 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, 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 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.

#### December 31, 2024

Financial liabilities	On demand	< 3 Months	Total
Management fees payable	\$ -	\$ 155,635	\$ 155,635
Redemptions payable	-	82,144	82,144
Accounts payable and accrued liabilities	-	146,680	146,680
Redeemable units	96,852,971	-	96,852,971

#### December 31, 2023

Financial liabilities	On demand	< 3 Months	Total
Management fees payable	\$ -	\$ 133,033	\$ 133,033
Redemptions payable	-	13,994	13,994
Accounts payable and accrued liabilities	-	111,738	111,738
Redeemable units	91,727,503	-	91,727,503

### Interest Rate Risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities, and future cash flow. The majority of the BMG Fund's financial assets and liabilities were non-interest-bearing as at December 31, 2024 and 2023. Accordingly, the BMG Fund is not exposed to significant risk due to fluctuations in the prevailing levels of market interest rates.

### Currency Risk

Foreign currency risk arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. 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 bullion when surplus cash is available. Normally the cash balance is less than 5% of the assets of the BMG Fund.

As at December 31, 2024, 100.2% (2023: 99.7%) 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 \$970,299 [2023: \$914,643].

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.

## NOTES TO FINANCIAL STATEMENTS (continued)

### Foreign Currency Exposure

December 31, 2024

Description	US \$	Canada \$	Total \$
Cash	155,581	207,506	363,087
Investments in bullion	96,874,343	-	96,874,343
Other Net Assets	-	(384,459)	(384,459)
<b>Net Assets</b>	<b>97,029,924</b>	<b>(176,953)</b>	<b>96,852,971</b>
<b>Percent</b>	<b>100.2%</b>	<b>(0.2)%</b>	<b>100.0%</b>

December 31, 2023

Description	US \$	Canada \$	Total \$
Cash	129,922	471,391	601,313
Investments in bullion	91,334,398	-	91,334,398
Other Net Assets	-	(208,208)	(208,208)
<b>Net Assets</b>	<b>91,464,320</b>	<b>263,183</b>	<b>91,727,503</b>
<b>Percent</b>	<b>99.7%</b>	<b>0.3%</b>	<b>100%</b>

### 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, accounts payable and accrued liabilities, redemptions payable, management fees 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 their fair value requires the use of significant unobservable inputs, in which case they are classified as Level 3.

There were no transfers between levels for the years ended December 31, 2024 and 2023. In addition, there were no investments or transactions classified in Level 3 for the years ended December 31, 2024 and 2023.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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### **10. Accounting Standard issued not yet effective**

The International Accounting Standards Board (IASB) issued IFRS 18, Presentation and Disclosure in Financial Statements on April 9, 2024, which will replace IAS 1, Presentation of Financial Statements. This new standard, effective for annual periods beginning on or after January 1, 2027, aims to improve financial statement comparability and transparency by introducing a more structured statement of comprehensive income. Key changes include new categories for income and expenses (operating, investing, and financing), defined subtotals like operating profit, and requirements for management-defined performance measures. It is anticipated the Fund's classification of income and expenses, particularly within the operating category, will be impacted. The Manager is actively assessing the implications of IFRS 18 and its impact on the Fund's financial statements and disclosures.



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