

BMO Guaranteed Investment Funds

SEMI-ANNUAL FINANCIAL STATEMENTS

June 30, 2018

NOTICE OF NO AUDITOR REVIEW OF THE SEMI-ANNUAL FINANCIAL STATEMENTS

BMO Life Assurance Company, the issuer of BMO Guaranteed Investment Funds (the "Funds"), appoints independent auditors to audit the Funds' Annual Financial Statements.

The Fund's independent auditors have not performed a review of these Semi-Annual Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.

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STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of Canadian dollars, except per unit data)

| As at | June 30 2018 | December 31 2017 |
|---|-----------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | 2,858 | 831 |
| Investments | | |
| Non-derivative financial assets | 7,682 | 7,628 |
| Subscriptions receivable | 12 | 0 |
| Distribution receivable from investment trusts | 11 | 8 |
| Total assets | 10,563 | 8,467 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Redemptions payable | 4 | 1 |
| Accrued expenses | 29 | 20 |
| Total liabilities | 33 | 21 |
| Net assets held for the benefit of policyowners | 10,530 | 8,446 |
| Net assets held for the benefit of policyowners | | |
| 75/75 Class A Units | 2,417 | 2,323 |
| 75/100 Class A Units | 4,243 | 2,665 |
| 100/100 Class A Units | 3,840 | 3,458 |
| 75/75 Class F Units | 10 | — |
| 75/100 Class F Units | 10 | — |
| 100/100 Class F Units | 10 | — |
| Net assets held for the benefit of policyowners per unit | | |
| 75/75 Class A Units | \$ 10.01 | \$ 10.01 |
| 75/100 Class A Units | \$ 10.01 | \$ 10.01 |
| 100/100 Class A Units | \$ 10.05 | \$ 10.05 |
| 75/75 Class F Units | \$ 10.00 | \$ — |
| 75/100 Class F Units | \$ 10.00 | \$ — |
| 100/100 Class F Units | \$ 10.00 | \$ — |

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in thousands of Canadian dollars, except per unit data)

| For the periods ended | June 30 2018 | June 30 2017 |
|--|-----------------|-----------------|
| INCOME | | |
| Distributions received from investment trusts | 57 | 27 |
| Net gain in fair value of investments and derivatives | 57 | 27 |
| Total income | 57 | 27 |
| EXPENSES | | |
| Management fees (note 7) | 55 | 34 |
| Fixed administration fees (note 7) | 14 | 8 |
| Interest charges | — | 0 |
| Operating expenses absorbed by the Manager | (14) | (17) |
| Total expenses | 55 | 25 |
| Increase in net assets held for the benefit of policyowners | 2 | 2 |
| Increase in net assets held for the benefit of policyowner | | |
| 75/75 Class A Units | 0 | 0 |
| 75/100 Class A Units | 1 | 1 |
| 100/100 Class A Units | 1 | 1 |
| 75/75 Class F Units | 0 | — |
| 75/100 Class F Units | 0 | — |
| 100/100 Class F Units | 0 | — |
| Increase in net assets held for the benefit of policyowners per unit (note 3) | | |
| 75/75 Class A Units | 0.00 | 0.00 |
| 75/100 Class A Units | 0.00 | 0.00 |
| 100/100 Class A Units | 0.00 | 0.00 |
| 75/75 Class F Units | 0.00 | — |
| 75/100 Class F Units | 0.00 | — |
| 100/100 Class F Units | 0.00 | — |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| 75/75 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 2,323 | 541 |
| Increase in net assets held for the benefit of policyowners | 0 | 0 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 2,234 | 1,134 |
| Withdrawal of withdrawable units | (2,140) | (353) |
| Net increase from withdrawable unit transactions | 94 | 781 |
| Net increase in net assets held for the benefit of policyowners | 94 | 781 |
| Net assets held for the benefit of policyowners | 2,417 | 1,322 |
| 75/100 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 2,665 | 1,294 |
| Increase in net assets held for the benefit of policyowners | 1 | 1 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 3,281 | 1,235 |
| Withdrawal of withdrawable units | (1,704) | (870) |
| Net increase from withdrawable unit transactions | 1,577 | 365 |
| Net increase in net assets held for the benefit of policyowners | 1,578 | 366 |
| Net assets held for the benefit of policyowners | 4,243 | 1,660 |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| 100/100 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 3,458 | 3,872 |
| Increase in net assets held for the benefit of policyowners | 1 | 1 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 2,334 | 2,035 |
| Withdrawal of withdrawable units | (1,953) | (2,313) |
| Net increase (decrease) from withdrawable unit transactions | 381 | (278) |
| Net increase (decrease) in net assets held for the benefit of policyowners | 382 | (277) |
| Net assets held for the benefit of policyowners | 3,840 | 3,595 |
| 75/75 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |
| 75/100 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| 100/100 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| Total Fund | | |
| Net assets held for the benefit of policyowners at beginning of period | 8,446 | 5,707 |
| Increase in net assets held for the benefit of policyowners | 2 | 2 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 7,879 | 4,404 |
| Withdrawal of withdrawable units | (5,797) | (3,536) |
| Net increase from withdrawable unit transactions | 2,082 | 868 |
| Net increase in net assets held for the benefit of policyowners | 2,084 | 870 |
| Net assets held for the benefit of policyowners | 10,530 | 6,577 |

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| Cash flows from operating activities | | |
| Increase in net assets held for the benefit of policyowners | 2 | 2 |
| Adjustments for: | | |
| Increase in distribution receivable from investment trusts | (3) | (1) |
| Increase in accrued expenses | 9 | 2 |
| Purchases of investments | (54) | (626) |
| Proceeds from sale and maturity of investments | — | 265 |
| Net cash from operating activities | (46) | (358) |
| Cash flows from financing activities | | |
| Proceeds from issuances of withdrawable units | 7,867 | 4,243 |
| Amounts paid on withdrawal of withdrawable units | (5,794) | (3,566) |
| Net cash from financing activities | 2,073 | 677 |
| Net increase in cash | 2,027 | 319 |
| Cash at beginning of period | 831 | 320 |
| Cash at end of period | 2,858 | 639 |
| Supplementary Information: | | |
| Distributions received from investment trusts* | 54 | 26 |
| Interest expense paid* | — | 0 |

*These items are from operating activities

SCHEDULE OF INVESTMENT PORTFOLIO

(All amounts in thousands of Canadian dollars, unless otherwise noted)

| <i>As at June 30, 2018</i> | Number of Units | Cost (\$) | Fair Value (\$) |
|---|----------------------------|----------------------|--------------------------------|
| HOLDINGS IN INVESTMENT FUND | | | |
| Money Market Fund — 73.0% | | | |
| BMO Money Market Fund, Series I | 7,682 | 7,682 | 7,682 |
| Total Investment Portfolio — 73.0% | | 7,682 | 7,682 |
| Other Assets Less Liabilities — 27.0% | | | 2,848 |
| NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0% | | | 10,530 |

The accompanying notes are an integral part of these financial statements.

BMO Money Market GIF

Notes to the Financial Statements (unaudited)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 100/100 Class A Units, 75/75 Class F Units, 75/100 Class F Units and 100/100 Class F Units, which are withdrawable at the policyowners' option.

| Class | Launch Date |
|-----------------------|------------------|
| 75/75 Class A Units | June 21, 2016 |
| 75/100 Class A Units | June 21, 2016 |
| 100/100 Class A Units | December 2, 2013 |
| 75/75 Class F Units | May 14, 2018 |
| 75/100 Class F Units | May 14, 2018 |
| 100/100 Class F Units | May 14, 2018 |

Change in units

The number of units that have been issued and are outstanding are disclosed in the table below.

| For the periods ended (in thousands of units) | June 30, 2018 | June 30, 2017 |
|---|------------------|------------------|
| 75/75 Class A Units | | |
| Units issued and outstanding, beginning of period | 232 | 54 |
| Issued for cash | 223 | 113 |
| Withdrawn during the period | (214) | (35) |
| Units issued and outstanding, end of period | 241 | 132 |
| 75/100 Class A Units | | |
| Units issued and outstanding, beginning of period | 266 | 129 |
| Issued for cash | 328 | 124 |
| Withdrawn during the period | (170) | (87) |
| Units issued and outstanding, end of period | 424 | 166 |
| 100/100 Class A Units | | |
| Units issued and outstanding, beginning of period | 344 | 385 |
| Issued for cash | 232 | 203 |
| Withdrawn during the period | (194) | (230) |
| Units issued and outstanding, end of period | 382 | 358 |
| 75/75 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |

| For the periods ended (in thousands of units) | June 30, 2018 | June 30, 2017 |
|---|------------------|------------------|
| 75/100 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |
| 100/100 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |

Units held by the Company

The Company held the following units of the Fund:

| As at June 30, 2018 Class | Number of Units | Value of Units (\$) |
|------------------------------|-----------------|---------------------|
| 75/75 Class F Units | 1,000 | 10 |
| 75/100 Class F Units | 1,000 | 10 |
| 100/100 Class F Units | 1,000 | 10 |

There were no units held by the Company as at December 31, 2017.

Financial instruments risk

The Fund's objective is to provide a high level of interest income and liquidity and to preserve the capital invested. The Fund invests primarily in mutual funds that invest in high-quality money market instruments issued by governments and corporations in Canada.

Financial instrument risk of the underlying fund

The Fund is indirectly exposed to currency risk, interest rate risk, other market risk and credit risk through its investment in the underlying fund to the extent the underlying fund was exposed to these risks.

Fair value hierarchy

| As at June 30, 2018 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|-------|
| Investment fund | 7,682 | — | — | 7,682 |

| As at December 31, 2017 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|-------|
| Investment fund | 7,628 | — | — | 7,628 |

Transfers between levels

There were no transfers between the levels during the 2018 period (2017 – \$nil).

BMO Money Market GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the table below.

| | As at June 30, 2018 | As at December 31, 2017 |
|---|---------------------------|-------------------------------|
| Carrying amount | | |
| BMO Money Market Fund, Series I | 7,682 | 7,628 |
| Carrying amount as a % of the underlying fund's Net Assets | | |
| BMO Money Market Fund, Series I | 1.50% | 1.39% |

Increase or decrease in net assets held for the benefit of policyowners

The increase (decrease) in net assets held for the benefit of policyowners for the periods ended June 30, 2018 and June 30, 2017 is calculated as follows:

| <i>For the periods ended</i> | June 30, 2018 | June 30, 2017 |
|--|------------------|------------------|
| 75/75 Class A Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | 0 |
| Weighted average units outstanding during the period | 241 | 62 |
| Increase in net assets held for the benefit of policyowners per unit | 0.00 | 0.00 |
| 75/100 Class A Units | | |
| Increase in net assets held for the benefit of policyowners | 1 | 1 |
| Weighted average units outstanding during the period | 372 | 148 |
| Increase in net assets held for the benefit of policyowners per unit | 0.00 | 0.00 |
| 100/100 Class A Units | | |
| Increase in net assets held for the benefit of policyowners | 1 | 1 |
| Weighted average units outstanding during the period | 371 | 402 |
| Increase in net assets held for the benefit of policyowners per unit | 0.00 | 0.00 |

| <i>For the periods ended</i> | June 30, 2018 | June 30, 2017 |
|--|------------------|------------------|
| 75/75 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.00 | — |
| 75/100 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.00 | — |
| 100/100 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.00 | — |

Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended June 30, 2018 and June 30, 2017.

Concentration risk

The following is a summary of the Fund's concentration risk:

| <i>As at</i> | June 30, 2018 | December 31, 2017 |
|--------------------------------------|------------------|----------------------|
| Investment Fund | | |
| Money Market Fund | 73.0% | 90.3% |
| Other Assets less Liabilities | 27.0% | 9.7% |
| | 100.0% | 100.0% |

Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2018 and December 31, 2017.

The accompanying notes are an integral part of these financial statements.

BMO Money Market GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

IFRS 9 transition

Upon transition to IFRS 9, financial assets and financial liabilities in the Fund's investment portfolio were classified as FVTPL. The classification differs from the classification under the previous IAS 39 for the financial assets and financial liabilities that were previously classified as held for trading; therefore, there were changes in the categorization of financial assets and financial liabilities upon transition to IFRS 9. However, there were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9. The tables below show the reconciliation of the financial assets and financial liabilities balances as at January 1, 2018, the IFRS 9 transition date.

| As at January 1, 2018 Financial Assets | Held for Trading | Designated as FVTPL | Loans and Receivables** | FVTPL |
|--|---------------------|------------------------|----------------------------|-------|
| Opening balance – under IAS 39 | — | 7,628 | 8 | — |
| On the basis of change from IAS 39 to IFRS 9: – reclassification of investments to FVTPL* | — | (7,628) | — | 7,628 |
| Total change on transition to IFRS 9 | — | (7,628) | — | 7,628 |
| Opening balance – under IFRS 9 | — | — | 8 | 7,628 |

* These are financial instruments (derivatives) classified as held for trading and others designated as FVTPL under IAS 39.

** These are other financial assets classified as loans and receivables under IAS 39, now classified as amortized cost under IFRS 9.

| As at January 1, 2018 Financial Liabilities | Held for Trading | Amortized Cost** | FVTPL |
|--|---------------------|---------------------|-------|
| Opening balance – under IAS 39 | — | 21 | — |
| On the basis of change from IAS 39 to IFRS 9: – reclassification of shorts and other derivatives* | — | — | — |
| Total change on transition to IFRS 9 | — | — | — |
| Opening balance – under IFRS 9 | — | 21 | — |

* These are financial liabilities (such as shorts and derivatives) classified as held for trading under IAS 39.

** These are other financial liabilities that continue to be classified as amortized cost.

BMO Money Market GIF

Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Financial Highlights (unaudited)

The following table shows selected key financial information about the Fund which is intended to help you understand the Fund's financial performance for the periods indicated.

| 75/75 Class A Units | Six months ended June 30, 2018 | Years ended December 31, 2017 2016 ⁽⁴⁾ | | |
|--|-----------------------------------|--|-------|--|
| Net assets (\$000s) ⁽¹⁾ | \$ 2,417 | 2,323 | 541 | |
| Net asset value per unit | \$ 10.01 | 10.01 | 10.00 | |
| Units issued and outstanding (000s) ⁽¹⁾ | 241 | 232 | 54 | |
| Management fees | % 1.00 | 1.00 | 1.00 | |
| Management expense ratio ⁽²⁾ | % 1.11 | 0.96 | 0.74 | |
| Management expense ratio before waivers | % 1.40 | 1.37 | 1.37 | |

| 75/100 Class A Units | Six months ended June 30, 2018 | Years ended December 31, 2017 2016 ⁽⁴⁾ | | |
|--|-----------------------------------|--|-------|--|
| Net assets (\$000s) ⁽¹⁾ | \$ 4,243 | 2,665 | 1,294 | |
| Net asset value per unit | \$ 10.01 | 10.01 | 10.00 | |
| Units issued and outstanding (000s) ⁽¹⁾ | 424 | 266 | 129 | |
| Management fees | % 1.00 | 1.00 | 1.00 | |
| Management expense ratio ⁽²⁾ | % 1.12 | 0.93 | 0.80 | |
| Management expense ratio before waivers | % 1.40 | 1.41 | 1.41 | |

| 100/100 Class A Units | Six months ended June 30, 2018 | Years ended December 31, 2017 2016 2015 2014 2013 ⁽³⁾ | | | | | |
|--|-----------------------------------|---|-------|-------|-------|-------|--|
| Net assets (\$000s) ⁽¹⁾ | \$ 3,840 | 3,458 | 3,872 | 2,760 | 1,187 | 550 | |
| Net asset value per unit | \$ 10.05 | 10.05 | 10.04 | 10.04 | 10.01 | 10.00 | |
| Units issued and outstanding (000s) ⁽¹⁾ | 382 | 344 | 385 | 274 | 118 | 55 | |
| Management fees | % 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | |
| Management expense ratio ⁽²⁾ | % 1.11 | 0.91 | 0.73 | 0.56 | 0.85 | 0.81 | |
| Management expense ratio before waivers | % 1.40 | 1.40 | 1.39 | 1.37 | 1.39 | 1.41 | |

| 75/75 Class F Units | May 14, 2018 to June 30, 2018 |
|--|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ 10 |
| Net asset value per unit | \$ 10.00 |
| Units issued and outstanding (000s) ⁽¹⁾ | 1 |
| Management fees | % 0.50 |
| Management expense ratio ⁽²⁾ | % 0.85 |
| Management expense ratio before waivers | % 0.85 |

| 75/100 Class F Units | May 14, 2018 to June 30, 2018 |
|--|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ 10 |
| Net asset value per unit | \$ 10.00 |
| Units issued and outstanding (000s) ⁽¹⁾ | 1 |
| Management fees | % 0.50 |
| Management expense ratio ⁽²⁾ | % 0.85 |
| Management expense ratio before waivers | % 0.85 |

| 100/100 Class F Units | May 14, 2018 to June 30, 2018 |
|---|----------------------------------|
| Net assets (\$000s) | \$ 10 |
| Net asset value per unit (\$) | \$ 10.00 |
| Units issued and outstanding (000s) | 1 |
| Management fees (%) | % 0.50 |
| Management expense ratio (%) | % 0.85 |
| Management expense ratio before waivers (%) | % 0.85 |

⁽¹⁾ The information is provided as at June 30 or December 31 of the period shown, as applicable.

⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

⁽³⁾ The information shown in this column is for the period beginning December 2, 2013 (the class inception date) and ending December 31, 2013.

⁽⁴⁾ The information shown in this column is for the period beginning June 21, 2016 (the class' inception date) and ending December 31, 2016.

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of Canadian dollars, except per unit data)

| As at | June 30 2018 | December 31 2017 |
|---|-----------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | 64 | 202 |
| Investments | | |
| Non-derivative financial assets | 17,647 | 21,084 |
| Receivable for investments sold | 53 | — |
| Distribution receivable from investment trusts | 82 | 95 |
| Total assets | 17,846 | 21,381 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Payable for investments purchased | — | 27 |
| Redemptions payable | 79 | 20 |
| Accrued expenses | 122 | 147 |
| Total liabilities | 201 | 194 |
| Net assets held for the benefit of policyowners | 17,645 | 21,187 |
| Net assets held for the benefit of policyowners | | |
| 100/100 Class A Units | 10,385 | 11,092 |
| 100/100 Prestige Class Units | 7,250 | 10,095 |
| 100/100 Class F Units | 10 | — |
| Net assets held for the benefit of policyowners per unit | | |
| 100/100 Class A Units | \$ 10.46 | \$ 10.48 |
| 100/100 Prestige Class Units | \$ 10.01 | \$ 9.97 |
| 100/100 Class F Units | \$ 10.15 | \$ — |

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in thousands of Canadian dollars, except per unit data)

| For the periods ended | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| INCOME | | |
| Interest income | 1 | — |
| Distributions received from investment trusts | 244 | 273 |
| Other changes in fair value of investments and derivatives | | |
| Net realized gain | 102 | 184 |
| Change in unrealized depreciation | (155) | (123) |
| Net gain in fair value of investments and derivatives | 192 | 334 |
| Total income | 192 | 334 |
| EXPENSES | | |
| Management fees (note 7) | 126 | 154 |
| Fixed administration fees (note 7) | 26 | 30 |
| Insurance fees (note 7) | 107 | 124 |
| Commissions and other portfolio transaction costs (note 7) | 6 | 4 |
| Total expenses | 265 | 312 |
| (Decrease) increase in net assets held for the benefit of policyowners | (73) | 22 |
| (Decrease) increase in net assets held for the benefit of policyowners | | |
| 100/100 Class A Units | (20) | 18 |
| 100/100 Prestige Class Units | (53) | 4 |
| 100/100 Class F Units | 0 | — |
| (Decrease) increase in net assets held for the benefit of policyowners per unit (note 3) | | |
| 100/100 Class A Units | (0.02) | 0.01 |
| 100/100 Prestige Class Units | (0.06) | 0.01 |
| 100/100 Class F Units | 0.15 | — |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| 100/100 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 11,092 | 17,529 |
| (Decrease) increase in net assets held for the benefit of policyowners | (20) | 18 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 1,744 | 1,900 |
| Withdrawal of withdrawable units | (2,431) | (7,670) |
| Net decrease from withdrawable unit transactions | (687) | (5,770) |
| Net decrease in net assets held for the benefit of policyowners | (707) | (5,752) |
| Net assets held for the benefit of policyowners | 10,385 | 11,777 |
| 100/100 Prestige Class Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 10,095 | 5,470 |
| (Decrease) increase in net assets held for the benefit of policyowners | (53) | 4 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 784 | 5,828 |
| Withdrawal of withdrawable units | (3,576) | (1,923) |
| Net (decrease) increase from withdrawable unit transactions | (2,792) | 3,905 |
| Net (decrease) increase in net assets held for the benefit of policyowners | (2,845) | 3,909 |
| Net assets held for the benefit of policyowners | 7,250 | 9,379 |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| 100/100 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |
| Total Fund | | |
| Net assets held for the benefit of policyowners at beginning of period | 21,187 | 22,999 |
| (Decrease) increase in net assets held for the benefit of policyowners | (73) | 22 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 2,538 | 7,728 |
| Withdrawal of withdrawable units | (6,007) | (9,593) |
| Net decrease from withdrawable unit transactions | (3,469) | (1,865) |
| Net decrease in net assets held for the benefit of policyowners | (3,542) | (1,843) |
| Net assets held for the benefit of policyowners | 17,645 | 21,156 |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|--|-----------------|-----------------|
| Cash flows from operating activities | | |
| (Decrease) increase in net assets held for the benefit of policyowners | (73) | 22 |
| Adjustments for: | | |
| Net realized gain on sale of investments and derivatives | (102) | (184) |
| Change in unrealized depreciation of investments and derivatives | 155 | 123 |
| Decrease in distribution receivable from investment trusts | 13 | 13 |
| Decrease in accrued expenses | (25) | (5) |
| Purchases of investments | (4,466) | (3,048) |
| Proceeds from sale and maturity of investments | 7,770 | 4,803 |
| Net cash from operating activities | 3,272 | 1,724 |
| Cash flows from financing activities | | |
| Proceeds from issuances of withdrawable units | 1,630 | 2,651 |
| Amounts paid on withdrawal of withdrawable units | (5,040) | (4,406) |
| Net cash from financing activities | (3,410) | (1,755) |
| Net decrease in cash | (138) | (31) |
| Cash at beginning of period | 202 | 251 |
| Cash at end of period | 64 | 220 |
| Supplementary Information: | | |
| Interest received, net of withholding taxes* | 1 | — |
| Distributions received from investment trusts* | 257 | 286 |

*These items are from operating activities

SCHEDULE OF INVESTMENT PORTFOLIO

(All amounts in thousands of Canadian dollars, unless otherwise noted)

| <i>As at June 30, 2018</i> | Number of Units | Cost* (\$) | Fair Value (\$) |
|---|--------------------|---------------|-----------------------|
| HOLDINGS IN INVESTMENT FUNDS | | | |
| Canadian Equity Fund — 46.4% | | | |
| BMO S&P/TSX Capped Composite Index ETF | 373,360 | 7,703 | 8,198 |
| Fixed Income Funds — 42.1% | | | |
| BMO Mid Corporate Bond Index ETF | 152,730 | 2,502 | 2,431 |
| BMO Mid Federal Bond Index ETF | 279,420 | 4,624 | 4,438 |
| BMO Mid-Term US IG Corporate Bond Index ETF | 31,030 | 619 | 558 |
| | | 7,745 | 7,427 |
| International Equity Fund — 4.6% | | | |
| BMO MSCI EAFE Index ETF | 42,970 | 738 | 811 |
| U.S. Equity Fund — 6.9% | | | |
| BMO S&P 500 Index ETF | 30,840 | 1,015 | 1,211 |
| Total Investment Portfolio — 100.0% | | 17,201 | 17,647 |
| Other Assets Less Liabilities — 0.0% | | | (2) |
| NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0% | | | 17,645 |

*Where applicable, distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio.

BMO Canadian Balanced Growth GIF

Notes to the Financial Statements (unaudited)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 100/100 Class A Units, 100/100 Prestige Class Units, and 100/100 Class F Units, which are withdrawable at the policyowners' option.

| Class | Launch Date |
|------------------------------|------------------|
| 100/100 Class A Units | December 2, 2013 |
| 100/100 Prestige Class Units | October 1, 2014 |
| 100/100 Class F Units | May 14, 2018 |

Change in units

The number of units that have been issued and are outstanding are disclosed in the table below.

| For the periods ended (in thousands of units) | June 30, 2018 | June 30, 2017 |
|--|------------------|------------------|
|--|------------------|------------------|

100/100 Class A Units

| | | |
|---|-------|-------|
| Units issued and outstanding, beginning of period | 1,058 | 1,708 |
| Issued for cash | 169 | 183 |
| Withdrawn during the period | (235) | (745) |
| Units issued and outstanding, end of period | 992 | 1,146 |

100/100 Prestige Class Units

| | | |
|---|-------|-------|
| Units issued and outstanding, beginning of period | 1,013 | 562 |
| Issued for cash | 79 | 595 |
| Withdrawn during the period | (366) | (195) |
| Units issued and outstanding, end of period | 726 | 962 |

100/100 Class F Units

| | | |
|---|---|---|
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |

Units held by the Company

The Company held the following units of the Fund:

| As at June 30, 2018 Class | Number of Units | Value of Units (\$) |
|------------------------------|-----------------|---------------------|
| 100/100 Class F Units | 1,000 | 10 |

There were no units held by the Company as at December 31, 2017.

The accompanying notes are an integral part of these financial statements.

Financial instruments risk

The Fund's objective is to achieve long term capital growth and income. The Fund invests primarily in exchange traded funds that invest in Canadian equity and fixed income securities.

Financial instrument risk of the underlying funds

The Fund is indirectly exposed to currency risk, interest rate risk, other market risk, and credit risk through its investments in the underlying funds to the extent the underlying funds were exposed to these risks.

Fair value hierarchy

| As at June 30, 2018 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|--------|
| Investment funds | 17,647 | — | — | 17,647 |

| As at December 31, 2017 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|--------|
| Investment funds | 21,084 | — | — | 21,084 |

Transfers between levels

There were no transfers between the levels during the 2018 period (2017 – \$nil).

Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the table below.

| Carrying amount | As at June 30, 2018 | As at December 31, 2017 |
|---|---------------------------|-------------------------------|
| BMO Mid Corporate Bond Index ETF | 2,431 | 3,093 |
| BMO Mid Federal Bond Index ETF | 4,438 | 5,701 |
| BMO Mid-Term US IG Corporate Bond Index ETF | 558 | 706 |
| BMO MSCI EAFE Index ETF | 811 | 924 |
| BMO S&P 500 Index ETF | 1,211 | 1,376 |
| BMO S&P/TSX Capped Composite Index ETF | 8,198 | 9,284 |
| Total | 17,647 | 21,084 |

Carrying amount as a % of the underlying fund's Net Assets

| | | |
|---|-------|-------|
| BMO Mid Corporate Bond Index ETF | 0.20% | 0.23% |
| BMO Mid Federal Bond Index ETF | 0.83% | 1.14% |
| BMO Mid-Term US IG Corporate Bond Index ETF | 0.04% | 0.05% |
| BMO MSCI EAFE Index ETF | 0.04% | 0.05% |
| BMO S&P 500 Index ETF | 0.02% | 0.03% |
| BMO S&P/TSX Capped Composite Index ETF | 0.22% | 0.29% |

BMO Canadian Balanced Growth GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Increase or decrease in net assets held for the benefit of policyowners

The increase (decrease) in net assets held for the benefit of policyowners for the periods ended June 30, 2018 and June 30, 2017 is calculated as follows:

| <i>For the periods ended</i> | June 30, 2018 | June 30, 2017 |
|---|------------------|------------------|
| 100/100 Class A Units | | |
| (Decrease) increase in net assets held for the benefit of policyowners | (20) | 18 |
| Weighted average units outstanding during the period | 1,033 | 1,682 |
| (Decrease) increase in net assets held for the benefit of policyowners per unit | (0.02) | 0.01 |
| 100/100 Prestige Class Units | | |
| (Decrease) increase in net assets held for the benefit of policyowners | (53) | 4 |
| Weighted average units outstanding during the period | 852 | 457 |
| (Decrease) increase in net assets held for the benefit of policyowners per unit | (0.06) | 0.01 |
| 100/100 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.15 | — |

Brokerage commissions

| <i>For the periods ended</i> | June 30, 2018 (\$) | June 30, 2017 (\$) |
|---|--------------------------|--------------------------|
| Total brokerage amounts paid | 6 | 4 |
| Total brokerage amounts paid to related parties | 1 | 1 |

The Company may select brokers who charge a commission in "soft dollars" if they determine in good faith that the commission is reasonable in relation to the order execution and research services utilized. There were no ascertainable soft dollars paid or payable to dealers by the Fund during the periods.

Concentration risk

The following is a summary of the Fund's concentration risk:

| <i>As at</i> | June 30, 2018 | December 31, 2017 |
|--------------------------------------|------------------|----------------------|
| Investment Funds | | |
| Canadian Equity Fund | 46.4% | 43.8% |
| Fixed Income Funds | 42.1% | 44.8% |
| International Equity Fund | 4.6% | 4.4% |
| U.S. Equity Fund | 6.9% | 6.5% |
| Other Assets less Liabilities | 0.0% | 0.5% |
| | 100.0% | 100.0% |

Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2018 and December 31, 2017.

IFRS 9 transition

Upon transition to IFRS 9, financial assets and financial liabilities in the Fund's investment portfolio were classified as FVTPL. The classification differs from the classification under the previous IAS 39 for the financial assets and financial liabilities that were previously classified as held for trading; therefore, there were changes in the categorization of financial assets and financial liabilities upon transition to IFRS 9. However, there were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9. The tables below show the reconciliation of the financial assets and financial liabilities balances as at January 1, 2018, the IFRS 9 transition date.

| <i>As at January 1, 2018 Financial Assets</i> | Held for Trading | Designated as FVTPL | Loans and Receivables** | FVTPL |
|---|---------------------|------------------------|----------------------------|--------|
| Opening balance – under IAS 39 | — | 21,084 | 95 | — |
| On the basis of change from IAS 39 to IFRS 9: | | | | |
| – reclassification of investments to FVTPL* | — | (21,084) | — | 21,084 |
| Total change on transition to IFRS 9 | — | (21,084) | — | 21,084 |
| Opening balance – under IFRS 9 | — | — | 95 | 21,084 |

* These are financial instruments (derivatives) classified as held for trading and others designated as FVTPL under IAS 39.

** These are other financial assets classified as loans and receivables under IAS 39, now classified as amortized cost under IFRS 9.

BMO Canadian Balanced Growth GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information *(All amounts in thousands of Canadian dollars, except per unit data)*

June 30, 2018

| As at January 1, 2018 Financial Liabilities | Held for Trading | Amortized Cost** | FVTPL |
|--|---------------------|---------------------|-------|
| Opening balance – under IAS 39 | — | 194 | — |
| On the basis of change from IAS 39 to IFRS 9: | | | |
| – reclassification of shorts and other derivatives* | — | — | — |
| Total change on transition to IFRS 9 | — | — | — |
| Opening balance – under IFRS 9 | — | 194 | — |

* These are financial liabilities (such as shorts and derivatives) classified as held for trading under IAS 39.

** These are other financial liabilities that continue to be classified as amortized cost.

BMO Canadian Balanced Growth GIF

Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Financial Highlights (unaudited)

The following table shows selected key financial information about the Fund which is intended to help you understand the Fund's financial performance for the periods indicated.

| 100/100 Class A Units | | Six months ended | | Years ended December 31, | | | | 2013 ⁽⁴⁾ |
|--|----|------------------|--------|--------------------------|-------------------|-------|------|---------------------|
| | | June 30, 2018 | 2017 | 2016 | 2015 | 2014 | | |
| Net assets (\$000s) ⁽¹⁾ | \$ | 10,385 | 11,092 | 17,529 | 14,895 | 9,589 | 104 | |
| Net asset value per unit ⁽¹⁾ | \$ | 10.46 | 10.48 | 10.26 | 9.93 | 10.47 | 9.98 | |
| Units issued and outstanding (000s) ⁽¹⁾ | | 992 | 1,058 | 1,708 | 1,500 | 916 | 10 | |
| Management fees | % | 1.50 | 1.50 | 1.50 | 1.50 [†] | 1.55 | 1.55 | |
| Management expense ratio ⁽²⁾ | % | 3.08 | 3.07 | 3.06 | 3.19 | 3.41 | 3.45 | |
| Management expense ratio before waivers | % | 3.08 | 3.07 | 3.06 | 3.19 | 3.41 | 3.45 | |
| Portfolio turnover rate ⁽³⁾ | % | 23.44 | 28.35 | 52.00 | 52.01 | 13.98 | — | |

| 100/100 Prestige Class Units | | Six months ended | | Years ended December 31, | | | | 2013 |
|---|----|------------------|--------|--------------------------|--------------------|---------------------|---|------|
| | | June 30, 2018 | 2017 | 2016 | 2015 | 2014 ⁽⁵⁾ | | |
| Net assets (\$000s) | \$ | 7,250 | 10,095 | 5,470 | 3,631 | 1,111 | — | |
| Net asset value per unit | \$ | 10.01 | 9.97 | 9.75 | 9.39 | 9.86 | — | |
| Units issued and outstanding (000s) | | 726 | 1,013 | 562 | 387 | 113 | — | |
| Management fees | % | 1.15 | 1.15 | 1.15 | 1.15 ^{**} | 1.20 | — | |
| Management expense ratio | % | 2.64 | 2.66 | 2.66 | 2.68 | 3.05 | — | |
| Management expense ratio before waivers | % | 2.64 | 2.66 | 2.66 | 2.68 | 3.05 | — | |
| Portfolio turnover rate | % | 23.44 | 28.35 | 52.00 | 52.01 | 13.98 | — | |

| 100/100 Class F Units | | May 14, 2018 to June 30, 2018 |
|--|----|-------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 10 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.15 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 1 |
| Management fees | % | 0.50 |
| Management expense ratio ⁽²⁾ | % | 2.01 |
| Management expense ratio before waivers | % | 2.01 |
| Portfolio turnover rate ⁽³⁾ | % | 23.44 |

⁽¹⁾ The information is provided as at June 30 or December 31 of the period shown, as applicable.

⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

⁽³⁾ The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover ratio in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover ratio and the performance of the fund. For the financial period ended December 31, 2013, no sales of portfolio securities were made in the Fund. As a result, the portfolio turnover ratio for this period was zero.

⁽⁴⁾ The information in this column is for the period beginning December 2, 2013 (the class' inception date) and ending December 31, 2013.

⁽⁵⁾ The information in this column is for the period beginning October 1, 2014 (the class' inception date) and ending December 31, 2014.

[†] Effective May 1, 2015, the management fee rate was reduced from 1.55% to 1.50%.

^{**} Effective May 1, 2015, the management fee rate was reduced from 1.20% to 1.15%.

STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of Canadian dollars, except per unit data)

| As at | June 30 2018 | December 31 2017 |
|---|-----------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | 62 | 99 |
| Investments | | |
| Non-derivative financial assets | 7,156 | 7,347 |
| Subscriptions receivable | — | 4 |
| Distribution receivable from investment trusts | 26 | 27 |
| Total assets | 7,244 | 7,477 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Payable for investments purchased | 18 | 32 |
| Redemptions payable | 3 | 14 |
| Accrued expenses | 47 | 52 |
| Total liabilities | 68 | 98 |
| Net assets held for the benefit of policyowners | 7,176 | 7,379 |
| Net assets held for the benefit of policyowners | | |
| 100/100 Class A Units | 4,829 | 5,104 |
| 100/100 Prestige Class Units | 2,337 | 2,275 |
| 100/100 Class F Units | 10 | — |
| Net assets held for the benefit of policyowners per unit | | |
| 100/100 Class A Units | \$ 10.07 | \$ 10.09 |
| 100/100 Prestige Class Units | \$ 9.74 | \$ 9.75 |
| 100/100 Class F Units | \$ 10.12 | \$ — |

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in thousands of Canadian dollars, except per unit data)

| For the periods ended | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| INCOME | | |
| Interest income | 0 | — |
| Distributions received from investment trusts | 98 | 110 |
| Other changes in fair value of investments and derivatives | | |
| Net realized gain | 27 | 70 |
| Change in unrealized (depreciation) appreciation | (40) | 70 |
| Net gain in fair value of investments and derivatives | 85 | 250 |
| Total income | 85 | 250 |
| EXPENSES | | |
| Management fees (note 7) | 53 | 65 |
| Fixed administration fees (note 7) | 10 | 12 |
| Insurance fees (note 7) | 31 | 37 |
| Interest expense | — | 0 |
| Commissions and other portfolio transaction costs (note 7) | 2 | 2 |
| Total expenses | 96 | 116 |
| (Decrease) increase in net assets held for the benefit of policyowners | (11) | 134 |
| (Decrease) increase in net assets held for the benefit of policyowners | | |
| 100/100 Class A Units | (12) | 101 |
| 100/100 Prestige Class Units | 1 | 33 |
| 100/100 Class F Units | 0 | — |
| (Decrease) increase in net assets held for the benefit of policyowners per unit (note 3) | | |
| 100/100 Class A Units | (0.03) | 0.16 |
| 100/100 Prestige Class Units | 0.01 | 0.15 |
| 100/100 Class F Units | 0.12 | — |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| 100/100 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 5,104 | 6,904 |
| (Decrease) increase in net assets held for the benefit of policyowners | (12) | 101 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 518 | 928 |
| Withdrawal of withdrawable units | (781) | (2,556) |
| Net decrease from withdrawable unit transactions | (263) | (1,628) |
| Net decrease in net assets held for the benefit of policyowners | (275) | (1,527) |
| Net assets held for the benefit of policyowners | 4,829 | 5,377 |
| 100/100 Prestige Class Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 2,275 | 2,138 |
| Increase in net assets held for the benefit of policyowners | 1 | 33 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 129 | 842 |
| Withdrawal of withdrawable units | (68) | (344) |
| Net increase from withdrawable unit transactions | 61 | 498 |
| Net increase in net assets held for the benefit of policyowners | 62 | 531 |
| Net assets held for the benefit of policyowners | 2,337 | 2,669 |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| 100/100 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |
| Total Fund | | |
| Net assets held for the benefit of policyowners at beginning of period | 7,379 | 9,042 |
| (Decrease) increase in net assets held for the benefit of policyowners | (11) | 134 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 657 | 1,770 |
| Withdrawal of withdrawable units | (849) | (2,900) |
| Net decrease from withdrawable unit transactions | (192) | (1,130) |
| Net decrease in net assets held for the benefit of policyowners | (203) | (996) |
| Net assets held for the benefit of policyowners | 7,176 | 8,046 |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| Cash flows from operating activities | | |
| (Decrease) increase in net assets held for the benefit of policyowners | (11) | 134 |
| Adjustments for: | | |
| Net realized gain on sale of investments and derivatives | (27) | (70) |
| Change in unrealized depreciation (appreciation) of investments and derivatives | 40 | (70) |
| Decrease in distribution receivable from investment trusts | 1 | 9 |
| Decrease in accrued expenses | (5) | (4) |
| Purchases of investments | (1,487) | (1,276) |
| Proceeds from sale and maturity of investments | 1,651 | 2,326 |
| Net cash from operating activities | 162 | 1,049 |
| Cash flows from financing activities | | |
| Proceeds from issuances of withdrawable units | 532 | 1,049 |
| Amounts paid on withdrawal of withdrawable units | (731) | (2,123) |
| Net cash from financing activities | (199) | (1,074) |
| Net decrease in cash | (37) | (25) |
| Cash at beginning of period | 99 | 86 |
| Cash at end of period | 62 | 61 |
| Supplementary Information: | | |
| Interest received, net of withholding taxes* | 0 | — |
| Distributions received from investment trusts* | 99 | 119 |
| Interest expense paid* | — | 0 |

*These items are from operating activities

SCHEDULE OF INVESTMENT PORTFOLIO

(All amounts in thousands of Canadian dollars, unless otherwise noted)

| <i>As at June 30, 2018</i> | Number of Units | Cost* (\$) | Fair Value (\$) |
|---|--------------------|---------------|-----------------------|
| HOLDINGS IN INVESTMENT FUNDS | | | |
| Canadian Equity Funds — 31.0% | | | |
| BMO Canadian Dividend ETF | 25,380 | 432 | 431 |
| BMO Equal Weight Banks Index ETF | 8,735 | 225 | 254 |
| BMO Equal Weight REITs Index ETF | 9,090 | 185 | 196 |
| BMO Equal Weight Utilities Index ETF | 12,135 | 199 | 198 |
| BMO Low Volatility Canadian Equity ETF | 13,990 | 406 | 429 |
| BMO S&P/TSX Capped Composite Index ETF | 32,540 | 662 | 715 |
| | | 2,109 | 2,223 |
| Fixed Income Funds — 48.5% | | | |
| BMO Laddered Preferred Share Index ETF | 18,645 | 218 | 216 |
| BMO Mid Corporate Bond Index ETF | 66,800 | 1,096 | 1,063 |
| BMO Mid Federal Bond Index ETF | 123,480 | 2,041 | 1,961 |
| BMO Mid-Term US IG Corporate Bond Index ETF | 13,670 | 273 | 246 |
| | | 3,628 | 3,486 |
| International Equity Fund — 8.1% | | | |
| BMO MSCI EAFE Index ETF | 30,800 | 532 | 581 |
| U.S. Equity Fund — 12.1% | | | |
| BMO S&P 500 Index ETF | 22,060 | 729 | 866 |
| Total Investment Portfolio — 99.7% | | 6,998 | 7,156 |
| Other Assets Less Liabilities — 0.3% | | | 20 |
| NET ASSETS HELD FOR THE BENEFIT OF THE POLICYOWNERS — 100.0% | | | 7,176 |

*Where applicable, distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio.

BMO Canadian Income Strategy GIF

Notes to the Financial Statements (unaudited)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 100/100 Class A Units, 100/100 Prestige Class Units, and 100/100 Class F Units, which are withdrawable at the policyowners' option.

| Class | Launch Date |
|------------------------------|------------------|
| 100/100 Class A Units | December 2, 2013 |
| 100/100 Prestige Class Units | October 1, 2014 |
| 100/100 Class F Units | May 14, 2018 |

Change in units

The number of units that have been issued and are outstanding are disclosed in the table below.

| For the periods ended (in thousands of units) | June 30, 2018 | June 30, 2017 |
|---|------------------|------------------|
| 100/100 Class A Units | | |
| Units issued and outstanding, beginning of period | 506 | 702 |
| Issued for cash | 52 | 93 |
| Withdrawn during the period | (78) | (256) |
| Units issued and outstanding, end of period | 480 | 539 |
| 100/100 Prestige Class Units | | |
| Units issued and outstanding, beginning of period | 233 | 226 |
| Issued for cash | 14 | 88 |
| Withdrawn during the period | (7) | (36) |
| Units issued and outstanding, end of period | 240 | 278 |
| 100/100 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |

Units held by the Company

The Company held the following units of the Fund:

| As at June 30, 2018 Class | Number of Units | Value of Units (\$) |
|------------------------------|-----------------|---------------------|
| 100/100 Class F Units | 1,000 | 10 |

There were no units held by the Company as at December 31, 2017.

Financial instruments risk

The Fund's objective is to achieve long term capital growth and monthly income. The Fund invests primarily in exchange traded funds that invest in Canadian income-generating securities: dividend-paying common stocks, preferred shares, income trusts, as well as high quality fixed income securities or cash equivalents.

Financial instrument risk of the underlying funds

The Fund is indirectly exposed to currency risk, interest rate risk, other market risk, and credit risk through its investment in the underlying funds to the extent the underlying funds were exposed to these risks.

Fair value hierarchy

| As at June 30, 2018 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|-------|
| Investment funds | 7,156 | — | — | 7,156 |

| As at December 31, 2017 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|-------|
| Investment funds | 7,347 | — | — | 7,347 |

Transfers between levels

There were no transfers between the levels during the 2018 period (2017 – \$nil).

Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the table below.

| Carrying amount | As at June 30, 2018 | As at December 31, 2017 |
|---|---------------------------|-------------------------------|
| BMO Canadian Dividend ETF | 431 | 419 |
| BMO Equal Weight Banks Index ETF | 254 | 248 |
| BMO Equal Weight REITs Index ETF | 196 | 193 |
| BMO Equal Weight Utilities Index ETF | 198 | 192 |
| BMO Laddered Preferred Share Index ETF | 216 | 211 |
| BMO Low Volatility Canadian Equity ETF | 429 | 419 |
| BMO Mid Corporate Bond Index ETF | 1,063 | 1,150 |
| BMO Mid Federal Bond Index ETF | 1,961 | 2,123 |
| BMO Mid-Term US IG Corporate Bond Index ETF | 246 | 265 |
| BMO MSCI EAFE Index ETF | 581 | 570 |
| BMO S&P 500 Index ETF | 866 | 851 |
| BMO S&P/TSX Capped Composite Index ETF | 715 | 706 |
| Total | 7,156 | 7,347 |

BMO Canadian Income Strategy GIF

Notes to the Financial Statements (unaudited) (cont'd)



Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

| Carrying amount as a % of the underlying fund's Net Assets | As at June 30, 2018 | As at December 31, 2017 |
|--|---------------------|-------------------------|
| BMO Canadian Dividend ETF | 0.09% | 0.05% |
| BMO Equal Weight Banks Index ETF | 0.02% | 0.02% |
| BMO Equal Weight REITs Index ETF | 0.04% | 0.04% |
| BMO Equal Weight Utilities Index ETF | 0.10% | 0.09% |
| BMO Laddered Preferred Share Index ETF | 0.01% | 0.01% |
| BMO Low Volatility Canadian Equity ETF | 0.03% | 0.04% |
| BMO Mid Corporate Bond Index ETF | 0.09% | 0.08% |
| BMO Mid Federal Bond Index ETF | 0.37% | 0.40% |
| BMO Mid-Term US IG Corporate Bond Index ETF | 0.02% | 0.02% |
| BMO MSCI EAFE Index ETF | 0.03% | 0.03% |
| BMO S&P 500 Index ETF | 0.02% | 0.02% |
| BMO S&P/TSX Capped Composite Index ETF | 0.02% | 0.02% |

Increase or decrease in net assets held for the benefit of policyowners

The increase (decrease) in net assets held for the benefit of the policyowners for the periods ended June 30, 2018 and June 30, 2017 is calculated as follows:

| For the periods ended | June 30, 2018 | June 30, 2017 |
|---|---------------|---------------|
| 100/100 Class A Units | | |
| (Decrease) increase in net assets held for the benefit of policyowners | (12) | 101 |
| Weighted average units outstanding during the period | 495 | 651 |
| (Decrease) increase in net assets held for the benefit of policyowners per unit | (0.03) | 0.16 |
| 100/100 Prestige Class Units | | |
| Increase in net assets held for the benefit of policyowners | 1 | 33 |
| Weighted average units outstanding during the period | 239 | 211 |
| Increase in net assets held for the benefit of policyowners per unit | 0.01 | 0.15 |
| 100/100 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.12 | — |

Brokerage commissions

| For the periods ended | June 30, 2018 (\$) | June 30, 2017 (\$) |
|---|--------------------|--------------------|
| Total brokerage amounts paid | 2 | 2 |
| Total brokerage amounts paid to related parties | 0 | 1 |

The Company may select brokers who charge a commission in "soft dollars" if they determine in good faith that the commission is reasonable in relation to the order execution and research services utilized. There were no ascertainable soft dollars paid or payable to dealers by the Fund during the periods.

Concentration risk

The following is a summary of the Fund's concentration risk:

| As at | June 30, 2018 | December 31, 2017 |
|--------------------------------------|---------------|-------------------|
| Investment Funds | | |
| Canadian Equity Funds | 31.0% | 29.6% |
| Fixed Income Funds | 48.5% | 50.8% |
| International Equity Fund | 8.1% | 7.7% |
| U.S. Equity Fund | 12.1% | 11.5% |
| Other Assets less Liabilities | 0.3% | 0.4% |
| | 100.0% | 100.0% |

Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2018 and December 31, 2017.

The accompanying notes are an integral part of these financial statements.

BMO Canadian Income Strategy GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

IFRS 9 transition

Upon transition to IFRS 9, financial assets and financial liabilities in the Fund's investment portfolio were classified as FVTPL. The classification differs from the classification under the previous IAS 39 for the financial assets and financial liabilities that were previously classified as held for trading; therefore, there were changes in the categorization of financial assets and financial liabilities upon transition to IFRS 9. However, there were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9. The tables below show the reconciliation of the financial assets and financial liabilities balances as at January 1, 2018, the IFRS 9 transition date.

| As at January 1, 2018 Financial Assets | Held for Trading | Designated as FVTPL | Loans and Receivables** | FVTPL |
|--|---------------------|------------------------|----------------------------|-------|
| Opening balance – under IAS 39 | — | 7,347 | 31 | — |
| On the basis of change from IAS 39 to IFRS 9: – reclassification of investments to FVTPL* | — | (7,347) | — | 7,347 |
| Total change on transition to IFRS 9 | — | (7,347) | — | 7,347 |
| Opening balance – under IFRS 9 | — | — | 31 | 7,347 |

* These are financial instruments (derivatives) classified as held for trading and others designated as FVTPL under IAS 39.

** These are other financial assets classified as loans and receivables under IAS 39, now classified as amortized cost under IFRS 9.

| As at January 1, 2018 Financial Liabilities | Held for Trading | Amortized Cost** | FVTPL |
|--|---------------------|---------------------|-------|
| Opening balance – under IAS 39 | — | 98 | — |
| On the basis of change from IAS 39 to IFRS 9: – reclassification of shorts and other derivatives* | — | — | — |
| Total change on transition to IFRS 9 | — | — | — |
| Opening balance – under IFRS 9 | — | 98 | — |

* These are financial liabilities (such as shorts and derivatives) classified as held for trading under IAS 39.

** These are other financial liabilities that continue to be classified as amortized cost.

BMO Canadian Income Strategy GIF

Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Financial Highlights (unaudited)

The following table shows selected key financial information about the Fund which is intended to help you understand the Fund's financial performance for the periods indicated.

| 100/100 Class A Units | | Six months ended June 30, 2018 | Years ended December 31, | | | | 2013 ⁽⁴⁾ |
|--|----|--------------------------------------|--------------------------|-------|-------|-------|---------------------|
| | | | 2017 | 2016 | 2015 | 2014 | |
| Net assets (\$'000's) ⁽¹⁾ | \$ | 4,829 | 5,104 | 6,904 | 6,826 | 4,444 | 109 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.07 | 10.09 | 9.83 | 9.71 | 10.34 | 9.99 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 480 | 506 | 702 | 730 | 430 | 11 |
| Management fees | % | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 |
| Management expense ratio ⁽²⁾ | % | 3.01 | 3.04 | 3.04 | 3.04 | 3.03 | 3.08 |
| Management expense ratio before waivers | % | 3.01 | 3.04 | 3.04 | 3.04 | 3.03 | 3.08 |
| Portfolio turnover rate ⁽³⁾ | % | 20.39 | 30.91 | 73.64 | 38.96 | 20.59 | — |

| 100/100 Prestige Class Units | | Six months ended June 30, 2018 | Years ended December 31, | | | | 2013 |
|--|----|--------------------------------------|--------------------------|-------|-------|---------------------|------|
| | | | 2017 | 2016 | 2015 | 2014 ⁽⁵⁾ | |
| Net assets (\$'000's) ⁽¹⁾ | \$ | 2,337 | 2,275 | 2,138 | 1,666 | 1,183 | — |
| Net asset value per unit ⁽¹⁾ | \$ | 9.74 | 9.75 | 9.47 | 9.30 | 9.86 | — |
| Units issued and outstanding (000s) ⁽¹⁾ | | 240 | 233 | 226 | 179 | 120 | — |
| Management fees | % | 1.35 | 1.35 | 1.35 | 1.35 | 1.35 | — |
| Management expense ratio ⁽²⁾ | % | 2.64 | 2.64 | 2.63 | 2.61 | 2.69 | — |
| Management expense ratio before waivers | % | 2.64 | 2.64 | 2.63 | 2.61 | 2.69 | — |
| Portfolio turnover rate ⁽³⁾ | % | 20.39 | 30.91 | 73.64 | 38.96 | 20.59 | — |

| 100/100 Class F Units | | May 14, 2018 to June 30, 2018 |
|--|----|----------------------------------|
| Net assets (\$'000's) ⁽¹⁾ | \$ | 10 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.12 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 1 |
| Management fees | % | 0.70 |
| Management expense ratio ⁽²⁾ | % | 1.93 |
| Management expense ratio before waivers | % | 1.93 |
| Portfolio turnover rate ⁽³⁾ | % | 20.39 |

⁽¹⁾ The information is provided as at June 30 or December 31 of the period shown, as applicable.

⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

⁽³⁾ The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover ratio in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover ratio and the performance of the fund. For the financial period ended December 31, 2013, no sales of portfolio securities were made in the Fund. As a result, the portfolio turnover ratio for this period was zero.

⁽⁴⁾ The information in this column is for the period beginning December 2, 2013 (the class' inception date) and ending December 31, 2013.

⁽⁵⁾ The information in this column is for the period beginning October 1, 2014 (the class' inception date) and ending December 31, 2014.

The accompanying notes are an integral part of these financial statements.

BMO U.S. Balanced Growth GIF

(unaudited)

STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of Canadian dollars, except per unit data)

| As at | June 30 2018 | December 31 2017 |
|---|-----------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | 663 | 225 |
| Investments | | |
| Non-derivative financial assets | 35,670 | 30,471 |
| Subscriptions receivable | 187 | 9 |
| Distribution receivable from investment trusts | 110 | 108 |
| Total assets | 36,630 | 30,813 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Payable for investments purchased | 319 | 62 |
| Redemptions payable | 79 | 49 |
| Accrued expenses | 220 | 217 |
| Total liabilities | 618 | 328 |
| Net assets held for the benefit of policyowners | 36,012 | 30,485 |
| Net assets held for the benefit of policyowners | | |
| 100/100 Class A Units | 23,806 | 19,761 |
| 100/100 Prestige Class Units | 12,196 | 10,724 |
| 100/100 Class F Units | 10 | — |
| Net assets held for the benefit of policyowners per unit | | |
| 100/100 Class A Units | \$ 11.05 | \$ 10.82 |
| 100/100 Prestige Class Units | \$ 10.69 | \$ 10.45 |
| 100/100 Class F Units | \$ 10.18 | \$ — |

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in thousands of Canadian dollars, except per unit data)

| For the periods ended | June 30 2018 | June 30 2017 |
|--|-----------------|-----------------|
| INCOME | | |
| Interest income | 1 | — |
| Distributions received from investment trusts | 312 | 336 |
| Other changes in fair value of investments and derivatives | | |
| Net realized gain | 663 | 682 |
| Change in unrealized appreciation | 81 | 120 |
| Net gain in fair value of investments and derivatives | 1,057 | 1,138 |
| Total income | 1,057 | 1,138 |
| EXPENSES | | |
| Management fees (note 7) | 212 | 234 |
| Fixed administration fees (note 7) | 43 | 47 |
| Insurance fees (note 7) | 177 | 192 |
| Commissions and other portfolio transaction costs (note 7) | 13 | 6 |
| Total expenses | 445 | 479 |
| Increase in net assets held for the benefit of policyowners | 612 | 659 |
| Increase in net assets held for the benefit of policyowners | | |
| 100/100 Class A Units | 380 | 434 |
| 100/100 Prestige Class Units | 232 | 225 |
| 100/100 Class F Units | 0 | — |
| Increase in net assets held for the benefit of policyowners per unit (note 3) | | |
| 100/100 Class A Units | 0.20 | 0.19 |
| 100/100 Prestige Class Units | 0.23 | 0.26 |
| 100/100 Class F Units | 0.18 | — |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| 100/100 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 19,761 | 26,936 |
| Increase in net assets held for the benefit of policyowners | 380 | 434 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 7,275 | 3,171 |
| Withdrawal of withdrawable units | (3,610) | (9,484) |
| Net increase (decrease) from withdrawable unit transactions | 3,665 | (6,313) |
| Net increase (decrease) in net assets held for the benefit of policyowners | 4,045 | (5,879) |
| Net assets held for the benefit of policyowners | 23,806 | 21,057 |
| 100/100 Prestige Class Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 10,724 | 10,133 |
| Increase in net assets held for the benefit of policyowners | 232 | 225 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 2,793 | 4,449 |
| Withdrawal of withdrawable units | (1,553) | (4,725) |
| Net increase (decrease) from withdrawable unit transactions | 1,240 | (276) |
| Net increase (decrease) in net assets held for the benefit of policyowners | 1,472 | (51) |
| Net assets held for the benefit of policyowners | 12,196 | 10,082 |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| 100/100 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |
| Total Fund | | |
| Net assets held for the benefit of policyowners at beginning of period | 30,485 | 37,069 |
| Increase in net assets held for the benefit of policyowners | 612 | 659 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10,078 | 7,620 |
| Withdrawal of withdrawable units | (5,163) | (14,209) |
| Net increase (decrease) from withdrawable unit transactions | 4,915 | (6,589) |
| Net increase (decrease) in net assets held for the benefit of policyowners | 5,527 | (5,930) |
| Net assets held for the benefit of policyowners | 36,012 | 31,139 |

The accompanying notes are an integral part of these financial statements.

BMO U.S. Balanced Growth GIF

(unaudited) (cont'd)

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

| For the periods ended | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| Cash flows from operating activities | | |
| Increase in net assets held for the benefit of policyowners | 612 | 659 |
| Adjustments for: | | |
| Net realized gain on sale of investments and derivatives | (663) | (682) |
| Change in unrealized appreciation of investments and derivatives | (81) | (120) |
| (Increase) decrease in distribution receivable from investment trusts | (2) | 68 |
| Increase (decrease) in accrued expenses | 3 | (35) |
| Purchases of investments | (18,325) | (4,828) |
| Proceeds from sale and maturity of investments | 14,127 | 11,248 |
| Net cash from operating activities | (4,329) | 6,310 |
| Cash flows from financing activities | | |
| Proceeds from issuances of withdrawable units | 8,267 | 3,873 |
| Amounts paid on withdrawal of withdrawable units | (3,501) | (10,396) |
| Net cash from financing activities | 4,767 | (6,523) |
| Net increase (decrease) in cash | 438 | (213) |
| Cash at beginning of period | 225 | 422 |
| Cash at end of period | 663 | 209 |

Supplementary Information:

| | | |
|--|-----|-----|
| Interest received, net of withholding taxes* | 1 | — |
| Distributions received from investment trusts* | 310 | 404 |

*These items are from operating activities

SCHEDULE OF INVESTMENT PORTFOLIO

(All amounts in thousands of Canadian dollars, unless otherwise noted)

| As at June 30, 2018 | Number of Units | Cost* (\$) | Fair Value (\$) |
|---|--------------------|---------------|-----------------------|
| HOLDINGS IN INVESTMENT FUNDS | | | |
| Fixed Income Funds — 34.8% | | | |
| BMO Mid Corporate Bond Index ETF | 256,530 | 4,163 | 4,083 |
| BMO Mid Federal Bond Index ETF | 473,450 | 7,785 | 7,519 |
| BMO Mid-Term US IG Corporate Bond Index ETF | 51,840 | 1,010 | 933 |
| | | 12,958 | 12,535 |
| U.S. Equity Fund — 64.3% | | | |
| BMO S&P 500 Index ETF | 589,060 | 20,454 | 23,135 |
| Total Investment Portfolio — 99.1% | | 33,412 | 35,670 |
| Other Assets Less Liabilities — 0.9% | | | 342 |
| NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0% | | | 36,012 |

*Where applicable, distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio.

BMO U.S. Balanced Growth GIF

Notes to the Financial Statements (unaudited)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 100/100 Class A Units, 100/100 Prestige Class Units and 100/100 Class F Units, which are withdrawable at the policyowners' option.

| Class | Launch Date |
|------------------------------|------------------|
| 100/100 Class A Units | December 2, 2013 |
| 100/100 Prestige Class Units | October 1, 2014 |
| 100/100 Class F Units | May 14, 2018 |

Change in units

The number of units that have been issued and are outstanding are disclosed in the table below.

| For the periods ended (in thousands of units) | June 30, 2018 | June 30, 2017 |
|---|------------------|------------------|
| 100/100 Class A Units | | |
| Units issued and outstanding, beginning of period | 1,826 | 2,586 |
| Issued for cash | 658 | 297 |
| Withdrawn during the period | (329) | (895) |
| Units issued and outstanding, end of period | 2,155 | 1,988 |
| 100/100 Prestige Class Units | | |
| Units issued and outstanding, beginning of period | 1,026 | 1,012 |
| Issued for cash | 261 | 437 |
| Withdrawn during the period | (146) | (461) |
| Units issued and outstanding, end of period | 1,141 | 988 |
| 100/100 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |

Units held by the Company

The Company held the following units of the Fund:

| As at June 30, 2018 Class | Number of Units | Value of Units (\$) |
|------------------------------|-----------------|---------------------|
| 100/100 Class F Units | 1,000 | 10 |

There were no units held by the Company as at December 31, 2017.

Financial instruments risk

The Fund's objective is to achieve long term capital growth and income. The Fund invests primarily in exchange traded funds that seek to provide broad exposure to publicly listed U.S. companies balanced with high quality Canadian fixed income securities or cash equivalents.

Financial instrument risk of the underlying funds

The Fund is indirectly exposed to currency risk, interest rate risk, other market risk and credit risk through its investment in the underlying funds to the extent the underlying funds were exposed to these risks.

Fair value hierarchy

| As at June 30, 2018 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|--------|
| Investment funds | 35,670 | — | — | 35,670 |

| As at December 31, 2017 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|--------|
| Investment funds | 30,471 | — | — | 30,471 |

Transfers between levels

There were no transfers between the levels during the 2018 period (2017 – \$nil).

Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the table below.

| | As at June 30, 2018 | As at December 31, 2017 |
|---|---------------------------|-------------------------------|
| Carrying amount | | |
| BMO Mid Corporate Bond Index ETF | 4,083 | 3,987 |
| BMO Mid Federal Bond Index ETF | 7,519 | 7,351 |
| BMO Mid-Term US IG Corporate Bond Index ETF | 933 | 904 |
| BMO S&P 500 Index ETF | 23,135 | 18,229 |
| Total | 35,670 | 30,471 |

Carrying amount as a % of the underlying fund's Net Assets

| | | |
|---|-------|-------|
| BMO Mid Corporate Bond Index ETF | 0.34% | 0.29% |
| BMO Mid Federal Bond Index ETF | 1.41% | 1.40% |
| BMO Mid-Term US IG Corporate Bond Index ETF | 0.06% | 0.06% |
| BMO S&P 500 Index ETF | 0.46% | 0.42% |

The accompanying notes are an integral part of these financial statements.

BMO U.S. Balanced Growth GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Increase or decrease in net assets held for the benefit of policyowners

The increase (decrease) in net assets held for the benefit of the policyowners for the periods ended June 30, 2018 and June 30, 2017 is calculated as follows:

| <i>For the periods ended</i> | June 30, 2018 | June 30, 2017 |
|--|------------------|------------------|
| 100/100 Class A Units | | |
| Increase in net assets held for the benefit of policyowners | 380 | 434 |
| Weighted average units outstanding during the period | 1,886 | 2,336 |
| Increase in net assets held for the benefit of policyowners per unit | 0.20 | 0.19 |
| 100/100 Prestige Class Units | | |
| Increase in net assets held for the benefit of policyowners | 232 | 255 |
| Weighted average units outstanding during the period | 1,022 | 871 |
| Increase in net assets held for the benefit of policyowners per unit | 0.23 | 0.26 |
| 100/100 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 0 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.18 | — |

Brokerage commissions

| <i>For the periods ended</i> | June 30, 2018 (\$) | June 30, 2017 (\$) |
|---|--------------------------|--------------------------|
| Total brokerage amounts paid | 13 | 6 |
| Total brokerage amounts paid to related parties | 2 | 3 |

The Company may select brokers who charge a commission in "soft dollars" if they determine in good faith that the commission is reasonable in relation to the order execution and research services utilized. There were no ascertainable soft dollars paid or payable to dealers by the Fund during the periods.

Concentration risk

The following is a summary of the Fund's concentration risk:

| <i>As at</i> | June 30, 2018 | December 31, 2017 |
|--------------------------------------|------------------|----------------------|
| Investment Funds | | |
| Fixed Income Funds | 34.8% | 40.2% |
| U.S. Equity Fund | 64.3% | 59.8% |
| Other Assets less Liabilities | 0.9% | 0.0% |
| | 100.0% | 100.0% |

Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2018 and December 31, 2017.

IFRS 9 transition

Upon transition to IFRS 9, financial assets and financial liabilities in the Fund's investment portfolio were classified as FVTPL. The classification differs from the classification under the previous IAS 39 for the financial assets and financial liabilities that were previously classified as held for trading; therefore, there were changes in the categorization of financial assets and financial liabilities upon transition to IFRS 9. However, there were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9. The tables below show the reconciliation of the financial assets and financial liabilities balances as at January 1, 2018, the IFRS 9 transition date.

| As at January 1, 2018 Financial Assets | Held for Trading | Designated as FVTPL | Loans and Receivables** | FVTPL |
|---|-----------------------------|--------------------------------|------------------------------------|--------------|
| Opening balance – under IAS 39 | — | 30,471 | 117 | — |
| On the basis of change from IAS 39 to IFRS 9: | | | | |
| – reclassification of investments to FVTPL* | — | (30,471) | — | 30,471 |
| Total change on transition to IFRS 9 | — | (30,471) | — | 30,471 |
| Opening balance – under IFRS 9 | — | — | 117 | 30,471 |

* These are financial instruments (derivatives) classified as held for trading and others designated as FVTPL under IAS 39.

** These are other financial assets classified as loans and receivables under IAS 39, now classified as amortized cost under IFRS 9.

BMO U.S. Balanced Growth GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information *(All amounts in thousands of Canadian dollars, except per unit data)*

June 30, 2018

| As at January 1, 2018 Financial Liabilities | Held for Trading | Amortized Cost** | FVTPL |
|--|---------------------|---------------------|-------|
| Opening balance – under IAS 39 | — | 328 | — |
| On the basis of change from IAS 39 to IFRS 9: | | | |
| – reclassification of shorts and other derivatives* | — | — | — |
| Total change on transition to IFRS 9 | — | — | — |
| Opening balance – under IFRS 9 | — | 328 | — |

* These are financial liabilities (such as shorts and derivatives) classified as held for trading under IAS 39.

** These are other financial liabilities that continue to be classified as amortized cost.

BMO U.S. Balanced Growth GIF

Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Financial Highlights (unaudited)

The following table shows selected key financial information about the Fund which is intended to help you understand the Fund's financial performance for the periods indicated.

| 100/100 Class A Units | Six months ended | | Years ended December 31, | | | | 2013 ⁽⁴⁾ |
|--|------------------|--------|--------------------------|-------------------|-------|---------------------|---------------------|
| | June 30, 2018 | 2017 | 2016 | 2015 | 2014 | 2013 ⁽⁴⁾ | |
| Net assets (\$000s) ⁽¹⁾ | \$ 23,806 | 19,761 | 26,936 | 26,745 | 6,214 | 210 | |
| Net asset value per unit | \$ 11.05 | 10.82 | 10.41 | 10.50 | 10.72 | 9.98 | |
| Units issued and outstanding (000s) ⁽¹⁾ | 2,155 | 1,826 | 2,586 | 2,548 | 580 | 21 | |
| Management fees % | 1.50 | 1.50 | 1.50 | 1.50 [†] | 1.55 | 1.55 | |
| Management expense ratio ⁽²⁾ % | 3.08 | 3.09 | 3.09 | 3.12 | 3.26 | 3.27 | |
| Management expense ratio before waivers % | 3.08 | 3.09 | 3.09 | 3.12 | 3.26 | 3.27 | |
| Portfolio turnover rate ⁽³⁾ % | 45.06 | 27.81 | 101.48 | 51.12 | 22.35 | — | |

| 100/100 Prestige Class Units | Six months ended | | Years ended December 31, | | | | 2013 |
|--|------------------|--------|--------------------------|--------------------|---------------------|------|------|
| | June 30, 2018 | 2017 | 2016 | 2015 | 2014 ⁽⁵⁾ | 2013 | |
| Net assets (\$000s) ⁽¹⁾ | \$ 12,196 | 10,724 | 10,133 | 7,727 | 1,870 | — | |
| Net asset value per unit | \$ 10.69 | 10.45 | 10.02 | 10.05 | 10.23 | — | |
| Units issued and outstanding (000s) ⁽¹⁾ | 1,141 | 1,026 | 1,012 | 769 | 183 | — | |
| Management fees % | 1.15 | 1.15 | 1.15 | 1.15 ^{**} | 1.20 | — | |
| Management expense ratio ⁽²⁾ % | 2.67 | 2.64 | 2.64 | 2.68 | 2.94 | — | |
| Management expense ratio before waivers % | 2.67 | 2.64 | 2.64 | 2.68 | 2.94 | — | |
| Portfolio turnover rate ⁽³⁾ % | 45.06 | 27.81 | 101.48 | 51.12 | 22.35 | — | |

| 100/100 Class F Units | May 14, 2018 to June 30, 2018 | |
|--|-------------------------------|-------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 10 |
| Net asset value per unit | \$ | 10.18 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 1 |
| Management fees | % | 0.50 |
| Management expense ratio ⁽²⁾ | % | 2.02 |
| Management expense ratio before waivers | % | 2.02 |
| Portfolio turnover rate ⁽³⁾ | % | 45.06 |

⁽¹⁾ The information is provided as at June 30 or December 31 of the period shown, as applicable.

⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

⁽³⁾ The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover ratio in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover ratio and the performance of the fund. For the financial period ended December 31, 2013, no sales of portfolio securities were made in the Fund. As a result, the portfolio turnover ratio for this period was zero.

⁽⁴⁾ The information in this column is for the period beginning December 2, 2013 (the class' inception date) and ending December 31, 2013.

⁽⁵⁾ The information in this column is for the period beginning October 1, 2014 (the class' inception date) and ending December 31, 2014.

[†] Effective May 1, 2015, the management fee rate was reduced from 1.55% to 1.50%.

^{**} Effective May 1, 2015, the management fee rate was reduced from 1.20% to 1.15%.

STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of Canadian dollars, except per unit data)

| As at | June 30 2018 | December 31 2017 |
|---|-----------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | 231 | 405 |
| Investments | | |
| Non-derivative financial assets | 49,592 | 52,101 |
| Receivable for investments sold | 119 | — |
| Subscriptions receivable | 2 | 17 |
| Distribution receivable from investment trusts | 200 | 217 |
| Total assets | 50,144 | 52,740 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Payable for investments purchased | — | 56 |
| Redemptions payable | 20 | 44 |
| Accrued expenses | 312 | 344 |
| Total liabilities | 332 | 444 |
| Net assets held for the benefit of policyowners | 49,812 | 52,296 |
| Net assets held for the benefit of policyowners | | |
| 100/100 Class A Units | 30,012 | 32,419 |
| 100/100 Prestige Class Units | 19,790 | 19,877 |
| 100/100 Class F Units | 10 | — |
| Net assets held for the benefit of policyowners per unit | | |
| 100/100 Class A Units | \$ 10.88 | \$ 10.84 |
| 100/100 Prestige Class Units | \$ 10.46 | \$ 10.38 |
| 100/100 Class F Units | \$ 10.20 | \$ — |

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in thousands of Canadian dollars, except per unit data)

| For the periods ended | June 30 2018 | June 30 2017 |
|--|-----------------|-----------------|
| INCOME | | |
| Interest income | 1 | — |
| Distributions received from investment trusts | 659 | 752 |
| Other changes in fair value of investments and derivatives | | |
| Net realized gain | 98 | 547 |
| Change in unrealized appreciation | 86 | 444 |
| Net gain in fair value of investments and derivatives | 844 | 1,743 |
| Total income | 844 | 1,743 |
| EXPENSES | | |
| Management fees (note 7) | 361 | 445 |
| Fixed administration fees (note 7) | 68 | 81 |
| Insurance fees (note 7) | 200 | 237 |
| Interest charges | 0 | 0 |
| Commissions and other portfolio transaction costs (note 7) | 7 | 11 |
| Total expenses | 636 | 774 |
| Increase in net assets held for the benefit of policyowners | 208 | 969 |
| Increase in net assets held for the benefit of policyowners | | |
| 100/100 Class A Units | 83 | 705 |
| 100/100 Prestige Class Units | 125 | 264 |
| 100/100 Class F Units | 0 | — |
| Increase in net assets held for the benefit of policyowners per unit (note 3) | | |
| 100/100 Class A Units | 0.03 | 0.17 |
| 100/100 Prestige Class Units | 0.07 | 0.19 |
| 100/100 Class F Units | 0.20 | — |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| 100/100 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 32,419 | 46,371 |
| Increase in net assets held for the benefit of policyowners | 83 | 705 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 2,802 | 5,090 |
| Withdrawal of withdrawable units | (5,292) | (16,270) |
| Net decrease from withdrawable unit transactions | (2,490) | (11,180) |
| Net decrease in net assets held for the benefit of policyowners | (2,407) | (10,475) |
| Net assets held for the benefit of policyowners | 30,012 | 35,896 |
| 100/100 Prestige Class Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 19,877 | 16,130 |
| Increase in net assets held for the benefit of policyowners | 125 | 264 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 1,483 | 9,714 |
| Withdrawal of withdrawable units | (1,695) | (5,763) |
| Net (decrease) increase from withdrawable unit transactions | (212) | 3,951 |
| Net (decrease) increase in net assets held for the benefit of policyowners | (87) | 4,215 |
| Net assets held for the benefit of policyowners | 19,790 | 20,345 |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| 100/100 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |
| Total Fund | | |
| Net assets held for the benefit of policyowners at beginning of period | 52,296 | 62,501 |
| Increase in net assets held for the benefit of policyowners | 208 | 969 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 4,295 | 14,804 |
| Withdrawal of withdrawable units | (6,987) | (22,033) |
| Net decrease from withdrawable unit transactions | (2,692) | (7,229) |
| Net decrease in net assets held for the benefit of policyowners | (2,484) | (6,260) |
| Net assets held for the benefit of policyowners | 49,812 | 56,241 |

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

| For the periods ended | June 30 2018 | June 30 2017 |
|--|-----------------|-----------------|
| Cash flows from operating activities | | |
| Increase in net assets held for the benefit of policyowners | 208 | 969 |
| Adjustments for: | | |
| Net realized gain on sale of investments and derivatives | (98) | (547) |
| Change in unrealized appreciation of investments and derivatives | (86) | (444) |
| Decrease in distribution receivable from investment trusts | 17 | 59 |
| Decrease in accrued expenses | (32) | (23) |
| Purchases of investments | (5,373) | (6,677) |
| Proceeds from sale and maturity of investments | 7,891 | 14,575 |
| Net cash from operating activities | 2,527 | 7,912 |
| Cash flows from financing activities | | |
| Proceeds from issuances of withdrawable units | 2,867 | 5,169 |
| Amounts paid on withdrawal of withdrawable units | (5,568) | (12,719) |
| Net cash from financing activities | (2,701) | (7,550) |
| Net (decrease) increase in cash | (174) | 362 |
| Cash at beginning of period | 405 | 696 |
| Cash at end of period | 231 | 1,058 |
| Supplementary Information: | | |
| Interest received, net of withholding taxes* | 1 | — |
| Distributions received from investment trusts* | 676 | 811 |
| Interest expense paid* | 0 | 0 |

*These items are from operating activities

SCHEDULE OF INVESTMENT PORTFOLIO

(All amounts in thousands of Canadian dollars, unless otherwise noted)

| As at June 30, 2018 | Number of Units | Cost* (\$) | Fair Value (\$) |
|---|-----------------|---------------|-----------------|
| HOLDINGS IN INVESTMENT FUNDS | | | |
| Canadian Equity Funds — 26.2% | | | |
| BMO Canadian Dividend ETF | 217,080 | 3,689 | 3,682 |
| BMO Equal Weight REITs Index ETF | 57,135 | 1,152 | 1,234 |
| BMO Low Volatility Canadian Equity ETF | 99,700 | 2,842 | 3,059 |
| BMO S&P/TSX Capped Composite Index ETF | 232,470 | 4,588 | 5,104 |
| | | 12,271 | 13,079 |
| Fixed Income Funds — 41.3% | | | |
| BMO Laddered Preferred Share Index ETF | 133,080 | 1,524 | 1,543 |
| BMO Mid Corporate Bond Index ETF | 391,110 | 6,438 | 6,225 |
| BMO Mid Federal Bond Index ETF | 714,720 | 11,934 | 11,351 |
| BMO Mid-Term US IG Corporate Bond Index ETF | 79,140 | 1,590 | 1,424 |
| | | 21,486 | 20,543 |
| Global Equity Fund — 5.0% | | | |
| BMO Global Infrastructure Index ETF | 71,030 | 2,556 | 2,510 |
| International Equity Fund — 8.1% | | | |
| BMO MSCI EAFE Index ETF | 214,360 | 3,619 | 4,044 |
| U.S. Equity Funds — 19.0% | | | |
| BMO Low Volatility US Equity ETF | 143,680 | 4,326 | 4,606 |
| BMO S&P 500 Index ETF | 122,470 | 3,895 | 4,810 |
| | | 8,221 | 9,416 |
| Total Investment Portfolio — 99.6% | | 48,153 | 49,592 |
| Other Assets Less Liabilities — 0.4% | | | 220 |
| NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0% | | | 49,812 |

*Where applicable, distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio.

BMO North American Income Strategy GIF

Notes to the Financial Statements (unaudited)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 100/100 Class A Units, 100/100 Prestige Class Units, and 100/100 Class F Units, which are withdrawable at the policyowners' option.

| Class | Launch Date |
|------------------------------|------------------|
| 100/100 Class A Units | December 2, 2013 |
| 100/100 Prestige Class Units | October 1, 2014 |
| 100/100 Class F Units | May 14, 2018 |

Change in units

The number of units that have been issued and are outstanding are disclosed in the table below.

| For the periods ended (in thousands of units) | June 30, 2018 | June 30, 2017 |
|---|------------------|------------------|
| 100/100 Class A Units | | |
| Units issued and outstanding, beginning of period | 2,991 | 4,394 |
| Issued for cash | 260 | 474 |
| Withdrawn during the period | (493) | (1,516) |
| Units issued and outstanding, end of period | 2,758 | 3,352 |
| 100/100 Prestige Class Units | | |
| Units issued and outstanding, beginning of period | 1,915 | 1,602 |
| Issued for cash | 143 | 948 |
| Withdrawn during the period | (165) | (561) |
| Units issued and outstanding, end of period | 1,893 | 1,989 |
| 100/100 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |

Units held by the Company

The Company held the following units of the Fund:

| As at June 30, 2018 Class | Number of Units | Value of Units (\$) |
|------------------------------|-----------------|---------------------|
| 100/100 Class F Units | 1,000 | 10 |

There were no units held by the Company as at December 31, 2017.

Financial instruments risk

The Fund's objective is to achieve long term capital growth and monthly income. The Fund invests primarily in exchange traded funds that invest in Canadian and U.S. income-generating securities: dividend-paying common stocks, preferred shares, income trusts, as well as high quality Canadian fixed income securities or cash equivalents.

Financial instrument risk of the underlying funds

The Fund is indirectly exposed to currency risk, interest rate risk, other market risk and credit risk through its investment in the underlying funds to the extent the underlying funds were exposed to these risks.

Fair value hierarchy

| As at June 30, 2018 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|--------|
| Investment funds | 49,592 | — | — | 49,592 |

| As at December 31, 2017 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|--------|
| Investment funds | 52,101 | — | — | 52,101 |

Transfers between levels

There were no transfers between the levels during the 2018 period (2017 – \$nil).

Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the table below.

| Carrying amount | As at June 30, 2018 | As at December 31, 2017 |
|---|---------------------------|-------------------------------|
| BMO Canadian Dividend ETF | 3,682 | 3,710 |
| BMO Equal Weight REITs Index ETF | 1,234 | 1,254 |
| BMO Global Infrastructure Index ETF | 2,510 | 2,464 |
| BMO Laddered Preferred Share Index ETF | 1,543 | 1,556 |
| BMO Low Volatility Canadian Equity ETF | 3,059 | 3,069 |
| BMO Low Volatility US Equity ETF | 4,606 | 4,562 |
| BMO Mid Corporate Bond Index ETF | 6,225 | 6,971 |
| BMO Mid Federal Bond Index ETF | 11,351 | 12,851 |
| BMO Mid-Term US IG Corporate Bond Index ETF | 1,424 | 1,580 |
| BMO MSCI EAFE Index ETF | 4,044 | 4,080 |
| BMO S&P 500 Index ETF | 4,810 | 4,861 |
| BMO S&P/TSX Capped Composite Index ETF | 5,104 | 5,143 |
| Total | 49,592 | 52,101 |

BMO North American Income Strategy GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

| Carrying amount as a % of the underlying fund's Net Assets | As at June 30, 2018 | As at December 31, 2017 |
|--|---------------------|-------------------------|
| BMO Canadian Dividend ETF | 0.80% | 0.42% |
| BMO Equal Weight REITs Index ETF | 0.24% | 0.26% |
| BMO Global Infrastructure Index ETF | 1.05% | 0.81% |
| BMO Laddered Preferred Share Index ETF | 0.07% | 0.07% |
| BMO Low Volatility Canadian Equity ETF | 0.24% | 0.58% |
| BMO Low Volatility US Equity ETF | 0.62% | 0.26% |
| BMO Mid Corporate Bond Index ETF | 0.51% | 0.51% |
| BMO Mid Federal Bond Index ETF | 2.13% | 2.57% |
| BMO Mid-Term US IG Corporate Bond Index ETF | 0.10% | 0.11% |
| BMO MSCI EAFE Index ETF | 0.18% | 0.20% |
| BMO S&P 500 Index ETF | 0.10% | 0.11% |
| BMO S&P/TSX Capped Composite Index ETF | 0.13% | 0.16% |

Increase or decrease in net assets held for the benefit of policyowners

The increase (decrease) in net assets held for the benefit of policyowners for the periods ended June 30, 2018 and June 30, 2017 is calculated as follows:

| For the periods ended | June 30, 2018 | June 30, 2017 |
|--|---------------|---------------|
| 100/100 Class A Units | | |
| Increase in net assets held for the benefit of policyowners | 83 | 705 |
| Weighted average units outstanding during the period | 2,874 | 4,193 |
| Increase in net assets held for the benefit of policyowners per unit | 0.03 | 0.17 |
| 100/100 Prestige Class Units | | |
| Increase in net assets held for the benefit of policyowners | 125 | 264 |
| Weighted average units outstanding during the period | 1,894 | 1,372 |
| Increase in net assets held for the benefit of policyowners per unit | 0.07 | 0.19 |
| 100/100 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.20 | — |

Brokerage commissions

| For the periods ended | June 30, 2018 (\$) | June 30, 2017 (\$) |
|---|--------------------|--------------------|
| Total brokerage amounts paid | 7 | 11 |
| Total brokerage amounts paid to related parties | 1 | 4 |

The Company may select brokers who charge a commission in "soft dollars" if they determine in good faith that the commission is reasonable in relation to the order execution and research services utilized. There were no ascertainable soft dollars paid or payable to dealers by the Fund during the periods.

Concentration risk

The following is a summary of the Fund's concentration risk:

| As at | June 30, 2018 | December 31, 2017 |
|--------------------------------------|---------------|-------------------|
| Investment Funds | | |
| Canadian Equity Funds | 26.2% | 25.2% |
| Fixed Income Funds | 41.3% | 43.9% |
| Global Equity Fund | 5.0% | 4.7% |
| International Equity Fund | 8.1% | 7.8% |
| US Equity Funds | 19.0% | 18.0% |
| Other Assets less Liabilities | 0.4% | 0.4% |
| | 100.0% | 100.0% |

Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2018 and December 31, 2017.

BMO North American Income Strategy GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

IFRS 9 transition

Upon transition to IFRS 9, financial assets and financial liabilities in the Fund's investment portfolio were classified as FVTPL. The classification differs from the classification under the previous IAS 39 for the financial assets and financial liabilities that were previously classified as held for trading; therefore, there were changes in the categorization of financial assets and financial liabilities upon transition to IFRS 9. However, there were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9. The tables below show the reconciliation of the financial assets and financial liabilities balances as at January 1, 2018, the IFRS 9 transition date.

| As at January 1, 2018 Financial Assets | Held for Trading | Designated as FVTPL | Loans and Receivables** | FVTPL |
|--|---------------------|------------------------|----------------------------|--------|
| Opening balance – under IAS 39 | — | 52,101 | 234 | — |
| On the basis of change from IAS 39 to IFRS 9: | | | | |
| – reclassification of investments to FVTPL* | — | (52,101) | — | 52,101 |
| Total change on transition to IFRS 9 | — | (52,101) | — | 52,101 |
| Opening balance – under IFRS 9 | — | — | 234 | 52,101 |

* These are financial instruments (derivatives) classified as held for trading and others designated as FVTPL under IAS 39.

** These are other financial assets classified as loans and receivables under IAS 39, now classified as amortized cost under IFRS 9.

| As at January 1, 2018 Financial Liabilities | Held for Trading | Amortized Cost** | FVTPL |
|--|---------------------|---------------------|-------|
| Opening balance – under IAS 39 | — | 444 | — |
| On the basis of change from IAS 39 to IFRS 9: | | | |
| – reclassification of shorts and other derivatives* | — | — | — |
| Total change on transition to IFRS 9 | — | — | — |
| Opening balance – under IFRS 9 | — | 444 | — |

* These are financial liabilities (such as shorts and derivatives) classified as held for trading under IAS 39.

** These are other financial liabilities that continue to be classified as amortized cost.

BMO North American Income Strategy GIF

Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Financial Highlights (unaudited)

The following table shows selected key financial information about the Fund which is intended to help you understand the Fund's financial performance for the periods indicated.

| 100/100 Class A Units | Six months ended | | Years ended December 31, | | | | 2013 ⁽⁴⁾ |
|--|------------------|--------|--------------------------|--------|---------------------|------|---------------------|
| | June 30, 2018 | 2017 | 2016 | 2015 | 2014 ⁽⁵⁾ | | |
| Net assets (\$'000's) ⁽¹⁾ | \$ 30,012 | 32,419 | 46,371 | 40,293 | 14,314 | 179 | |
| Net asset value per unit ⁽¹⁾ | \$ 10.88 | 10.84 | 10.55 | 10.30 | 10.71 | 9.99 | |
| Units issued and outstanding (000s) ⁽¹⁾ | 2,758 | 2,991 | 4,394 | 3,911 | 1,337 | 18 | |
| Management fees | % 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | |
| Management expense ratio ⁽²⁾ | % 2.95 | 2.97 | 2.96 | 2.95 | 2.94 | 3.03 | |
| Management expense ratio before waivers | % 2.95 | 2.97 | 2.96 | 2.95 | 2.94 | 3.03 | |
| Portfolio turnover rate ⁽³⁾ | % 10.59 | 21.57 | 49.19 | 34.95 | 15.57 | — | |

| 100/100 Prestige Class Units | Six months ended | | Years ended December 31, | | | | 2013 |
|--|------------------|--------|--------------------------|--------|---------------------|---|------|
| | June 30, 2018 | 2017 | 2016 | 2015 | 2014 ⁽⁵⁾ | | |
| Net assets (\$'000's) ⁽¹⁾ | \$ 19,790 | 19,877 | 16,130 | 11,609 | 4,665 | — | |
| Net asset value per unit ⁽¹⁾ | \$ 10.46 | 10.38 | 10.07 | 9.79 | 10.13 | — | |
| Units issued and outstanding (000s) ⁽¹⁾ | 1,893 | 1,915 | 1,602 | 1,186 | 460 | — | |
| Management fees | % 1.35 | 1.35 | 1.35 | 1.35 | 1.35 | — | |
| Management expense ratio ⁽²⁾ | % 2.55 | 2.52 | 2.52 | 2.51 | 2.63 | — | |
| Management expense ratio before waivers | % 2.55 | 2.52 | 2.52 | 2.51 | 2.63 | — | |
| Portfolio turnover rate ⁽³⁾ | % 10.59 | 21.57 | 49.19 | 34.95 | 15.57 | — | |

| 100/100 Class F Units | May 14, 2018 to June 30, 2018 |
|--|-------------------------------|
| Net assets (\$'000s) ⁽¹⁾ | \$ 10 |
| Net asset value per unit ⁽¹⁾ | \$ 10.20 |
| Units issued and outstanding (000s) ⁽¹⁾ | 1 |
| Management fees | % 0.70 |
| Management expense ratio ⁽²⁾ | % 1.90 |
| Management expense ratio before waivers | % 1.90 |
| Portfolio turnover rate ⁽³⁾ | % 10.59 |

⁽¹⁾ The information is provided as at June 30 or December 31 of the period shown, as applicable.

⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

⁽³⁾ The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover ratio in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover ratio and the performance of the fund. For the financial period ended December 31, 2013, no sales of portfolio securities were made in the Fund. As a result, the portfolio turnover ratio for this period was zero.

⁽⁴⁾ The information in this column is for the period beginning December 2, 2013 (the class' inception date) and ending December 31, 2013.

⁽⁵⁾ The information in this column is for the period beginning October 1, 2014 (the class' inception date) and ending December 31, 2014.

The accompanying notes are an integral part of these financial statements.

BMO Fixed Income ETF Portfolio GIF (unaudited)

STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of Canadian dollars, except per unit data)

| As at | June 30 2018 | December 31 2017 |
|---|-----------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | 72 | 87 |
| Investments | | |
| Non-derivative financial assets | 3,410 | 2,049 |
| Total assets | 3,482 | 2,136 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Redemptions payable | 68 | 0 |
| Accrued expenses | 17 | 11 |
| Total liabilities | 85 | 11 |
| Net assets held for the benefit of policyowners | 3,397 | 2,125 |
| Net assets held for the benefit of policyowners | | |
| 75/75 Class A Units | 1,391 | 989 |
| 75/100 Class A Units | 1,986 | 1,136 |
| 75/75 Class F Units | 10 | — |
| 75/100 Class F Units | 10 | — |
| Net assets held for the benefit of policyowners per unit | | |
| 75/75 Class A Units | \$ 9.84 | \$ 9.86 |
| 75/100 Class A Units | \$ 9.82 | \$ 9.85 |
| 75/75 Class F Units | \$ 10.11 | \$ — |
| 75/100 Class F Units | \$ 10.11 | \$ — |

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in thousands of Canadian dollars, except per unit data)

| For the periods ended | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| INCOME | | |
| Interest income | 0 | — |
| Distributions received from investment trusts | 44 | 26 |
| Other changes in fair value of investments and derivatives | | |
| Net realized loss | (5) | (5) |
| Change in unrealized (depreciation) appreciation | (13) | 0 |
| Net gain in fair value of investments and derivatives | 26 | 21 |
| Total income | 26 | 21 |
| EXPENSES | | |
| Management fees (note 7) | 20 | 13 |
| Fixed administration fees (note 7) | 4 | 2 |
| Insurance fees (note 7) | 5 | 3 |
| Interest charges | 0 | 0 |
| Total expenses | 29 | 18 |
| Increase (decrease) in net assets held for the benefit of policyowners | (3) | 3 |
| (Decrease) increase in net assets held for the benefit of policyowners | | |
| 75/75 Class A Units | (2) | (1) |
| 75/100 Class A Units | (1) | 4 |
| 75/75 Class F Units | 0 | — |
| 75/100 Class F Units | 0 | — |
| (Decrease) increase in net assets held for the benefit of policyowners per unit (note 3) | | |
| 75/75 Class A Units | (0.01) | (0.01) |
| 75/100 Class A Units | (0.01) | 0.06 |
| 75/75 Class F Units | 0.11 | — |
| 75/100 Class F Units | 0.11 | — |

The accompanying notes are an integral part of these financial statements.

BMO Fixed Income ETF Portfolio GIF

(unaudited) (cont'd)

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS

(All amounts in thousands of Canadian dollars)

| For the periods ended | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| 75/75 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 989 | 708 |
| Decrease in net assets held for the benefit of policyowners | (2) | (1) |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 644 | 615 |
| Withdrawal of withdrawable units | (240) | (69) |
| Net increase from withdrawable unit transactions | 404 | 546 |
| Net increase in net assets held for the benefit of policyowners | 402 | 545 |
| Net assets held for the benefit of policyowners | 1,391 | 1,253 |
| 75/100 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 1,136 | 1,124 |
| Increase (decrease) in net assets held for the benefit of policyowners | (1) | 4 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 1,108 | 217 |
| Withdrawal of withdrawable units | (257) | (755) |
| Net increase (decrease) from withdrawable unit transactions | 851 | (538) |
| Net increase (decrease) in net assets held for the benefit of policyowners | 850 | (534) |
| Net assets held for the benefit of policyowners | 1,986 | 590 |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| For the periods ended | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| 75/75 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |
| 75/100 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |
| Total Fund | | |
| Net assets held for the benefit of policyowners at beginning of period | 2,125 | 1,832 |
| Increase (decrease) in net assets held for the benefit of policyowners | (3) | 3 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 1,772 | 832 |
| Withdrawal of withdrawable units | (497) | (824) |
| Net increase from withdrawable unit transactions | 1,275 | 8 |
| Net increase in net assets held for the benefit of policyowners | 1,272 | 11 |
| Net assets held for the benefit of policyowners | 3,397 | 1,843 |

The accompanying notes are an integral part of these financial statements.

BMO Fixed Income ETF Portfolio GIF

(unaudited) (cont'd)

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| Cash flows from operating activities | | |
| (Decrease) increase in net assets held for the benefit of policyowners | (3) | 3 |
| Adjustments for: | | |
| Net realized loss on sale of investments and derivatives | 5 | 5 |
| Change in unrealized depreciation (appreciation) of investments and derivatives | 13 | (0) |
| Increase in accrued expenses | 6 | 3 |
| Non-cash distributions from investment trusts | (44) | (26) |
| Purchases of investments | (1,500) | (760) |
| Proceeds from sale and maturity of investments | 165 | 775 |
| Net cash from operating activities | (1,358) | (0) |
| Cash flows from financing activities | | |
| Proceeds from issuances of withdrawable units | 1,772 | 832 |
| Amounts paid on withdrawal of withdrawable units | (429) | (824) |
| Net cash from financing activities | 1,343 | 8 |
| Net (decrease) increase in cash | (15) | 8 |
| Cash at beginning of period | 87 | 51 |
| Cash at end of period | 72 | 59 |
| Supplementary Information: | | |
| Interest received, net of withholding taxes* | 0 | — |
| Interest expense paid* | 0 | 0 |

*These items are from operating activities

SCHEDULE OF INVESTMENT PORTFOLIO

(All amounts in thousands of Canadian dollars, unless otherwise noted)

| <i>As at June 30, 2018</i> | Number of Units | Cost* (\$) | Fair Value (\$) |
|---|--------------------|---------------|-----------------------|
| HOLDINGS IN INVESTMENT FUND | | | |
| Fixed Income Fund — 100.4% | | | |
| BMO Fixed Income ETF Portfolio, Series I | 343,740 | 3,471 | 3,410 |
| Total Investment Portfolio — 100.4% | | 3,471 | 3,410 |
| Other Assets Less Liabilities — (0.4)% | | | (13) |
| NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0% | | | 3,397 |

*Where applicable, distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio.

BMO Fixed Income ETF Portfolio GIF

Notes to the Financial Statements (unaudited)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 75/75 Class F Units and 75/100 Class F Units, which are withdrawable at the policyowners' option.

| Class | Launch Date |
|----------------------|---------------|
| 75/75 Class A Units | June 21, 2016 |
| 75/100 Class A Units | June 21, 2016 |
| 75/75 Class F Units | May 14, 2018 |
| 75/100 Class F Units | May 14, 2018 |

Change in units

The number of units that have been issued and are outstanding are disclosed in the table below.

| For the periods ended (in thousands of units) | June 30, 2018 | June 30, 2017 |
|---|------------------|------------------|
| 75/75 Class A Units | | |
| Units issued and outstanding, beginning of period | 100 | 72 |
| Issued for cash | 66 | 61 |
| Withdrawn during the period | (25) | (7) |
| Units issued and outstanding, end of period | 141 | 126 |
| 75/100 Class A Units | | |
| Units issued and outstanding, beginning of period | 115 | 114 |
| Issued for cash | 113 | 21 |
| Withdrawn during the period | (26) | (76) |
| Units issued and outstanding, end of period | 202 | 59 |
| 75/75 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |
| 75/100 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |

Units held by the Company

The Company held the following units of the Fund:

| As at June 30, 2018 Class | Number of Units | Value of Units (\$) |
|------------------------------|-----------------|---------------------|
| 75/75 Class F Units | 1,000 | 10 |
| 75/100 Class F Units | 1,000 | 10 |

There were no units held by the Company as at December 31, 2017.

Financial instruments risk

The Fund invests in the BMO Fixed Income ETF Portfolio ("underlying fund"). The investment objective of the underlying fund is to preserve the value of investments by investing primarily in exchange traded funds that invest in Canadian, U.S. and international fixed income securities. The underlying fund may also invest in other mutual funds or invest directly in individual fixed income securities and cash or cash equivalents.

Financial instrument risk of the underlying fund

The Fund is indirectly exposed to currency risk, interest rate risk, other market risk and credit risk through its investment in the underlying fund to the extent the underlying fund was exposed to these risks.

Fair value hierarchy

| As at June 30, 2018 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|-------|
| Investment fund | 3,410 | — | — | 3,410 |

| As at December 31, 2017 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|-------|
| Investment fund | 2,049 | — | — | 2,049 |

Transfers between levels

There were no transfers between the levels during the 2018 period (2017 – \$nil).

Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the table below.

| Carrying amount | As at June 30, 2018 | As at December 31, 2017 |
|--|---------------------------|-------------------------------|
| BMO Fixed Income ETF Portfolio, Series I | 3,410 | 2,049 |

Carrying amount as a % of the underlying fund's Net Assets

| | | |
|------------------------------------|-------|-------|
| BMO Income ETF Portfolio, Series I | 4.43% | 2.46% |
|------------------------------------|-------|-------|

The accompanying notes are an integral part of these financial statements.

BMO Fixed Income ETF Portfolio GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Increase or decrease in net assets held for the benefit of policyowners

The increase (decrease) in net assets held for the benefit of policyowners for the periods ended June 30, 2018 and June 30, 2017 is calculated as follows:

| For the periods ended | June 30, 2018 | June 30, 2017 |
|---|------------------|------------------|
| 75/75 Class A Units | | |
| Decrease in net assets held for the benefit of policyowners | (2) | (1) |
| Weighted average units outstanding during the period | 115 | 97 |
| Decrease in net assets held for the benefit of policyowners per unit | (0.01) | (0.01) |
| 75/100 Class A Units | | |
| (Decrease) increase in net assets held for the benefit of policyowners | (1) | 4 |
| Weighted average units outstanding during the period | 178 | 79 |
| (Decrease) increase in net assets held for the benefit of policyowners per unit | (0.01) | 0.06 |
| 75/75 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.11 | — |
| 75/100 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.11 | — |

Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended June 30, 2018 and June 30, 2017.

Concentration risk

The following is a summary of the Fund's concentration risk, through its investment in the underlying fund.

| As at | June 30, 2018 | December 31, 2017 |
|--------------------------------------|------------------|----------------------|
| Investment Funds | | |
| Fixed Income Fund | 99.3% | 95.8% |
| Other Assets less Liabilities | 0.7% | 4.2% |
| | 100.0% | 100.0% |

The accompanying notes are an integral part of these financial statements.

Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2018 and December 31, 2017.

IFRS 9 transition

Upon transition to IFRS 9, financial assets and financial liabilities in the Fund's investment portfolio were classified as FVTPL. The classification differs from the classification under the previous IAS 39 for the financial assets and financial liabilities that were previously classified as held for trading; therefore, there were changes in the categorization of financial assets and financial liabilities upon transition to IFRS 9. However, there were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9. The tables below show the reconciliation of the financial assets and financial liabilities balances as at January 1, 2018, the IFRS 9 transition date.

| As at January 1, 2018 Financial Assets | Held for Trading | Designated as FVTPL | Loans and Receivables** | FVTPL |
|---|---------------------|------------------------|----------------------------|-------|
| Opening balance – under IAS 39 | — | 2,049 | — | — |
| On the basis of change from IAS 39 to IFRS 9: | | | | |
| – reclassification of investments to FVTPL* | — | (2,049) | — | 2,049 |
| Total change on transition to IFRS 9 | — | (2,049) | — | 2,049 |
| Opening balance – under IFRS 9 | — | — | — | 2,049 |

* These are financial instruments (derivatives) classified as held for trading and others designated as FVTPL under IAS 39.

** These are other financial assets classified as loans and receivables under IAS 39, now classified as amortized cost under IFRS 9.

| As at January 1, 2018 Financial Liabilities | Held for Trading | Amortized Cost** | FVTPL |
|---|---------------------|---------------------|-------|
| Opening balance – under IAS 39 | — | 11 | — |
| On the basis of change from IAS 39 to IFRS 9: | | | |
| – reclassification of shorts and other derivatives* | — | — | — |
| Total change on transition to IFRS 9 | — | — | — |
| Opening balance – under IFRS 9 | — | 11 | — |

* These are financial liabilities (such as shorts and derivatives) classified as held for trading under IAS 39.

** These are other financial liabilities that continue to be classified as amortized cost.

BMO Fixed Income ETF Portfolio GIF

Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Financial Highlights (unaudited)

The following table shows selected key financial information about the Fund which is intended to help you understand the Fund's financial performance for the periods indicated.

| 75/75 Class A Units | Six months ended June 30, 2018 | Years ended December 31, 2017 | 2016 ⁽⁴⁾ |
|--|-----------------------------------|----------------------------------|---------------------|
| Net assets (000s) ⁽¹⁾ | \$ 1,391 | 989 | 708 |
| Net asset value per unit | \$ 9.84 | 9.86 | 9.90 |
| Units issued and outstanding (000s) ⁽¹⁾ | 141 | 100 | 72 |
| Management fees | 1.30 | 1.30 | 1.30 |
| Management expense ratio ⁽²⁾ | % 2.01 | 2.01 | 2.00 |
| Management expense ratio before waivers | % 2.01 | 2.01 | 2.00 |
| Portfolio turnover rate ⁽³⁾ | % 5.97 | 65.93 | 27.63 |

| 75/100 Class A Units | Six months ended June 30, 2018 | Years ended December 31, 2017 | 2016 ⁽⁴⁾ |
|--|-----------------------------------|----------------------------------|---------------------|
| Net assets (000s) ⁽¹⁾ | \$ 1,986 | 1,136 | 1,124 |
| Net asset value per unit | \$ 9.82 | 9.85 | 9.89 |
| Units issued and outstanding (000s) ⁽¹⁾ | 202 | 115 | 114 |
| Management fees | 1.30 | 1.30 | 1.30 |
| Management expense ratio ⁽²⁾ | % 2.11 | 2.11 | 2.11 |
| Management expense ratio before waivers | % 2.11 | 2.11 | 2.11 |
| Portfolio turnover rate ⁽³⁾ | % 5.97 | 65.93 | 27.63 |

| 75/75 Class F Units | May 14, 2018 to June 30, 2018 |
|---|----------------------------------|
| Net assets (\$000s) | \$ 10 |
| Net asset value per unit | \$ 10.11 |
| Units issued and outstanding (000s) | 1 |
| Management fees | % 0.30 |
| Management expense ratio | % 0.89 |
| Management expense ratio before waivers | % 0.89 |
| Portfolio turnover rate | % 5.97 |

| 75/100 Class F Units | May 14, 2018 to June 30, 2018 |
|---|----------------------------------|
| Net assets (\$000s) | \$ 10 |
| Net asset value per unit | \$ 10.11 |
| Units issued and outstanding (000s) | 1 |
| Management fees | % 0.30 |
| Management expense ratio | % 1.04 |
| Management expense ratio before waivers | % 1.04 |
| Portfolio turnover rate | % 5.97 |

⁽¹⁾ The information is provided as at June 30 or December 31 of the period shown, as applicable.

⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

⁽³⁾ The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover ratio in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover ratio and the performance of the fund.

⁽⁴⁾ The information in this column is for the period beginning June 21, 2016 (the class' inception date) and ending December 31, 2016.

BMO Income ETF Portfolio GIF

(unaudited)

STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of Canadian dollars, except per unit data)

| As at | June 30 2018 | December 31 2017 |
|---|-----------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | 270 | 133 |
| Investments | | |
| Non-derivative financial assets | 11,608 | 9,224 |
| Subscriptions receivable | 0 | — |
| Total assets | 11,878 | 9,357 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Payable for investments purchased | 35 | — |
| Redemptions payable | 273 | — |
| Accrued expenses | 62 | 56 |
| Total liabilities | 370 | 56 |
| Net assets held for the benefit of policyowners | 11,508 | 9,301 |
| Net assets held for the benefit of policyowners | | |
| 75/75 Class A Units | 5,404 | 4,118 |
| 75/100 Class A Units | 6,084 | 5,183 |
| 75/75 Class F Units | 10 | — |
| 75/100 Class F Units | 10 | — |
| Net assets held for the benefit of policyowners per unit | | |
| 75/75 Class A Units | \$ 10.33 | \$ 10.31 |
| 75/100 Class A Units | \$ 10.29 | \$ 10.28 |
| 75/75 Class F Units | \$ 10.11 | \$ — |
| 75/100 Class F Units | \$ 10.11 | \$ — |

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in thousands of Canadian dollars, except per unit data)

| For the periods ended | June 30 2018 | June 30 2017 |
|--|-----------------|-----------------|
| INCOME | | |
| Distributions received from investment trusts | 153 | 90 |
| Other changes in fair value of investments and derivatives | | |
| Net realized (loss) gain | (4) | 4 |
| Change in unrealized (depreciation) appreciation | (10) | 32 |
| Net gain in fair value of investments and derivatives | 139 | 126 |
| Total income | 139 | 126 |
| EXPENSES | | |
| Management fees (note 7) | 78 | 46 |
| Fixed administration fees (note 7) | 14 | 8 |
| Insurance fees (note 7) | 24 | 14 |
| Interest charges | 0 | — |
| Total expenses | 116 | 68 |
| Increase in net assets held for the benefit of policyowners | 23 | 58 |
| Increase in net assets held for the benefit of policyowners | | |
| 75/75 Class A Units | 11 | 27 |
| 75/100 Class A Units | 12 | 31 |
| 75/75 Class F Units | 0 | — |
| 75/100 Class F Units | 0 | — |
| Increase in net assets held for the benefit of policyowners per unit (note 3) | | |
| 75/75 Class A Units | 0.03 | 0.10 |
| 75/100 Class A Units | 0.02 | 0.10 |
| 75/75 Class F Units | 0.11 | — |
| 75/100 Class F Units | 0.11 | — |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| 75/75 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 4,118 | 1,359 |
| Increase in net assets held for the benefit of policyowners | 11 | 27 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 1,776 | 2,337 |
| Withdrawal of withdrawable units | (501) | (334) |
| Net increase from withdrawable unit transactions | 1,275 | 2,003 |
| Net increase in net assets held for the benefit of policyowners | 1,286 | 2,030 |
| Net assets held for the benefit of policyowners | 5,404 | 3,389 |
| 75/100 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 5,183 | 2,460 |
| Increase in net assets held for the benefit of policyowners | 12 | 31 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 1,596 | 1,339 |
| Withdrawal of withdrawable units | (707) | (221) |
| Net increase from withdrawable unit transactions | 889 | 1,118 |
| Net increase in net assets held for the benefit of policyowners | 901 | 1,149 |
| Net assets held for the benefit of policyowners | 6,084 | 3,609 |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| 75/75 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |
| 75/100 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| Total Fund | | |
| Net assets held for the benefit of policyowners at beginning of period | 9,301 | 3,819 |
| Increase in net assets held for the benefit of policyowners | 23 | 58 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 3,392 | 3,676 |
| Withdrawal of withdrawable units | (1,208) | (555) |
| Net increase from withdrawable unit transactions | 2,184 | 3,121 |
| Net increase in net assets held for the benefit of policyowners | 2,207 | 3,179 |
| Net assets held for the benefit of policyowners | 11,508 | 6,998 |

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| Cash flows from operating activities | | |
| Increase in net assets held for the benefit of policyowners | 23 | 58 |
| Adjustments for: | | |
| Net realized loss (gain) on sale of investments and derivatives | 4 | (4) |
| Change in unrealized depreciation (appreciation) of investments and derivatives | 10 | (32) |
| Increase in accrued expenses | 6 | 27 |
| Non-cash distributions from investment trusts | (153) | (90) |
| Purchases of investments | (2,720) | (3,715) |
| Proceeds from sale and maturity of investments | 510 | 515 |
| Net cash from operating activities | (2,320) | (3,241) |
| Cash flows from financing activities | | |
| Proceeds from issuances of withdrawable units | 3,392 | 3,694 |
| Amounts paid on withdrawal of withdrawable units | (935) | (568) |
| Net cash from financing activities | 2,457 | 3,126 |
| Net increase (decrease) in cash | 137 | (115) |
| Cash at beginning of period | 133 | 278 |
| Cash at end of period | 270 | 163 |

Supplementary Information:

| | | |
|------------------------|---|---|
| Interest expense paid* | 0 | — |
|------------------------|---|---|

*These items are from operating activities

BMO Income ETF Portfolio GIF

(unaudited) (cont'd)

SCHEDULE OF INVESTMENT PORTFOLIO

(All amounts in thousands of Canadian dollars, unless otherwise noted)

| As at June 30, 2018 | Number of Units | Cost* (\$) | Fair Value (\$) |
|---|--------------------|---------------|-----------------------|
| HOLDINGS IN INVESTMENT FUND | | | |
| Fixed Income Fund — 100.9% | | | |
| BMO Income ETF Portfolio, Series I | 1,052,487 | 11,562 | 11,608 |
| Total Investment Portfolio — 100.9% | | 11,562 | 11,608 |
| Other Assets Less Liabilities — (0.9)% | | | (100) |
| NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0% | | | |
| | | | 11,508 |

*Where applicable, distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio.

The accompanying notes are an integral part of these financial statements.

BMO Income ETF Portfolio GIF

Notes to the Financial Statements (unaudited)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 75/75 Class F Units, and 75/100 Class F Units, which are withdrawable at the policyowners' option.

| Class | Launch Date |
|----------------------|---------------|
| 75/75 Class A Units | June 21, 2016 |
| 75/100 Class A Units | June 21, 2016 |
| 75/75 Class F Units | May 14, 2018 |
| 75/100 Class F Units | May 14, 2018 |

Change in units

The number of units that have been issued and are outstanding are disclosed in the table below.

| For the periods ended (in thousands of units) | June 30, 2018 | June 30, 2017 |
|---|------------------|------------------|
| 75/75 Class A Units | | |
| Units issued and outstanding, beginning of period | 399 | 134 |
| Issued for cash | 173 | 229 |
| Withdrawn during the period | (49) | (32) |
| Units issued and outstanding, end of period | 523 | 331 |
| 75/100 Class A Units | | |
| Units issued and outstanding, beginning of period | 504 | 243 |
| Issued for cash | 156 | 131 |
| Withdrawn during the period | (69) | (21) |
| Units issued and outstanding, end of period | 591 | 353 |
| 75/75 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |
| 75/100 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |

Units held by the Company

The Company held the following units of the Fund:

| As at June 30, 2018 Class | Number of Units | Value of Units (\$) |
|------------------------------|-----------------|---------------------|
| 75/75 Class F Units | 1,000 | 10 |
| 75/100 Class F Units | 1,000 | 10 |

There were no units held by the Company as at December 31, 2017.

The accompanying notes are an integral part of these financial statements.

Financial instruments risk

The Fund invests in the BMO Income ETF Portfolio ("underlying fund"). The investment objective of the underlying fund is to preserve the value of investments by investing primarily in exchange traded funds that invest in fixed income securities with a lesser exposure to exchange traded funds that invest in Canadian, U.S. and international equity securities. The underlying fund may also invest in other mutual funds or invest directly in individual fixed income or equity securities and cash or cash equivalents.

Financial instrument risk of the underlying fund

The Fund is indirectly exposed to currency risk, interest rate risk, other market risk and credit risk through its investment in the underlying fund to the extent the underlying fund was exposed to these risks.

Fair value hierarchy

| As at June 30, 2018 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|--------|
| Investment fund | 11,608 | — | — | 11,608 |

| As at December 31, 2017 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|-------|
| Investment fund | 9,224 | — | — | 9,224 |

Transfers between levels

There were no transfers between the levels during the 2018 period (2017 – \$nil).

Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the table below.

| Carrying amount | As at June 30, 2018 | As at December 31, 2017 |
|------------------------------------|---------------------------|-------------------------------|
| BMO Income ETF Portfolio, Series I | 11,608 | 9,224 |

Carrying amount as a % of the underlying fund's Net Assets

| | | |
|------------------------------------|-------|-------|
| BMO Income ETF Portfolio, Series I | 1.56% | 1.18% |
|------------------------------------|-------|-------|

BMO Income ETF Portfolio GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Increase or decrease in net assets held for the benefit of policyowners

The increase (decrease) in net assets held for the benefit of policyowners for the periods ended June 30, 2018 and June 30, 2017 is calculated as follows:

| <i>For the periods ended</i> | June 30, 2018 | June 30, 2017 |
|--|------------------|------------------|
| 75/75 Class A Units | | |
| Increase in net assets held for the benefit of policyowners | 11 | 27 |
| Weighted average units outstanding during the period | 423 | 267 |
| Increase in net assets held for the benefit of policyowners per unit | 0.03 | 0.10 |
| 75/100 Class A Units | | |
| Increase in net assets held for the benefit of policyowners | 12 | 31 |
| Weighted average units outstanding during the period | 552 | 313 |
| Increase in net assets held for the benefit of policyowners per unit | 0.02 | 0.10 |
| 75/75 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.11 | — |
| 75/100 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.11 | — |

Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended June 30, 2018 and June 30, 2017.

Concentration risk

The following is a summary of the Fund's concentration risk through its investment in the underlying fund:

| <i>As at</i> | June 30, 2018 | December 31, 2017 |
|--------------------------------------|------------------|----------------------|
| Investment Funds | | |
| Canadian Equity Funds | 7.9% | 7.8% |
| Emerging Markets Equity Fund | 1.1% | 1.1% |
| Fixed Income Funds | 75.4% | 73.8% |
| International Equity Fund | 7.1% | 7.1% |
| US Equity Funds | 8.7% | 8.6% |
| Other Assets less Liabilities | (0.2%) | 1.6% |
| | 100.0% | 100.0% |

Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2018 and December 31, 2017.

The accompanying notes are an integral part of these financial statements.

BMO Income ETF Portfolio GIF

Notes to the Financial Statements (unaudited)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

IFRS 9 transition

Upon transition to IFRS 9, financial assets and financial liabilities in the Fund's investment portfolio were classified as FVTPL. The classification differs from the classification under the previous IAS 39 for the financial assets and financial liabilities that were previously classified as held for trading; therefore, there were changes in the categorization of financial assets and financial liabilities upon transition to IFRS 9. However, there were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9. The tables below show the reconciliation of the financial assets and financial liabilities balances as at January 1, 2018, the IFRS 9 transition date.

| As at January 1, 2018 Financial Assets | Held for Trading | Designated as FVTPL | Loans and Receivables** | FVTPL |
|--|---------------------|------------------------|----------------------------|-------|
| Opening balance – under IAS 39 | — | 9,224 | — | — |
| On the basis of change from IAS 39 to IFRS 9: – reclassification of investments to FVTPL* | — | (9,224) | — | 9,224 |
| Total change on transition to IFRS 9 | — | (9,224) | — | 9,224 |
| Opening balance – under IFRS 9 | — | — | — | 9,224 |

* These are financial instruments (derivatives) classified as held for trading and others designated as FVTPL under IAS 39.

** These are other financial assets classified as loans and receivables under IAS 39, now classified as amortized cost under IFRS 9.

| As at January 1, 2018 Financial Liabilities | Held for Trading | Amortized Cost** | FVTPL |
|--|---------------------|---------------------|-------|
| Opening balance – under IAS 39 | — | 56 | — |
| On the basis of change from IAS 39 to IFRS 9: – reclassification of shorts and other derivatives* | — | — | — |
| Total change on transition to IFRS 9 | — | — | — |
| Opening balance – under IFRS 9 | — | 56 | — |

* These are financial liabilities (such as shorts and derivatives) classified as held for trading under IAS 39.

** These are other financial liabilities that continue to be classified as amortized cost.

BMO Income ETF Portfolio GIF

Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Financial Highlights (unaudited)

The following table shows selected key financial information about the Fund which is intended to help you understand the Fund's financial performance for the periods indicated.

| 75/75 Class A Units | Six months ended June 30, 2018 | Years ended December 31, 2017 | 2016 ⁽⁴⁾ |
|--|-----------------------------------|----------------------------------|---------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ 5,404 | 4,118 | 1,359 |
| Net asset value per unit | \$ 10.33 | 10.31 | 10.12 |
| Units issued and outstanding (000s) ⁽¹⁾ | 523 | 399 | 134 |
| Management fees | % 1.40 | 1.40 | 1.40 |
| Management expense ratio ⁽²⁾ | % 2.22 | 2.22 | 2.22 |
| Management expense ratio before waivers | % 2.22 | 2.22 | 2.22 |
| Portfolio turnover rate ⁽³⁾ | % 5.18 | 17.37 | 7.21 |

| 75/100 Class A Units | Six months ended June 30, 2018 | Years ended December 31, 2017 | 2016 ⁽⁴⁾ |
|--|-----------------------------------|----------------------------------|---------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ 6,084 | 5,183 | 2,460 |
| Net asset value per unit | \$ 10.29 | 10.28 | 10.11 |
| Units issued and outstanding (000s) ⁽¹⁾ | 591 | 504 | 243 |
| Management fees | % 1.40 | 1.40 | 1.40 |
| Management expense ratio ⁽²⁾ | % 2.44 | 2.43 | 2.43 |
| Management expense ratio before waivers | % 2.44 | 2.43 | 2.43 |
| Portfolio turnover rate ⁽³⁾ | % 5.18 | 17.37 | 7.21 |

| 75/75 Class F Units | May 14, 2018 to June 30, 2018 |
|--|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ 10 |
| Net asset value per unit | \$ 10.11 |
| Units issued and outstanding (000s) ⁽¹⁾ | 1 |
| Management fees | % 0.40 |
| Management expense ratio ⁽²⁾ | % 1.10 |
| Management expense ratio before waivers | % 1.10 |
| Portfolio turnover rate ⁽³⁾ | % 5.18 |

| 75/100 Class F Units | May 14, 2018 to June 30, 2018 |
|--|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ 10 |
| Net asset value per unit | \$ 10.11 |
| Units issued and outstanding (000s) ⁽¹⁾ | 1 |
| Management fees | % 0.40 |
| Management expense ratio ⁽²⁾ | % 1.30 |
| Management expense ratio before waivers | % 1.30 |
| Portfolio turnover rate ⁽³⁾ | % 5.18 |

⁽¹⁾ The information is provided as at June 30 or December 31 of the period shown, as applicable.

⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

⁽³⁾ The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover ratio in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover ratio and the performance of the fund.

⁽⁴⁾ The information shown in this column is for the period beginning June 21, 2016 (the class' inception date) and ending December 31, 2016.

BMO Conservative ETF Portfolio GIF

(unaudited)

STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of Canadian dollars, except per unit data)

| As at | June 30 2018 | December 31 2017 |
|---|-----------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | 734 | 463 |
| Investments | | |
| Non-derivative financial assets | 35,037 | 26,486 |
| Subscriptions receivable | 107 | 1,657 |
| Total assets | 35,878 | 28,606 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Payable for investments purchased | 30 | — |
| Redemptions payable | 327 | 879 |
| Accrued expenses | 211 | 157 |
| Total liabilities | 568 | 1,036 |
| Net assets held for the benefit of policyowners | 35,310 | 27,570 |
| Net assets held for the benefit of policyowners | | |
| 75/75 Class A Units | 7,372 | 5,678 |
| 75/100 Class A Units | 17,626 | 14,330 |
| 100/100 Class A Units | 5,277 | 4,624 |
| 100/100 Prestige Class Units | 5,005 | 2,938 |
| 75/75 Class F Units | 10 | — |
| 75/100 Class F Units | 10 | — |
| 100/100 Class F Units | 10 | — |
| Net assets held for the benefit of policyowners per unit | | |
| 75/75 Class A Units | \$ 10.68 | \$ 10.63 |
| 75/100 Class A Units | \$ 10.62 | \$ 10.58 |
| 100/100 Class A Units | \$ 10.21 | \$ 10.19 |
| 100/100 Prestige Class Units | \$ 10.28 | \$ 10.24 |
| 75/75 Class F Units | \$ 10.11 | \$ — |
| 75/100 Class F Units | \$ 10.10 | \$ — |
| 100/100 Class F Units | \$ 10.10 | \$ — |

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in thousands of Canadian dollars, except per unit data)

| For the periods ended | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| INCOME | | |
| Distributions received from investment trusts | 510 | 187 |
| Other changes in fair value of investments and derivatives | | |
| Net realized gain | 1 | 4 |
| Change in unrealized appreciation (depreciation) | 15 | (39) |
| Net gain in fair value of investments and derivatives | 526 | 152 |
| Total income | 526 | 152 |
| EXPENSES | | |
| Management fees (note 7) | 245 | 87 |
| Fixed administration fees (note 7) | 45 | 16 |
| Insurance fees (note 7) | 112 | 35 |
| Total expenses | 402 | 138 |
| Increase in net assets held for the benefit of policyowners | 124 | 14 |
| Increase (decrease) in net assets held for the benefit of policyowners | | |
| 75/75 Class A Units | 36 | 9 |
| 75/100 Class A Units | 64 | 34 |
| 100/100 Class A Units | 10 | (30) |
| 100/100 Prestige Class Units | 14 | 1 |
| 75/75 Class F Units | 0 | — |
| 75/100 Class F Units | 0 | — |
| 100/100 Class F Units | 0 | — |
| Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3) | | |
| 75/75 Class A Units | 0.06 | 0.04 |
| 75/100 Class A Units | 0.04 | 0.05 |
| 100/100 Class A Units | 0.02 | (0.20) |
| 100/100 Prestige Class Units | 0.03 | 0.05 |
| 75/75 Class F Units | 0.11 | — |
| 75/100 Class F Units | 0.10 | — |
| 100/100 Class F Units | 0.10 | — |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| 75/75 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 5,678 | 1,278 |
| Increase in net assets held for the benefit of policyowners | 36 | 9 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 2,250 | 2,073 |
| Withdrawal of withdrawable units | (592) | (118) |
| Net increase from withdrawable unit transactions | 1,658 | 1,955 |
| Net increase in net assets held for the benefit of policyowners | 1,694 | 1,964 |
| Net assets held for the benefit of policyowners | 7,372 | 3,242 |
| 75/100 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 14,330 | 4,198 |
| Increase in net assets held for the benefit of policyowners | 64 | 34 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 4,742 | 6,752 |
| Withdrawal of withdrawable units | (1,510) | (367) |
| Net increase from withdrawable unit transactions | 3,232 | 6,385 |
| Net increase in net assets held for the benefit of policyowners | 3,296 | 6,419 |
| Net assets held for the benefit of policyowners | 17,626 | 10,617 |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| 100/100 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 4,624 | — |
| Increase (decrease) in net assets held for the benefit of policyowners | 10 | (30) |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 3,444 | 3,640 |
| Withdrawal of withdrawable units | (2,801) | (782) |
| Net increase from withdrawable unit transactions | 643 | 2,858 |
| Net increase in net assets held for the benefit of policyowners | 653 | 2,828 |
| Net assets held for the benefit of policyowners | 5,277 | 2,828 |
| 100/100 Prestige Class Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 2,938 | — |
| Increase in net assets held for the benefit of policyowners | 14 | 1 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 2,142 | 963 |
| Withdrawal of withdrawable units | (89) | (52) |
| Net increase from withdrawable unit transactions | 2,053 | 911 |
| Net increase in net assets held for the benefit of policyowners | 2,067 | 912 |
| Net assets held for the benefit of policyowners | 5,005 | 912 |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| 75/75 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |
| 75/100 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| 100/100 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |
| Total Fund | | |
| Net assets held for the benefit of policyowners at beginning of period | 27,570 | 5,476 |
| Increase in net assets held for the benefit of policyowners | 124 | 14 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 12,608 | 13,428 |
| Withdrawal of withdrawable units | (4,992) | (1,319) |
| Net increase from withdrawable unit transactions | 7,616 | 12,109 |
| Net increase in net assets held for the benefit of policyowners | 7,740 | 12,123 |
| Net assets held for the benefit of policyowners | 35,310 | 17,599 |

The accompanying notes are an integral part of these financial statements.

BMO Conservative ETF Portfolio GIF

(unaudited) (cont'd)

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| Cash flows from operating activities | | |
| Increase in net assets held for the benefit of policyowners | 124 | 14 |
| Adjustments for: | | |
| Net realized gain on sale of investments and derivatives | (1) | (4) |
| Change in unrealized (appreciation) depreciation of investments and derivatives | (15) | 39 |
| Increase in accrued expenses | 54 | 72 |
| Non-cash distributions from investment trusts | (510) | (187) |
| Purchases of investments | (8,625) | (12,149) |
| Proceeds from sale and maturity of investments | 630 | 615 |
| Net cash from operating activities | (8,343) | (11,600) |
| Cash flows from financing activities | | |
| Proceeds from issuances of withdrawable units | 12,016 | 13,460 |
| Amounts paid on withdrawal of withdrawable units | (3,402) | (1,311) |
| Net cash from financing activities | 8,614 | 12,149 |
| Net increase in cash | 271 | 549 |
| Cash and bank indebtedness at beginning of period | 463 | (255) |
| Cash at end of period | 734 | 294 |

SCHEDULE OF INVESTMENT PORTFOLIO

(All amounts in thousands of Canadian dollars, unless otherwise noted)

| <i>As at June 30, 2018</i> | Number of Units | Cost* (\$) | Fair Value (\$) |
|---|--------------------|---------------|-----------------------|
| HOLDINGS IN INVESTMENT FUND | | | |
| Fixed Income Fund — 99.2% | | | |
| BMO Conservative ETF Portfolio, Series I | 2,987,245 | 34,705 | 35,037 |
| Total Investment Portfolio — 99.2% | | 34,705 | 35,037 |
| Other Assets Less Liabilities — 0.8% | | | 273 |
| NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0% | | | 35,310 |

*Where applicable, distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio.

The accompanying notes are an integral part of these financial statements.

BMO Conservative ETF Portfolio GIF

Notes to the Financial Statements (unaudited)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 100/100 Class A Units, 100/100 Prestige Class Units, 75/75 Class F Units, 75/100 Class F Units and 100/100 Class F Units, which are withdrawable at the policyowners' option.

| Class | Launch Date |
|------------------------|-----------------|
| 75/75 Class A Units | June 21, 2016 |
| 75/100 Class A Units | June 21, 2016 |
| 100/100 Class A Units | January 9, 2017 |
| 100/100 Prestige Class | January 9, 2017 |
| 75/75 Class F Units | May 14, 2018 |
| 75/100 Class F Units | May 14, 2018 |
| 100/100 Class F Units | May 14, 2018 |

Change in units

The number of units that have been issued and are outstanding are disclosed in the table below.

| For the periods ended (in thousands of units) | June 30, 2018 | June 30, 2017 |
|---|------------------|------------------|
| 75/75 Class A Units | | |
| Units issued and outstanding, beginning of period | 534 | 124 |
| Issued for cash | 212 | 197 |
| Withdrawn during the period | (56) | (11) |
| Units issued and outstanding, end of period | 690 | 310 |
| 75/100 Class A Units | | |
| Units issued and outstanding, beginning of period | 1,354 | 408 |
| Issued for cash | 448 | 644 |
| Withdrawn during the period | (143) | (35) |
| Units issued and outstanding, end of period | 1,659 | 1,017 |
| 100/100 Class A Units | | |
| Units issued and outstanding, beginning of period | 454 | — |
| Issued for cash | 338 | 358 |
| Withdrawn during the period | (275) | (77) |
| Units issued and outstanding, end of period | 517 | 281 |
| 100/100 Prestige Class | | |
| Units issued and outstanding, beginning of period | 287 | — |
| Issued for cash | 209 | 95 |
| Withdrawn during the period | (9) | (5) |
| Units issued and outstanding, end of period | 487 | 90 |

| For the periods ended (in thousands of units) | June 30, 2018 | June 30, 2017 |
|---|------------------|------------------|
| 75/75 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |
| 75/100 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |
| 100/100 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |

Units held by the Company

The Company held the following units of the Fund:

| As at June 30, 2018 Class | Number of Units | Value of Units (\$) |
|------------------------------|-----------------|---------------------|
| 75/75 Class F Units | 1,000 | 10 |
| 75/100 Class F Units | 1,000 | 10 |
| 100/100 Class F Units | 1,000 | 10 |

There were no units held by the Company as at December 31, 2017.

Financial instruments risk

The Fund invests in the BMO Conservative ETF Portfolio ("underlying fund"). The investment objective of the underlying fund is to preserve the value of investments and, to a lesser extent, provide some potential for growth by investing primarily in exchange traded funds that invest in Canadian, U.S. and international fixed income and equity securities. The underlying fund may also invest in other mutual funds or invest directly in individual fixed income and equity securities and cash or cash equivalents.

Financial instrument risk of the underlying funds

The Fund is indirectly exposed to currency risk, interest rate risk, other market risk and credit risk through its investment in the underlying fund to the extent the underlying fund was exposed to these risks.

BMO Conservative ETF Portfolio GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Fair value hierarchy

| As at June 30, 2018 | Level 1 | Level 2 | Level 3 | Total |
|-------------------------|---------|---------|---------|--------|
| Financial assets | | | | |
| Investment fund | 35,037 | — | — | 35,037 |

| As at December 31, 2017 | Level 1 | Level 2 | Level 3 | Total |
|-------------------------|---------|---------|---------|--------|
| Financial assets | | | | |
| Investment fund | 26,486 | — | — | 26,486 |

Transfers between levels

There were no transfers between the levels during the 2018 period (2017 – \$nil).

Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the table below.

| Carrying amount | At at June 30, 2018 | As at December 31, 2017 |
|--|---------------------------|-------------------------------|
| BMO Conservative ETF Portfolio, Series I | 35,037 | 26,486 |

| Carrying amount as a % of the underlying fund's Net Assets | At at June 30, 2018 | As at December 31, 2017 |
|---|---------------------------|-------------------------------|
| BMO Conservative ETF Portfolio, Series I | 4.32% | 3.52% |

Increase or decrease in net assets held for the benefit of policyowners

The increase (decrease) in net assets held for the benefit of policyowners for the periods ended June 30, 2018 and June 30, 2017 is calculated as follows:

| For the periods ended | June 30, 2018 | June 30, 2017 |
|--|------------------|------------------|
| 75/75 Class A Units | | |
| Increase in net assets held for the benefit of policyowners | 36 | 9 |
| Weighted average units outstanding during the period | 624 | 200 |
| Increase in net assets held for the benefit of policyowners per unit | 0.06 | 0.04 |
| 75/100 Class A Units | | |
| Increase in net assets held for the benefit of policyowners | 64 | 34 |
| Weighted average units outstanding during the period | 1,563 | 725 |
| Increase in net assets held for the benefit of policyowners per unit | 0.04 | 0.05 |

| For the periods ended | June 30, 2018 | June 30, 2017 |
|---|------------------|------------------|
| 100/100 Class A Units | | |
| Increase (decrease) in net assets held for the benefit of policyowners | 10 | (30) |
| Weighted average units outstanding during the period | 498 | 151 |
| Increase (decrease) in net assets held for the benefit of policyowners per unit | 0.02 | (0.20) |
| 100/100 Prestige Class Units | | |
| Increase (decrease) in net assets held for the benefit of policyowners | 14 | 1 |
| Weighted average units outstanding during the period | 441 | 26 |
| Increase in net assets held for the benefit of policyowners per unit | 0.03 | 0.05 |
| 75/75 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.11 | — |
| 75/100 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.10 | — |
| 100/100 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.10 | — |

Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended June 30, 2018 and June 30, 2017.

BMO Conservative ETF Portfolio GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Concentration risk

The following is a summary of the Fund's concentration risk through its investment in the underlying fund:

| As at | June 30, 2018 | December 31, 2017 |
|--------------------------------------|------------------|----------------------|
| Investment Funds | | |
| Canadian Equity Funds | 12.8% | 12.4% |
| Emerging Markets Equity Fund | 1.7% | 1.7% |
| Fixed Income Funds | 58.5% | 56.7% |
| International Equity Fund | 10.9% | 10.8% |
| US Equity Funds | 14.5% | 13.6% |
| Other Assets less Liabilities | 1.6% | 4.8% |
| | 100.0% | 100.0% |

| As at January 1, 2018 Financial Liabilities | Held for Trading | Amortized cost** | FVTPL |
|--|---------------------|---------------------|----------|
| Opening balance – under IAS 39 | — | 1,036 | — |
| On the basis of change from IAS 39 to IFRS 9: | | | |
| – reclassification of shorts and other derivatives* | — | — | — |
| Total change on transition to IFRS 9 | — | — | — |
| Opening balance – under IFRS 9 | — | 1,036 | — |

* These are financial liabilities (such as shorts and derivatives) classified as held for trading under IAS 39.

** These are other financial liabilities that continue to be classified as amortized cost.

Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2018 and December 31, 2017.

IFRS 9 transition

Upon transition to IFRS 9, financial assets and financial liabilities in the Fund's investment portfolio were classified as FVTPL. The classification differs from the classification under the previous IAS 39 for the financial assets and financial liabilities that were previously classified as held for trading; therefore, there were changes in the categorization of financial assets and financial liabilities upon transition to IFRS 9. However, there were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9. The tables below show the reconciliation of the financial assets and financial liabilities balances as at January 1, 2018, the IFRS 9 transition date.

| As at January 1, 2018 Financial Assets | Held for Trading | Designated as FVTPL | Loans and Receivables** | FVTPL |
|--|---------------------|------------------------|----------------------------|---------------|
| Opening balance – under IAS 39 | — | 26,486 | 1,657 | — |
| On the basis of change from IAS 39 to IFRS 9: | | | | |
| – reclassification of investments to FVTPL* | — | (26,486) | — | 26,486 |
| Total change on transition to IFRS 9 | — | (26,486) | — | 26,486 |
| Opening balance – under IFRS 9 | — | — | 1,657 | 26,486 |

* These are financial instruments (derivatives) classified as held for trading and others designated as FVTPL under IAS 39.

** These are other financial assets classified as loans and receivables under IAS 39, now classified as amortized cost under IFRS 9.

BMO Conservative ETF Portfolio GIF

Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Financial Highlights (unaudited)

The following table shows selected key financial information about the Fund which is intended to help you understand the Fund's financial performance for the period indicated.

| 75/75 Class A Units | Six months ended June 30, 2018 | Years ended December 31, 2017 | 2016 ⁽⁴⁾ |
|--|-----------------------------------|----------------------------------|---------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ 7,372 | 5,678 | 1,278 |
| Net asset value per unit | \$ 10.68 | 10.63 | 10.30 |
| Units issued and outstanding (000s) ⁽¹⁾ | 690 | 534 | 124 |
| Management fees | % 1.40 | 1.40 | 1.40 |
| Management expense ratio ⁽²⁾ | % 2.26 | 2.25 | 2.25 |
| Management expense ratio before waivers | % 2.26 | 2.25 | 2.25 |
| Portfolio turnover rate ⁽³⁾ | % 1.99 | 3.14 | 23.27 |

| 75/100 Class A Units | Six months ended June 30, 2018 | Years ended December 31, 2017 | 2016 ⁽⁴⁾ |
|--|-----------------------------------|----------------------------------|---------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ 17,626 | 14,330 | 4,198 |
| Net asset value per unit | \$ 10.62 | 10.58 | 10.29 |
| Units issued and outstanding (000s) ⁽¹⁾ | 1,659 | 1,354 | 408 |
| Management fees | % 1.40 | 1.40 | 1.40 |
| Management expense ratio ⁽²⁾ | % 2.47 | 2.45 | 2.45 |
| Management expense ratio before waivers | % 2.47 | 2.45 | 2.45 |
| Portfolio turnover rate ⁽³⁾ | % 1.99 | 3.14 | 23.27 |

| 100/100 Class A Units | Six months ended June 30, 2018 | January 9, 2017 to December 31, 2017 |
|--|-----------------------------------|---|
| Net assets (\$000s) ⁽¹⁾ | \$ 5,277 | 4,624 |
| Net asset value per unit | \$ 10.21 | 10.19 |
| Units issued and outstanding (000s) ⁽¹⁾ | 517 | 454 |
| Management fees | % 1.40 | 1.40 |
| Management expense ratio ⁽²⁾ | % 2.87 | 2.88 |
| Management expense ratio before waivers | % 2.87 | 2.88 |
| Portfolio turnover rate ⁽³⁾ | % 1.99 | 3.14 |

| 100/100 Prestige Class Units | Six months ended June 30, 2018 | January 9, 2017 to December 31, 2017 |
|--|-----------------------------------|---|
| Net assets (\$000s) ⁽¹⁾ | \$ 5,005 | 2,938 |
| Net asset value per unit | \$ 10.28 | 10.24 |
| Units issued and outstanding (000s) ⁽¹⁾ | 487 | 287 |
| Management fees | % 1.05 | 1.05 |
| Management expense ratio ⁽²⁾ | % 2.48 | 2.50 |
| Management expense ratio before waivers | % 2.48 | 2.50 |
| Portfolio turnover rate ⁽³⁾ | % 1.99 | 3.14 |

| 75/75 Class F Units | May 14, 2018 to June 30, 2018 |
|--|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ 10 |
| Net asset value per unit | \$ 10.11 |
| Units issued and outstanding (000s) ⁽¹⁾ | 1 |
| Management fees | % 0.40 |
| Management expense ratio ⁽²⁾ | % 1.15 |
| Management expense ratio before waivers | % 1.15 |
| Portfolio turnover rate ⁽³⁾ | % 1.99 |

| 75/100 Class F Units | May 14, 2018 to June 30, 2018 |
|--|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ 10 |
| Net asset value per unit | \$ 10.10 |
| Units issued and outstanding (000s) ⁽¹⁾ | 1 |
| Management fees | % 0.40 |
| Management expense ratio ⁽²⁾ | % 1.36 |
| Management expense ratio before waivers | % 1.36 |
| Portfolio turnover rate ⁽³⁾ | % 1.99 |

The accompanying notes are an integral part of these financial statements.

BMO Conservative ETF Portfolio GIF

Supplementary Information (cont'd)

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

| 100/100 Class F Units | | May 14, 2018 to June 30, 2018 |
|--|----|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 10 |
| Net asset value per unit | \$ | 10.10 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 1 |
| Management fees | % | 0.40 |
| Management expense ratio ⁽²⁾ | % | 1.75 |
| Management expense ratio before waivers | % | 1.75 |
| Portfolio turnover rate ⁽³⁾ | % | 1.99 |

⁽¹⁾ The information is provided as at June 30 or December 31 of the period shown, as applicable.

⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

⁽³⁾ The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover ratio in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover ratio and the performance of the fund.

⁽⁴⁾ The information shown in this column is for the period beginning June 21, 2016 (the class' inception date) and ending December 31, 2016.

BMO Balanced ETF Portfolio GIF (unaudited)

STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of Canadian dollars, except per unit data)

| As at | June 30 2018 | December 31 2017 |
|---|-----------------|---------------------|
| ASSETS | | |
| Cash | 2,076 | 2,255 |
| Current Assets | | |
| Investments | | |
| Non-derivative financial assets | 126,168 | 94,030 |
| Subscriptions receivable | 240 | 191 |
| | 128,484 | 96,476 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Payable for investments purchased | 40 | 660 |
| Redemptions payable | 935 | 93 |
| Accrued expenses | 805 | 569 |
| | 1,780 | 1,322 |
| Net assets held for the benefit of policyowners | 126,704 | 95,154 |
| Net assets held for the benefit of policyowners | | |
| 75/75 Class A Units | 25,448 | 17,768 |
| 75/100 Class A Units | 53,366 | 42,124 |
| 100/100 Class A Units | 25,850 | 20,279 |
| 100/100 Prestige Class Units | 21,509 | 14,983 |
| 75/75 Class F Units | 511 | — |
| 75/100 Class F Units | 10 | — |
| 100/100 Class F Units | 10 | — |
| Net assets held for the benefit of policyowners per unit | | |
| 75/75 Class A Units | \$ 11.19 | \$ 11.08 |
| 75/100 Class A Units | \$ 11.12 | \$ 11.03 |
| 100/100 Class A Units | \$ 10.50 | \$ 10.44 |
| 100/100 Prestige Class Units | \$ 10.57 | \$ 10.49 |
| 75/75 Class F Units | \$ 10.14 | \$ — |
| 75/100 Class F Units | \$ 10.12 | \$ — |
| 100/100 Class F Units | \$ 10.11 | \$ — |

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in thousands of Canadian dollars, except per unit data)

| For the periods ended | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| INCOME | | |
| Other changes in fair value of investments and derivatives | | |
| Net realized gain (loss) | 142 | (1) |
| Change in unrealized appreciation | 2,470 | 560 |
| Net gain in fair value of investments and derivatives | 2,612 | 559 |
| Total income | 2,612 | 559 |
| EXPENSES | | |
| Management fees (note 7) | 880 | 246 |
| Fixed administration fees (note 7) | 158 | 43 |
| Insurance fees (note 7) | 457 | 124 |
| Total expenses | 1,495 | 413 |
| Increase in net assets held for the benefit of policyowners | 1,117 | 146 |
| Increase (decrease) in net assets held for the benefit of policyowners | | |
| 75/75 Class A Units | 243 | (21) |
| 75/100 Class A Units | 466 | 202 |
| 100/100 Class A Units | 233 | (41) |
| 100/100 Prestige Class Units | 176 | 6 |
| 75/75 Class F Units | (1) | — |
| 75/100 Class F Units | 0 | — |
| 100/100 Class F Units | 0 | — |
| Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3) | | |
| 75/75 Class A Units | 0.12 | (0.05) |
| 75/100 Class A Units | 0.11 | 0.13 |
| 100/100 Class A Units | 0.10 | (0.06) |
| 100/100 Prestige Class Units | 0.10 | 0.02 |
| 75/75 Class F Units | (0.05) | — |
| 75/100 Class F Units | 0.12 | — |
| 100/100 Class F Units | 0.11 | — |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| 75/75 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 17,768 | 846 |
| Increase (decrease) in net assets held for the benefit of policyowners | 243 | (21) |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 9,498 | 8,498 |
| Withdrawal of withdrawable units | (2,061) | (218) |
| Net increase from withdrawable unit transactions | 7,437 | 8,280 |
| Net increase in net assets held for the benefit of policyowners | 7,680 | 8,259 |
| Net assets held for the benefit of policyowners | 25,448 | 9,105 |
| 75/100 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 42,124 | 8,748 |
| Increase in net assets held for the benefit of policyowners | 466 | 202 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 13,712 | 16,530 |
| Withdrawal of withdrawable units | (2,936) | (593) |
| Net increase from withdrawable unit transactions | 10,776 | 15,937 |
| Net increase in net assets held for the benefit of policyowners | 11,242 | 16,139 |
| Net assets held for the benefit of policyowners | 53,366 | 24,887 |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| 100/100 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 20,279 | — |
| Increase (decrease) in net assets held for the benefit of policyowners | 233 | (41) |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 17,456 | 14,485 |
| Withdrawal of withdrawable units | (12,118) | (1,934) |
| Net increase from withdrawable unit transactions | 5,338 | 12,551 |
| Net increase in net assets held for the benefit of policyowners | 5,571 | 12,510 |
| Net assets held for the benefit of policyowners | 25,850 | 12,510 |
| 100/100 Prestige Class Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 14,983 | — |
| Increase in net assets held for the benefit of policyowners | 176 | 6 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 8,187 | 7,610 |
| Withdrawal of withdrawable units | (1,837) | (53) |
| Net increase from withdrawable unit transactions | 6,350 | 7,557 |
| Net increase in net assets held for the benefit of policyowners | 6,526 | 7,563 |
| Net assets held for the benefit of policyowners | 21,509 | 7,563 |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| 75/75 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Decrease in net assets held for the benefit of policyowners | (1) | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 512 | — |
| Net increase from withdrawable unit transactions | 512 | — |
| Net increase in net assets held for the benefit of policyowners | 511 | — |
| Net assets held for the benefit of policyowners | 511 | — |
| 75/100 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| 100/100 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |
| Total Fund | | |
| Net assets held for the benefit of policyowners at beginning of period | 95,154 | 9,594 |
| Increase in net assets held for the benefit of policyowners | 1,117 | 146 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 49,385 | 47,123 |
| Withdrawal of withdrawable units | (18,952) | (2,798) |
| Net increase from withdrawable unit transactions | 30,433 | 44,325 |
| Net increase in net assets held for the benefit of policyowners | 31,550 | 44,471 |
| Net assets held for the benefit of policyowners | 126,704 | 54,065 |

The accompanying notes are an integral part of these financial statements.

BMO Balanced ETF Portfolio GIF

(unaudited) (cont'd)

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|--|-----------------|-----------------|
| Cash flows from operating activities | | |
| Increase in net assets held for the benefit of policyowners | 1,117 | 146 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments and derivatives | (142) | 1 |
| Change in unrealized appreciation of investments and derivatives | (2,470) | (560) |
| Increase in accrued expenses | 236 | 253 |
| Purchases of investments | (34,421) | (43,425) |
| Proceeds from sale and maturity of investments | 4,275 | 134 |
| Net cash from operating activities | (31,405) | (43,451) |
| Cash flows from financing activities | | |
| Proceeds from issuances of withdrawable units | 41,813 | 46,892 |
| Amounts paid on withdrawal of withdrawable units | (10,587) | (2,783) |
| Net cash from financing activities | 31,226 | 44,109 |
| Net (decrease) increase in cash | (179) | 658 |
| Cash at beginning of period | 2,255 | 364 |
| Cash at end of period | 2,076 | 1,022 |

SCHEDULE OF INVESTMENT PORTFOLIO

(All amounts in thousands of Canadian dollars, unless otherwise noted)

| <i>As at June 30, 2018</i> | Number of Units | Cost* (\$) | Fair Value (\$) |
|---|--------------------|----------------|-----------------------|
| HOLDINGS IN INVESTMENT FUND | | | |
| Global Equity Fund — 99.6% | | | |
| BMO Balanced ETF Portfolio, Series I | 9,705,492 | 121,615 | 126,168 |
| Total Investment Portfolio — 99.6% | | 121,615 | 126,168 |
| Other Assets Less Liabilities — 0.4% | | | 536 |
| NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0% | | | 126,704 |

*Where applicable, distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio.

BMO Balanced ETF Portfolio GIF

Notes to the Financial Statements (unaudited)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 100/100 Class A Units, 100/100 Prestige Class Units, 75/75 Class F Units, 75/100 Class F Units and 100/100 Class F Units, which are withdrawable at the policyowners' option.

| Class | Launch Date |
|------------------------------|-----------------|
| 75/75 Class A Units | June 21, 2016 |
| 75/100 Class A Units | June 21, 2016 |
| 100/100 Class A Units | January 9, 2017 |
| 100/100 Prestige Class Units | January 9, 2017 |
| 75/75 Class F Units | May 14, 2018 |
| 75/100 Class F Units | May 14, 2018 |
| 100/100 Class F Units | May 14, 2018 |

Change in units

The number of units that have been issued and are outstanding are disclosed in the table below.

| For the periods ended (in thousands of units) | June 30, 2018 | June 30, 2017 |
|---|------------------|------------------|
| 75/75 Class A Units | | |
| Units issued and outstanding, beginning of period | 1,604 | 81 |
| Issued for cash | 857 | 786 |
| Withdrawn during the period | (187) | (20) |
| Units issued and outstanding, end of period | 2,274 | 847 |
| 75/100 Class A Units | | |
| Units issued and outstanding, beginning of period | 3,820 | 837 |
| Issued for cash | 1,246 | 1,541 |
| Withdrawn during the period | (266) | (55) |
| Units issued and outstanding, end of period | 4,800 | 2,323 |
| 100/100 Class A Units | | |
| Units issued and outstanding, beginning of period | 1,943 | — |
| Issued for cash | 1,676 | 1,421 |
| Withdrawn during the period | (1,158) | (190) |
| Units issued and outstanding, end of period | 2,461 | 1,231 |
| 100/100 Prestige Class Units | | |
| Units issued and outstanding, beginning of period | 1,429 | — |
| Issued for cash | 779 | 748 |
| Withdrawn during the period | (174) | (5) |
| Units issued and outstanding, end of period | 2,034 | 743 |

| For the periods ended (in thousands of units) | June 30, 2018 | June 30, 2017 |
|---|------------------|------------------|
| 75/75 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 50 | — |
| Units issued and outstanding, end of period | 50 | — |
| 75/100 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |
| 100/100 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |

Units held by the Company

The Company held the following units of the Fund:

| As at June 30, 2018 Class | Number of Units | Value of Units (\$) |
|------------------------------|-----------------|---------------------|
| 75/75 Class F Units | 1,000 | 10 |
| 75/100 Class F Units | 1,000 | 10 |
| 100/100 Class F Units | 1,000 | 10 |

There were no units held by the Company as at December 31, 2017.

Financial instruments risk

The Fund invests in the BMO Balanced ETF Portfolio ("underlying fund"). The investment objective of the underlying fund is to provide a balanced portfolio by investing primarily in exchange traded funds that invest in Canadian, U.S. and international fixed income and equity securities. The underlying fund may also invest in other mutual funds or invest directly in individual fixed income and equity securities and cash or cash equivalents.

Financial instrument risk of the underlying fund

The Fund is indirectly exposed to currency risk, interest rate risk, other market risk and credit risk through its investment in the underlying fund to the extent the underlying fund was exposed to these risks.

The accompanying notes are an integral part of these financial statements.

BMO Balanced ETF Portfolio GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Fair value hierarchy

| As at June 30, 2018 | Level 1 | Level 2 | Level 3 | Total |
|---------------------|---------|---------|---------|---------|
| Financial assets | | | | |
| Investment fund | 126,168 | — | — | 126,168 |

| As at December 31, 2017 | Level 1 | Level 2 | Level 3 | Total |
|-------------------------|---------|---------|---------|--------|
| Financial assets | | | | |
| Investment fund | 94,030 | — | — | 94,030 |

Transfers between levels

There were no transfers between the levels during the 2018 period (2017 – \$nil).

Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the table below.

| Carrying amount | As at June 30, 2018 | As at December 31, 2017 |
|--------------------------------------|---------------------|-------------------------|
| BMO Balanced ETF Portfolio, Series I | 126,168 | 94,030 |

Carrying amount as a % of the underlying fund's Net Assets

| | | |
|--------------------------------------|-------|-------|
| BMO Balanced ETF Portfolio, Series I | 5.15% | 4.42% |
|--------------------------------------|-------|-------|

Increase or decrease in net assets held for the benefit of policyowners

The increase (decrease) in net assets held for the benefit of policyowners for the periods ended June 30, 2018 and June 30, 2017 is calculated as follows:

| For the periods ended | June 30, 2018 | June 30, 2017 |
|---|---------------|---------------|
| 75/75 Class A Units | | |
| Increase (decrease) in net assets held for the benefit of policyowners | 243 | (21) |
| Weighted average units outstanding during the period | 1,998 | 426 |
| Increase (decrease) in net assets held for the benefit of policyowners per unit | 0.12 | (0.05) |
| 75/100 Class A Units | | |
| Increase in net assets held for the benefit of policyowners | 466 | 202 |
| Weighted average units outstanding during the period | 4,378 | 1,609 |
| Increase in net assets held for the benefit of policyowners per unit | 0.11 | 0.13 |

For the periods ended

| | June 30, 2018 | June 30, 2017 |
|--|---------------|---------------|
|--|---------------|---------------|

100/100 Class A Units

| | | |
|---|-------|--------|
| Increase (decrease) in net assets held for the benefit of policyowners | 233 | (41) |
| Weighted average units outstanding during the period | 2,433 | 720 |
| Increase (decrease) in net assets held for the benefit of policyowners per unit | 0.10 | (0.06) |

100/100 Prestige Class Units

| | | |
|--|-------|------|
| Increase in net assets held for the benefit of policyowners | 176 | 6 |
| Weighted average units outstanding during the period | 1,826 | 334 |
| Increase in net assets held for the benefit of policyowners per unit | 0.10 | 0.02 |

75/75 Class F Units

| | | |
|--|--------|---|
| Decrease in net assets held for the benefit of policyowners | (1) | — |
| Weighted average units outstanding during the period | 13 | — |
| Decrease in net assets held for the benefit of policyowners per unit | (0.05) | — |

75/100 Class F Units

| | | |
|--|------|---|
| Increase (decrease) in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.12 | — |

100/100 Class F Units

| | | |
|--|------|---|
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.11 | — |

Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended June 30, 2018 and June 30, 2017.

BMO Balanced ETF Portfolio GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Concentration risk

The following is a summary of the Fund's concentration risk through its investment in the underlying fund:

| As at | June 30, 2018 | December 31, 2017 |
|--------------------------------------|------------------|----------------------|
| Investment Funds | | |
| Canadian Equity Funds | 19.0% | 18.8% |
| Emerging Markets Equity Fund | 3.3% | 3.3% |
| Fixed Income Funds | 39.5% | 38.9% |
| International Equity Funds | 15.3% | 15.9% |
| U.S. Equity Funds | 21.3% | 21.0% |
| Other Assets less Liabilities | 1.6% | 2.1% |
| | 100.0% | 100.0% |

| As at January 1, 2018 Financial Liabilities | Held for Trading | Amortized Cost** | FVTPL |
|--|---------------------|---------------------|----------|
| Opening balance – under IAS 39 | — | 1,322 | — |
| On the basis of change from IAS 39 to IFRS 9: | | | |
| – reclassification of shorts and other derivatives* | — | — | — |
| Total change on transition to IFRS 9 | — | — | — |
| Opening balance – under IFRS 9 | — | 1,322 | — |

* These are financial liabilities (such as shorts and derivatives) classified as held for trading under IAS 39.

** These are other financial liabilities that continue to be classified as amortized cost.

Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2018 and December 31, 2017.

IFRS 9 transition

Upon transition to IFRS 9, financial assets and financial liabilities in the Fund's investment portfolio were classified as FVTPL. The classification differs from the classification under the previous IAS 39 for the financial assets and financial liabilities that were previously classified as held for trading; therefore, there were changes in the categorization of financial assets and financial liabilities upon transition to IFRS 9. However, there were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9. The tables below show the reconciliation of the financial assets and financial liabilities balances as at January 1, 2018, the IFRS 9 transition date.

| As at January 1, 2018 Financial Assets | Held for Trading | Designated as FVTPL | Loans and Receivables** | FVTPL |
|--|---------------------|------------------------|----------------------------|---------------|
| Opening balance – under IAS 39 | — | 94,030 | 191 | — |
| On the basis of change from IAS 39 to IFRS 9: | | | | |
| – reclassification of investments to FVTPL* | — | (94,030) | — | 94,030 |
| Total change on transition to IFRS 9 | — | (94,030) | — | 94,030 |
| Opening balance – under IFRS 9 | — | — | 191 | 94,030 |

* These are financial instruments (derivatives) classified as held for trading and others designated as FVTPL under IAS 39.

** These are other financial assets classified as loans and receivables under IAS 39, now classified as amortized cost under IFRS 9.

The accompanying notes are an integral part of these financial statements.

BMO Balanced ETF Portfolio GIF

Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)
June 30, 2018

Financial Highlights (unaudited)

The following table shows selected key financial information about the Fund which is intended to help you understand the Fund's financial performance for the period indicated.

| 75/75 Class A Units | Six months ended June 30, 2018 | Years ended December 31, 2017 2016 ⁽⁴⁾ | |
|--|-----------------------------------|--|-------|
| Net assets (\$000s) ⁽¹⁾ | \$ 25,448 | 17,768 | 846 |
| Net asset value per unit ⁽¹⁾ | \$ 11.19 | 11.08 | 10.47 |
| Units issued and outstanding (000s) ⁽¹⁾ | 2,274 | 1,604 | 81 |
| Management fees | % 1.45 | 1.45 | 1.45 |
| Management expense ratio ⁽²⁾ | % 2.32 | 2.27 | 2.27 |
| Management expense ratio before waivers | % 2.32 | 2.27 | 2.27 |
| Portfolio turnover rate ⁽³⁾ | % 3.83 | 0.26 | 0.02 |

| 75/100 Class A Units | Six months ended June 30, 2018 | Years ended December 31, 2017 2016 ⁽⁴⁾ | |
|--|-----------------------------------|--|-------|
| Net assets (\$000s) ⁽¹⁾ | \$ 53,366 | 42,124 | 8,748 |
| Net asset value per unit ⁽¹⁾ | \$ 11.12 | 11.03 | 10.46 |
| Units issued and outstanding (000s) ⁽¹⁾ | 4,800 | 3,820 | 837 |
| Management fees | % 1.45 | 1.45 | 1.45 |
| Management expense ratio ⁽²⁾ | % 2.60 | 2.56 | 2.56 |
| Management expense ratio before waivers | % 2.60 | 2.56 | 2.56 |
| Portfolio turnover rate ⁽³⁾ | % 3.83 | 0.26 | 0.02 |

| 100/100 Class A Units | Six months ended June 30, 2018 | January 9, 2017 to December 31, 2017 | |
|--|-----------------------------------|---|--|
| Net assets (\$000s) ⁽¹⁾ | \$ 25,850 | 20,279 | |
| Net asset value per unit ⁽¹⁾ | \$ 10.50 | 10.44 | |
| Units issued and outstanding (000s) ⁽¹⁾ | 2,461 | 1,943 | |
| Management fees | % 1.45 | 1.45 | |
| Management expense ratio ⁽²⁾ | % 3.01 | 3.02 | |
| Management expense ratio before waivers | % 3.01 | 3.02 | |
| Portfolio turnover rate ⁽³⁾ | % 3.83 | 0.26 | |

| 100/100 Prestige Class Units | Six months ended June 30, 2018 | January 9, 2017 to December 31, 2017 |
|--|-----------------------------------|---|
| Net assets (\$000s) ⁽¹⁾ | \$ 21,509 | 14,983 |
| Net asset value per unit ⁽¹⁾ | \$ 10.57 | 10.49 |
| Units issued and outstanding (000s) ⁽¹⁾ | 2,034 | 1,429 |
| Management fees | % 1.10 | 1.10 |
| Management expense ratio ⁽²⁾ | % 2.61 | 2.58 |
| Management expense ratio before waivers | % 2.61 | 2.58 |
| Portfolio turnover rate ⁽³⁾ | % 3.83 | 0.26 |

| 75/75 Class F Units | May 14, 2018 to June 30, 2018 |
|--|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ 511 |
| Net asset value per unit ⁽¹⁾ | \$ 10.14 |
| Units issued and outstanding (000s) ⁽¹⁾ | 50 |
| Management fees | % 0.45 |
| Management expense ratio ⁽²⁾ | % 1.21 |
| Management expense ratio before waivers | % 1.21 |
| Portfolio turnover rate ⁽³⁾ | % 3.83 |

| 75/100 Class F Units | May 14, 2018 to June 30, 2018 |
|--|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ 10 |
| Net asset value per unit ⁽¹⁾ | \$ 10.12 |
| Units issued and outstanding (000s) ⁽¹⁾ | 1 |
| Management fees | % 0.45 |
| Management expense ratio ⁽²⁾ | % 1.50 |
| Management expense ratio before waivers | % 1.50 |
| Portfolio turnover rate ⁽³⁾ | % 3.83 |

The accompanying notes are an integral part of these financial statements.

BMO Balanced ETF Portfolio GIF

Supplementary Information (cont'd)

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

| 100/100 Class F Units | | May 14, 2018 to June 30, 2018 |
|--|----|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 10 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.11 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 1 |
| Management fees | % | 0.45 |
| Management expense ratio ⁽²⁾ | % | 1.92 |
| Management expense ratio before waivers | % | 1.92 |
| Portfolio turnover rate ⁽³⁾ | % | 3.83 |

⁽¹⁾ The information is provided as at June 30 or December 31 of the period shown, as applicable.

⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

⁽³⁾ The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover ratio in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover ratio and the performance of the fund.

⁽⁴⁾ The information in this column is for the period beginning June 21, 2016 (the class' inception date) and ending December 31, 2016.

The accompanying notes are an integral part of these financial statements.

BMO Growth ETF Portfolio GIF

(unaudited)

STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of Canadian dollars, except per unit data)

| As at | June 30 2018 | December 31 2017 |
|---|-----------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | 556 | 483 |
| Investments | | |
| Non-derivative financial assets | 24,296 | 15,306 |
| Subscriptions receivable | 50 | 15 |
| Total assets | 24,902 | 15,804 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Payable for investments purchased | 60 | 225 |
| Redemptions payable | 275 | 0 |
| Accrued expenses | 151 | 89 |
| Total liabilities | 486 | 314 |
| Net assets held for the benefit of policyowners | 24,416 | 15,490 |
| Net assets held for the benefit of policyowners | | |
| 75/75 Class A Units | 9,510 | 5,443 |
| 75/100 Class A Units | 14,886 | 10,047 |
| 75/75 Class F Units | 10 | — |
| 75/100 Class F Units | 10 | — |
| Net assets held for the benefit of policyowners per unit | | |
| 75/75 Class A Units | \$ 11.70 | \$ 11.56 |
| 75/100 Class A Units | \$ 11.63 | \$ 11.51 |
| 75/75 Class F Units | \$ 10.10 | \$ — |
| 75/100 Class F Units | \$ 10.10 | \$ — |

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in thousands of Canadian dollars, except per unit data)

| For the periods ended | June 30 2018 | June 30 2017 |
|--|-----------------|-----------------|
| INCOME | | |
| Interest income | 0 | — |
| Other changes in fair value of investments and derivatives | | |
| Net realized gain | 66 | — |
| Change in unrealized appreciation | 534 | 106 |
| Net gain in fair value of investments and derivatives | 600 | 106 |
| Total income | 600 | 106 |
| EXPENSES | | |
| Management fees (note 7) | 162 | 37 |
| Fixed administration fees (note 7) | 28 | 6 |
| Insurance fees (note 7) | 72 | 16 |
| Interest charges | 0 | — |
| Total expenses | 262 | 59 |
| Increase in net assets held for the benefit of policyowners | 338 | 47 |
| Increase in net assets held for the benefit of policyowners | | |
| 75/75 Class A Units | 174 | 21 |
| 75/100 Class A Units | 164 | 26 |
| 75/75 Class F Units | 0 | — |
| 75/100 Class F Units | 0 | — |
| Increase in net assets held for the benefit of policyowners per unit (note 3) | | |
| 75/75 Class A Units | 0.26 | 0.13 |
| 75/100 Class A Units | 0.15 | 0.10 |
| 75/75 Class F Units | 0.10 | — |
| 75/100 Class F Units | 0.10 | — |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| 75/75 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 5,443 | 1,168 |
| Increase in net assets held for the benefit of policyowners | 174 | 21 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 5,360 | 1,980 |
| Withdrawal of withdrawable units | (1,467) | (72) |
| Net increase from withdrawable unit transactions | 3,893 | 1,908 |
| Net increase in net assets held for the benefit of policyowners | 4,067 | 1,929 |
| Net assets held for the benefit of policyowners | 9,510 | 3,097 |
| 75/100 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 10,047 | 943 |
| Increase in net assets held for the benefit of policyowners | 164 | 26 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 5,422 | 4,004 |
| Withdrawal of withdrawable units | (747) | (173) |
| Net increase from withdrawable unit transactions | 4,675 | 3,831 |
| Net increase in net assets held for the benefit of policyowners | 4,839 | 3,857 |
| Net assets held for the benefit of policyowners | 14,886 | 4,800 |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| 75/75 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |
| 75/100 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)
(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| Total Fund | | |
| Net assets held for the benefit of policyowners at beginning of period | 15,490 | 2,111 |
| Increase in net assets held for the benefit of policyowners | 338 | 47 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10,802 | 5,984 |
| Withdrawal of withdrawable units | (2,214) | (245) |
| Net increase from withdrawable unit transactions | 8,588 | 5,739 |
| Net increase in net assets held for the benefit of policyowners | 8,926 | 5,786 |
| Net assets held for the benefit of policyowners | 24,416 | 7,897 |

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|--|-------------------------|-------------------------|
| Cash flows from operating activities | | |
| Increase in net assets held for the benefit of policyowners | 338 | 47 |
| Adjustments for: | | |
| Net realized gain on sale of investments and derivatives | (66) | — |
| Change in unrealized appreciation of investments and derivatives | (534) | (106) |
| Increase in accrued expenses | 62 | 32 |
| Purchases of investments | (9,845) | (5,237) |
| Proceeds from sale and maturity of investments | 1,290 | — |
| Net cash from operating activities | (8,755) | (5,264) |
| Cash flows from financing activities | | |
| Proceeds from issuances of withdrawable units | 10,767 | 5,684 |
| Amounts paid on withdrawal of withdrawable units | (1,939) | (244) |
| Net cash from financing activities | 8,828 | 5,440 |
| Net increase in cash | 73 | 176 |
| Cash at beginning of period | 483 | 94 |
| Cash at end of period | 556 | 270 |
| Supplementary Information: | | |
| Interest received, net of withholding taxes* | 0 | — |
| Interest expense paid* | 0 | — |

*These items are from operating activities

BMO Growth ETF Portfolio GIF

(unaudited) (cont'd)

SCHEDULE OF INVESTMENT PORTFOLIO

(All amounts in thousands of Canadian dollars, unless otherwise noted)

| As at June 30, 2018 | Number of Units | Cost* (\$) | Fair Value (\$) |
|---|--------------------|---------------|-----------------------|
| HOLDINGS IN INVESTMENT FUND | | | |
| Global Equity Fund — 99.5% | | | |
| BMO Growth ETF Portfolio, Series I | 1,781,162 | 23,241 | 24,296 |
| Total Investment Portfolio — 99.5% | | 23,241 | 24,296 |
| Other Assets Less Liabilities — 0.5% | | | 120 |
| NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0% | | | 24,416 |

*Where applicable, distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio.

BMO Growth ETF Portfolio GIF

Notes to the Financial Statements (unaudited)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)
June 30, 2018

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 75/75 Class F Units and 75/100 Class F Units, which are withdrawable at the policyowners' option.

| Class | Launch Date |
|----------------------|---------------|
| 75/75 Class A Units | June 21, 2016 |
| 75/100 Class A Units | June 21, 2016 |
| 75/75 Class F Units | May 14, 2018 |
| 75/100 Class F Units | May 14, 2018 |

Change in units

The number of units that have been issued and are outstanding are disclosed in the table below.

| For the periods ended (in thousands of units) | June 30, 2018 | June 30, 2017 |
|---|------------------|------------------|
| 75/75 Class A Units | | |
| Units issued and outstanding, beginning of period | 471 | 109 |
| Issued for cash | 467 | 178 |
| Withdrawn during the period | (125) | (7) |
| Units issued and outstanding, end of period | 813 | 280 |
| 75/100 Class A Units | | |
| Units issued and outstanding, beginning of period | 873 | 88 |
| Issued for cash | 472 | 363 |
| Withdrawn during the period | (65) | (15) |
| Units issued and outstanding, end of period | 1,280 | 436 |
| 75/75 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |
| 75/100 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |

Units held by the Company

The Company held the following units of the Fund:

| As at June 30, 2018 Class | Number of Units | Value of Units (\$) |
|------------------------------|-----------------|---------------------|
| 75/75 Class F Units | 1,000 | 10 |
| 75/100 Class F Units | 1,000 | 10 |

There were no units held by the Company as at December 31, 2017.

Financial instruments risk

The Fund invests in the BMO Growth ETF Portfolio ("underlying fund"). The investment objective of the underlying fund is to provide long-term growth by investing primarily in exchange traded funds that invest in Canadian, U.S. and international equity securities and, to a lesser extent, fixed income securities. The underlying fund may also invest in other mutual funds or invest directly in individual fixed income and equity securities and cash or cash equivalents.

Financial instrument risk of the underlying fund

The Fund is indirectly exposed to currency risk, interest rate risk, other market risk and credit risk through its investment in the underlying fund to the extent the underlying fund was exposed to these risks.

Fair value hierarchy

| As at June 30, 2018 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|--------|
| Investment funds | 24,296 | — | — | 24,296 |

| As at December 31, 2017 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|--------|
| Investment funds | 15,306 | — | — | 15,306 |

Transfers between levels

There were no transfers between the levels during the 2018 period (2017 – \$nil).

Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the table below.

| Carrying amount | As at June 30, 2018 | As at December 31, 2017 |
|------------------------------------|---------------------------|-------------------------------|
| BMO Growth ETF Portfolio, Series I | 24,296 | 15,306 |

Carrying amount as a % of the underlying fund's Net Assets

| | | |
|------------------------------------|-------|-------|
| BMO Growth ETF Portfolio, Series I | 3.05% | 0.31% |
|------------------------------------|-------|-------|

BMO Growth ETF Portfolio GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Increase or decrease in net assets held for the benefit of policyowners

The increase (decrease) in net assets held for the benefit of policyowners for the periods ended June 30, 2018 and June 30, 2017 is calculated as follows:

| <i>For the periods ended</i> | June 30, 2018 | June 30, 2017 |
|--|------------------|------------------|
| 75/75 Class A Units | | |
| Increase in net assets held for the benefit of policyowners | 174 | 21 |
| Weighted average units outstanding during the period | 682 | 160 |
| Increase in net assets held for the benefit of policyowners per unit | 0.26 | 0.13 |
| 75/100 Class A Units | | |
| Increase in net assets held for the benefit of policyowners | 164 | 26 |
| Weighted average units outstanding during the period | 1,091 | 260 |
| Increase in net assets held for the benefit of policyowners per unit | 0.15 | 0.10 |
| 75/75 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.10 | — |
| 75/100 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.10 | — |

Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended June 30, 2018 and June 30, 2017.

Concentration risk

The following is a summary of the Fund's concentration risk through its investment in the underlying fund:

| <i>As at</i> | June 30, 2018 | December 31, 2017 |
|--------------------------------------|------------------|----------------------|
| Investment Funds | | |
| Canadian Equity Funds | 24.1% | 23.9% |
| Emerging Markets Equity Funds | 4.7% | 4.5% |
| Fixed Income Funds | 20.8% | 19.7% |
| International Equity Funds | 19.6% | 21.1% |
| U.S. Equity Funds | 29.0% | 28.7% |
| Other Assets less Liabilities | 1.8% | 2.1% |
| | 100.0% | 100.0% |

Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2018 and December 31, 2017.

BMO Growth ETF Portfolio GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

IFRS 9 transition

Upon transition to IFRS 9, financial assets and financial liabilities in the Fund's investment portfolio were classified as FVTPL. The classification differs from the classification under the previous IAS 39 for the financial assets and financial liabilities that were previously classified as held for trading; therefore, there were changes in the categorization of financial assets and financial liabilities upon transition to IFRS 9. However, there were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9. The tables below show the reconciliation of the financial assets and financial liabilities balances as at January 1, 2018, the IFRS 9 transition date.

| As at January 1, 2018 Financial Assets | Held for Trading | Designated as FVTPL | Loans and Receivables** | FVTPL |
|--|---------------------|------------------------|----------------------------|--------|
| Opening balance – under IAS 39 | — | 15,306 | 15 | — |
| On the basis of change from IAS 39 to IFRS 9: – reclassification of investments to FVTPL* | — | (15,306) | — | 15,306 |
| Total change on transition to IFRS 9 | — | (15,306) | — | 15,306 |
| Opening balance – under IFRS 9 | — | — | 15 | 15,306 |

* These are financial instruments (derivatives) classified as held for trading and others designated as FVTPL under IAS 39.

** These are other financial assets classified as loans and receivables under IAS 39, now classified as amortized cost under IFRS 9.

| As at January 1, 2018 Financial Liabilities | Held for Trading | Amortized Cost** | FVTPL |
|--|---------------------|---------------------|-------|
| Opening balance – under IAS 39 | — | 314 | — |
| On the basis of change from IAS 39 to IFRS 9: – reclassification of shorts and other derivatives* | — | — | — |
| Total change on transition to IFRS 9 | — | — | — |
| Opening balance – under IFRS 9 | — | 314 | — |

* These are financial liabilities (such as shorts and derivatives) classified as held for trading under IAS 39.

** These are other financial liabilities that continue to be classified as amortized cost.

BMO Growth ETF Portfolio GIF

Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Financial Highlights (unaudited)

The following table shows selected key financial information about the Fund which is intended to help you understand the Fund's financial performance for the periods indicated.

| 75/75 Class A Units | Six months ended June 30, 2018 | Years ended December 31, 2017 2016 ⁽⁴⁾ | |
|--|-----------------------------------|--|-------|
| Net assets (\$000s) ⁽¹⁾ | \$ 9,510 | 5,443 | 1,168 |
| Net asset value per unit | \$ 11.70 | 11.56 | 10.70 |
| Units issued and outstanding (000s) ⁽¹⁾ | 813 | 471 | 109 |
| Management fees | % 1.45 | 1.45 | 1.45 |
| Management expense ratio ⁽²⁾ | % 2.37 | 2.42 | 2.42 |
| Management expense ratio before waivers | % 2.37 | 2.42 | 2.42 |
| Portfolio turnover rate ⁽³⁾ | % 6.53 | 1.26 | 0.07 |

| 75/100 Class A Units | Six months ended June 30, 2018 | Years ended December 31, 2017 2016 ⁽⁴⁾ | |
|--|-----------------------------------|--|-------|
| Net assets (\$000s) ⁽¹⁾ | \$ 14,886 | 10,047 | 943 |
| Net asset value per unit | \$ 11.63 | 11.51 | 10.69 |
| Units issued and outstanding (000s) ⁽¹⁾ | 1,280 | 873 | 88 |
| Management fees | % 1.45 | 1.45 | 1.45 |
| Management expense ratio ⁽²⁾ | % 2.75 | 2.70 | 2.71 |
| Management expense ratio before waivers | % 2.75 | 2.70 | 2.71 |
| Portfolio turnover rate ⁽³⁾ | % 6.53 | 1.26 | 0.07 |

| 75/75 Class F Units | May 14, 2018 to June 30, 2018 |
|--|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ 10 |
| Net asset value per unit ⁽¹⁾ | \$ 10.10 |
| Units issued and outstanding (000s) ⁽¹⁾ | 1 |
| Management fees | % 0.45 |
| Management expense ratio ⁽²⁾ | % 1.30 |
| Management expense ratio before waivers | % 1.30 |
| Portfolio turnover rate ⁽³⁾ | % 6.53 |

| 75/100 Class F Units | May 14, 2018 to June 30, 2018 |
|--|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ 10 |
| Net asset value per unit ⁽¹⁾ | \$ 10.10 |
| Units issued and outstanding (000s) ⁽¹⁾ | 1 |
| Management fees | % 0.45 |
| Management expense ratio ⁽²⁾ | % 1.65 |
| Management expense ratio before waivers | % 1.65 |
| Portfolio turnover rate ⁽³⁾ | % 6.53 |

⁽¹⁾ The information is provided as at June 30 or December 31 of the period shown, as applicable.

⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

⁽³⁾ The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover ratio in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover ratio and the performance of the fund.

⁽⁴⁾ The information in this column is for the period beginning June 21, 2016 (the class' inception date) and ending December 31, 2016.

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of Canadian dollars, except per unit data)

| As at | June 30 2018 | December 31 2017 |
|---|-----------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | 442 | 398 |
| Investments | | |
| Non-derivative financial assets | 17,595 | 10,542 |
| Subscriptions receivable | 108 | 74 |
| Total assets | 18,145 | 11,014 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Payable for investments purchased | 80 | 220 |
| Redemptions payable | 4 | — |
| Accrued expenses | 111 | 65 |
| Total liabilities | 195 | 285 |
| Net assets held for the benefit of policyowners | 17,950 | 10,729 |
| Net assets held for the benefit of policyowners | | |
| 75/75 Class A Units | 4,234 | 2,914 |
| 75/100 Class A Units | 13,696 | 7,815 |
| 75/75 Class F Units | 10 | — |
| 75/100 Class F Units | 10 | — |
| Net assets held for the benefit of policyowners per unit | | |
| 75/75 Class A Units | \$ 12.33 | \$ 12.10 |
| 75/100 Class A Units | \$ 12.24 | \$ 12.03 |
| 75/75 Class F Units | \$ 10.08 | \$ — |
| 75/100 Class F Units | \$ 10.07 | \$ — |

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in thousands of Canadian dollars, except per unit data)

| For the periods ended | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| INCOME | | |
| Other changes in fair value of investments and derivatives | | |
| Net realized gain | 24 | — |
| Change in unrealized appreciation | 413 | 137 |
| Net gain in fair value of investments and derivatives | 437 | 137 |
| Total income | 437 | 137 |
| EXPENSES | | |
| Management fees (note 7) | 122 | 33 |
| Fixed administration fees (note 7) | 20 | 5 |
| Insurance fees (note 7) | 56 | 16 |
| Total expenses | 198 | 54 |
| Increase in net assets held for the benefit of policyowners | 239 | 83 |
| Increase (decrease) in net assets held for the benefit of policyowners | | |
| 75/75 Class A Units | 71 | (24) |
| 75/100 Class A Units | 168 | 107 |
| 75/75 Class F Units | 0 | — |
| 75/100 Class F Units | 0 | — |
| Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3) | | |
| 75/75 Class A Units | 0.24 | (0.43) |
| 75/100 Class A Units | 0.18 | 0.36 |
| 75/75 Class F Units | 0.08 | — |
| 75/100 Class F Units | 0.07 | — |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| 75/75 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 2,914 | 116 |
| Increase (decrease) in net assets held for the benefit of policyowners | 71 | (24) |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 1,576 | 1,850 |
| Withdrawal of withdrawable units | (327) | (66) |
| Net increase from withdrawable unit transactions | 1,249 | 1,784 |
| Net increase in net assets held for the benefit of policyowners | 1,320 | 1,760 |
| Net assets held for the benefit of policyowners | 4,234 | 1,876 |
| 75/100 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 7,815 | 1,188 |
| Increase in net assets held for the benefit of policyowners | 168 | 107 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 6,226 | 3,183 |
| Withdrawal of withdrawable units | (513) | (98) |
| Net increase from withdrawable unit transactions | 5,713 | 3,085 |
| Net increase in net assets held for the benefit of policyowners | 5,881 | 3,192 |
| Net assets held for the benefit of policyowners | 13,696 | 4,380 |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| 75/75 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |
| 75/100 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| Total Fund | | |
| Net assets held for the benefit of policyowners at beginning of period | 10,729 | 1,304 |
| Increase in net assets held for the benefit of policyowners | 239 | 83 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 7,822 | 5,033 |
| Withdrawal of withdrawable units | (840) | (164) |
| Net increase from withdrawable unit transactions | 6,982 | 4,869 |
| Net increase in net assets held for the benefit of policyowners | 7,221 | 4,952 |
| Net assets held for the benefit of policyowners | 17,950 | 6,256 |

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|--|-------------------------|-------------------------|
| Cash flows from operating activities | | |
| Increase in net assets held for the benefit of policyowners | 239 | 83 |
| Adjustments for: | | |
| Net realized gain on sale of investments and derivatives | (24) | — |
| Change in unrealized appreciation of investments and derivatives | (413) | (137) |
| Increase in accrued expenses | 46 | 30 |
| Purchases of investments | (7,200) | (4,687) |
| Proceeds from sale and maturity of investments | 444 | — |
| Net cash from operating activities | (6,908) | (4,711) |
| Cash flows from financing activities | | |
| Proceeds from issuances of withdrawable units | 7,788 | 4,970 |
| Amounts paid on withdrawal of withdrawable units | (836) | (164) |
| Net cash from financing activities | 6,952 | 4,806 |
| Net increase in cash | 44 | 95 |
| Cash at beginning of period | 398 | 73 |
| Cash at end of period | 442 | 168 |

The accompanying notes are an integral part of these financial statements.

BMO Equity Growth ETF Portfolio GIF

(unaudited) (cont'd)

SCHEDULE OF INVESTMENT PORTFOLIO

(All amounts in thousands of Canadian dollars, unless otherwise noted)

| As at June 30, 2018 | Number of Units | Cost* (\$) | Fair Value (\$) |
|---|--------------------|---------------|-----------------------|
| HOLDINGS IN INVESTMENT FUND | | | |
| Global Equity Fund — 98.0% | | | |
| BMO Equity Growth ETF | | | |
| Portfolio, Series I | 1,181,515 | 16,609 | 17,595 |
| Total Investment Portfolio — 98.0% | | 16,609 | 17,595 |
| Other Assets Less Liabilities — 2.0% | | | 355 |
| NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0% | | | |
| | | | 17,950 |

*Where applicable, distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio.

BMO Equity Growth ETF Portfolio GIF

Notes to the Financial Statements (unaudited)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 75/75 Class F Units and 75/100 Class F Units, which are withdrawable at the policyowners' option.

| Class | Launch Date |
|----------------------|---------------|
| 75/75 Class A Units | June 21, 2016 |
| 75/100 Class A Units | June 21, 2016 |
| 75/75 Class F Units | May 14, 2018 |
| 75/100 Class F Units | May 14, 2018 |

Change in units

The number of units that have been issued and are outstanding are disclosed in the table below.

| For the periods ended (in thousands of units) | June 30, 2018 | June 30, 2017 |
|---|------------------|------------------|
| 75/75 Class A Units | | |
| Units issued and outstanding, beginning of period | 241 | 11 |
| Issued for cash | 129 | 160 |
| Withdrawn during the period | (27) | (6) |
| Units issued and outstanding, end of period | 343 | 165 |
| 75/100 Class A Units | | |
| Units issued and outstanding, beginning of period | 650 | 110 |
| Issued for cash | 511 | 285 |
| Withdrawn during the period | (42) | (8) |
| Units issued and outstanding, end of period | 1,119 | 387 |
| 75/75 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |
| 75/100 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |

Units held by the Company

The Company held the following units of the Fund:

| As at June 30, 2018 Class | Number of Units | Value of Units (\$) |
|------------------------------|-----------------|---------------------|
| 75/75 Class F Units | 1,000 | 10 |
| 75/100 Class F Units | 1,000 | 10 |

There were no units held by the Company as at December 31, 2017.

The accompanying notes are an integral part of these financial statements.

Financial instruments risk

The Fund invests in the BMO Equity Growth ETF Portfolio ("underlying fund"). The investment objective of the underlying fund is to provide long-term growth by investing primarily in exchange traded funds that invest in Canadian, U.S. and international equity securities. The underlying fund may also invest in other mutual funds or invest directly in individual equity securities and cash or cash equivalents.

Financial instrument risk of the underlying fund

The Fund is indirectly exposed to currency risk, interest rate risk, other market risk and credit risk through its investment in the underlying fund to the extent the underlying fund was exposed to these risks.

Fair value hierarchy

| As at June 30, 2018 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|--------|
| Investment fund | 17,595 | — | — | 17,595 |

| As at December 31, 2017 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|--------|
| Investment fund | 10,542 | — | — | 10,542 |

Transfers between levels

There were no transfers between the levels during the 2018 period (2017 – \$nil).

Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the table below.

| Carrying amount | As at June 30, 2018 | As at December 31, 2017 |
|---|---------------------------|-------------------------------|
| BMO Equity Growth ETF Portfolio, Series I | 17,595 | 10,542 |

Carrying amount as a % of the underlying fund's Net Assets

| | | |
|---|-------|-------|
| BMO Equity Growth ETF Portfolio, Series I | 5.96% | 4.88% |
|---|-------|-------|

BMO Equity Growth ETF Portfolio GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Increase or decrease in net assets held for the benefit of policyowners

The increase (decrease) in net assets held for the benefit of policyowners for the periods ended June 30, 2018 and June 30, 2017 is calculated as follows:

| <i>For the periods ended</i> | June 30, 2018 | June 30, 2017 |
|---|------------------|------------------|
| 75/75 Class A Units | | |
| Increase (decrease) in net assets held for the benefit of policyowners | 71 | (24) |
| Weighted average units outstanding during the period | 299 | 56 |
| Increase (decrease) in net assets held for the benefit of policyowners per unit | 0.24 | (0.43) |
| 75/100 Class A Units | | |
| Increase in net assets held for the benefit of policyowners | 168 | 107 |
| Weighted average units outstanding during the period | 922 | 296 |
| Increase in net assets held for the benefit of policyowners per unit | 0.18 | 0.36 |
| 75/75 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.08 | — |
| 75/100 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.07 | — |

Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended June 30, 2018 and June 30, 2017.

Concentration risk

The following is a summary of the Fund's concentration risk through its investment in the underlying fund:

| <i>As at</i> | June 30, 2018 | December 31, 2017 |
|--------------------------------------|------------------|----------------------|
| Investment Funds | | |
| Canadian Equity Funds | 27.4% | 27.2% |
| Emerging Markets Equity Funds | 6.2% | 5.9% |
| International Equity Funds | 25.4% | 27.4% |
| U.S. Equity Funds | 37.0% | 36.1% |
| Other Assets less Liabilities | 4.0% | 3.4% |
| | 100.0% | 100.0% |

Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2018 and December 31, 2017.

The accompanying notes are an integral part of these financial statements.

BMO Equity Growth ETF Portfolio GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

IFRS 9 transition

Upon transition to IFRS 9, financial assets and financial liabilities in the Fund's investment portfolio were classified as FVTPL. The classification differs from the classification under the previous IAS 39 for the financial assets and financial liabilities that were previously classified as held for trading; therefore, there were changes in the categorization of financial assets and financial liabilities upon transition to IFRS 9. However, there were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9. The tables below show the reconciliation of the financial assets and financial liabilities balances as at January 1, 2018, the IFRS 9 transition date.

| As at January 1, 2018 Financial Assets | Held for Trading | Designated as FVTPL | Loans and Receivables** | FVTPL |
|--|---------------------|------------------------|----------------------------|--------|
| Opening balance – under IAS 39 | — | 10,542 | 74 | — |
| On the basis of change from IAS 39 to IFRS 9: – reclassification of investments to FVTPL* | — | (10,542) | — | 10,542 |
| Total change on transition to IFRS 9 | — | (10,542) | — | 10,542 |
| Opening balance – under IFRS 9 | — | — | 74 | 10,542 |

* These are financial instruments (derivatives) classified as held for trading and others designated as FVTPL under IAS 39.

** These are other financial assets classified as loans and receivables under IAS 39, now classified as amortized cost under IFRS 9.

| As at January 1, 2018 Financial Liabilities | Held for Trading | Amortized Cost** | FVTPL |
|--|---------------------|---------------------|-------|
| Opening balance – under IAS 39 | — | 285 | — |
| On the basis of change from IAS 39 to IFRS 9: – reclassification of shorts and other derivatives* | — | — | — |
| Total change on transition to IFRS 9 | — | — | — |
| Opening balance – under IFRS 9 | — | 285 | — |

* These are financial liabilities (such as shorts and derivatives) classified as held for trading under IAS 39.

** These are other financial liabilities that continue to be classified as amortized cost.

BMO Equity Growth ETF Portfolio GIF

Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Financial Highlights (unaudited)

The following table shows selected key financial information about the Fund which is intended to help you understand the Fund's financial performance for the periods indicated.

| 75/75 Class A Units | Six months ended June 30, 2018 | Years ended December 31, 2017 2016 ⁽⁴⁾ | |
|--|-----------------------------------|--|-------|
| Net assets (\$000s) ⁽¹⁾ | \$ 4,234 | 2,914 | 116 |
| Net asset value per unit ⁽¹⁾ | \$ 12.33 | 12.10 | 10.83 |
| Units issued and outstanding (000s) ⁽¹⁾ | 343 | 241 | 11 |
| Management fees | % 1.50 | 1.50 | 1.50 |
| Management expense ratio ⁽²⁾ | % 2.45 | 2.49 | 2.49 |
| Management expense ratio before waivers | % 2.45 | 2.49 | 2.49 |
| Portfolio turnover rate ⁽³⁾ | % 3.10 | — | 0.12 |

| 75/100 Class A Units | Six months ended June 30, 2018 | Years ended December 31, 2017 2016 ⁽⁴⁾ | |
|--|-----------------------------------|--|-------|
| Net assets (\$000s) ⁽¹⁾ | \$ 13,696 | 7,815 | 1,188 |
| Net asset value per unit ⁽¹⁾ | \$ 12.24 | 12.03 | 10.81 |
| Units issued and outstanding (000s) ⁽¹⁾ | 1,119 | 650 | 110 |
| Management fees | % 1.50 | 1.50 | 1.50 |
| Management expense ratio ⁽²⁾ | % 2.80 | 2.83 | 2.83 |
| Management expense ratio before waivers | % 2.80 | 2.83 | 2.83 |
| Portfolio turnover rate ⁽³⁾ | % 3.10 | — | 0.12 |

| 75/75 Class F Units | May 14, 2018 to June 30, 2018 | |
|--|----------------------------------|-------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 10 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.08 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 1 |
| Management fees | % | 0.50 |
| Management expense ratio ⁽²⁾ | % | 1.36 |
| Management expense ratio before waivers | % | 1.36 |
| Portfolio turnover rate ⁽³⁾ | % | 3.10 |

| 75/100 Class F Units | May 14, 2018 to June 30, 2018 | |
|--|----------------------------------|-------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 10 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.07 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 1 |
| Management fees | % | 0.50 |
| Management expense ratio ⁽²⁾ | % | 1.71 |
| Management expense ratio before waivers | % | 1.71 |
| Portfolio turnover rate ⁽³⁾ | % | 3.10 |

⁽¹⁾ The information is provided as at June 30 or December 31 of the period shown, as applicable.

⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

⁽³⁾ The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover ratio in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover ratio and the performance of the fund. For the financial period ended December 31, 2017, no sales of portfolio securities were made in the Fund. As a result, the portfolio turnover ratio was zero.

⁽⁴⁾ The information in this column is for the period beginning June 21, 2016 (the class' inception date) and ending December 31, 2016.

BMO Low Volatility U.S. Equity ETF GIF

(unaudited)

STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of Canadian dollars, except per unit data)

| As at | June 30 2018 | December 31 2017 |
|---|-----------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | 72 | 84 |
| Investments | | |
| Non-derivative financial assets | 14,871 | 12,198 |
| Subscriptions receivable | 16 | 51 |
| Distribution receivable from investment trusts | 65 | 69 |
| Total assets | 15,024 | 12,402 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Payable for investments purchased | — | 23 |
| Redemptions payable | 4 | 1 |
| Accrued expenses | 86 | 72 |
| Total liabilities | 90 | 96 |
| Net assets held for the benefit of policyowners | 14,934 | 12,306 |
| Net assets held for the benefit of policyowners | | |
| 75/75 Class A Units | 5,067 | 3,677 |
| 75/100 Class A Units | 9,846 | 8,629 |
| 75/75 Class F Units | 11 | — |
| 75/100 Class F Units | 10 | — |
| Net assets held for the benefit of policyowners per unit | | |
| 75/75 Class A Units | \$ 10.96 | \$ 10.55 |
| 75/100 Class A Units | \$ 10.89 | \$ 10.50 |
| 75/75 Class F Units | \$ 10.57 | \$ — |
| 75/100 Class F Units | \$ 10.56 | \$ — |

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in thousands of Canadian dollars, except per unit data)

| For the periods ended | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| INCOME | | |
| Distributions received from investment trusts | 125 | 73 |
| Other changes in fair value of investments and derivatives | | |
| Net realized gain | 27 | 7 |
| Change in unrealized appreciation (depreciation) | 576 | (117) |
| Net gain (loss) in fair value of investments and derivatives | 728 | (37) |
| Total income (loss) | 728 | (37) |
| EXPENSES | | |
| Management fees (note 7) | 89 | 43 |
| Fixed administration fees (note 7) | 19 | 9 |
| Insurance fees (note 7) | 56 | 27 |
| Interest charges | 0 | — |
| Commissions and other portfolio transaction costs (note 7) | 1 | 2 |
| Total expenses | 165 | 81 |
| Increase (decrease) in net assets held for the benefit of policyowners | 563 | (118) |
| Increase (decrease) in net assets held for the benefit of policyowners | | |
| 75/75 Class A Units | 200 | (43) |
| 75/100 Class A Units | 361 | (75) |
| 75/75 Class F Units | 1 | — |
| 75/100 Class F Units | 1 | — |
| Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3) | | |
| 75/75 Class A Units | 0.49 | (0.23) |
| 75/100 Class A Units | 0.41 | (0.18) |
| 75/75 Class F Units | 0.57 | — |
| 75/100 Class F Units | 0.56 | — |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| 75/75 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 3,677 | 866 |
| Increase (decrease) in net assets held for the benefit of policyowners | 200 | (43) |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 1,580 | 2,236 |
| Withdrawal of withdrawable units | (390) | (141) |
| Net increase from withdrawable unit transactions | 1,190 | 2,095 |
| Net increase in net assets held for the benefit of policyowners | 1,390 | 2,052 |
| Net assets held for the benefit of policyowners | 5,067 | 2,918 |
| 75/100 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 8,629 | 2,654 |
| Increase (decrease) in net assets held for the benefit of policyowners | 361 | (75) |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 1,815 | 4,048 |
| Withdrawal of withdrawable units | (959) | (442) |
| Net increase from withdrawable unit transactions | 856 | 3,606 |
| Net increase in net assets held for the benefit of policyowners | 1,217 | 3,531 |
| Net assets held for the benefit of policyowners | 9,846 | 6,185 |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| 75/75 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 1 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 11 | — |
| Net assets held for the benefit of policyowners | 11 | — |
| 75/100 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 1 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 9 | — |
| Net increase from withdrawable unit transactions | 9 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| Total Fund | | |
| Net assets held for the benefit of policyowners at beginning of period | 12,306 | 3,520 |
| Increase (decrease) in net assets held for the benefit of policyowners | 563 | (118) |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 3,414 | 6,284 |
| Withdrawal of withdrawable units | (1,349) | (583) |
| Net increase from withdrawable unit transactions | 2,065 | 5,701 |
| Net increase in net assets held for the benefit of policyowners | 2,628 | 5,583 |
| Net assets held for the benefit of policyowners | 14,934 | 9,103 |

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| Cash flows from operating activities | | |
| Increase (decrease) in net assets held for the benefit of policyowners | 563 | (118) |
| Adjustments for: | | |
| Net realized gain on sale of investments and derivatives | (27) | (7) |
| Change in unrealized (appreciation) depreciation of investments and derivatives | (576) | 117 |
| Decrease (increase) in distribution receivable from investment trusts | 4 | (28) |
| Increase in accrued expenses | 14 | 34 |
| Purchases of investments | (2,946) | (5,770) |
| Proceeds from sale and maturity of investments | 853 | 258 |
| Net cash from operating activities | (2,115) | (5,514) |
| Cash flows from financing activities | | |
| Proceeds from issuances of withdrawable units | 3,449 | 6,251 |
| Amounts paid on withdrawal of withdrawable units | (1,346) | (582) |
| Net cash from financing activities | 2,103 | 5,669 |
| Net (decrease) increase in cash | (12) | 155 |
| Cash at beginning of period | 84 | 110 |
| Cash at end of period | 72 | 265 |
| Supplementary Information: | | |
| Distributions received from investment trusts* | 129 | 45 |
| Interest expense paid* | 0 | — |

*These items are from operating activities

BMO Low Volatility U.S. Equity ETF GIF

(unaudited) (cont'd)

SCHEDULE OF INVESTMENT PORTFOLIO

(All amounts in thousands of Canadian dollars, unless otherwise noted)

| As at June 30, 2018 | Number of Units | Cost* (\$) | Fair Value (\$) |
|---|--------------------|---------------|-----------------------|
| HOLDINGS IN INVESTMENT FUND | | | |
| U.S. Equity Fund — 99.6% | | | |
| BMO Low Volatility US Equity ETF | 463,910 | 14,380 | 14,871 |
| Total Investment Portfolio — 99.6% | | 14,380 | 14,871 |
| Other Assets Less Liabilities — 0.4% | | | 63 |
| NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0% | | | |
| | | | 14,934 |

*Where applicable, distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio.

BMO Low Volatility U.S. Equity ETF GIF

Notes to the Financial Statements (unaudited)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)
June 30, 2018

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 75/75 Class F Units and 75/100 Class F Units, which are withdrawable at the policyowners' option.

| Class | Launch Date |
|----------------------|---------------|
| 75/75 Class A Units | June 21, 2016 |
| 75/100 Class A Units | June 21, 2016 |
| 75/75 Class F Units | May 14, 2018 |
| 75/100 Class F Units | May 14, 2018 |

Change in units

The number of units that have been issued and are outstanding are disclosed in the table below.

| For the periods ended (in thousands of units) | June 30, 2018 | June 30, 2017 |
|---|------------------|------------------|
| 75/75 Class A Units | | |
| Units issued and outstanding, beginning of period | 349 | 84 |
| Issued for cash | 150 | 212 |
| Withdrawn during the period | (37) | (13) |
| Units issued and outstanding, end of period | 462 | 283 |
| 75/100 Class A Units | | |
| Units issued and outstanding, beginning of period | 822 | 259 |
| Issued for cash | 173 | 384 |
| Withdrawn during the period | (91) | 42 |
| Units issued and outstanding, end of period | 904 | 685 |
| 75/75 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |
| 75/100 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |

Units held by the Company

The Company held the following units of the Fund:

| As at June 30, 2018 Class | Number of Units | Value of Units (\$) |
|------------------------------|-----------------|---------------------|
| 75/75 Class F Units | 1,000 | 11 |
| 75/100 Class F Units | 1,000 | 11 |

There were no units held by the Company as at December 31, 2017.

The accompanying notes are an integral part of these financial statements.

Financial instruments risk

The Fund invests in the BMO Low Volatility US Equity ETF ("underlying fund"). The investment objective of the underlying fund is to provide exposure to the performance of a portfolio of U.S. stocks with the potential for long-term capital growth. Securities will be selected from the large capitalization U.S. equity universe. The securities that have the lowest sensitivity to market movements (beta) will be selected for the portfolio and they will be weighted so that a higher allocation is given to securities with lower betas.

Currency risk

The Fund's exposure, through its investment in the underlying fund, to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets (including derivatives and the underlying principle (notional) amount of forward currency contracts, if any).

As at June 30, 2018

| Currencies | Cash and other current receivables & payables (\$) | Investments (monetary & non-monetary) (\$) | Forward currency contracts (\$) | Net currency exposure (\$) | As a % of Net Assets (%) |
|-------------|--|--|---------------------------------|----------------------------|--------------------------|
| U.S. Dollar | 63 | 14,883 | — | 14,946 | 100.1 |

All amounts in Canadian dollars

As at December 31, 2017

| Currencies | Cash and other current receivables & payables (\$) | Investments (monetary & non-monetary) (\$) | Forward currency contracts (\$) | Net currency exposure (\$) | As a % of Net Assets (%) |
|-------------|--|--|---------------------------------|----------------------------|--------------------------|
| U.S. Dollar | 201 | 12,076 | — | 12,277 | 99.8 |

All amounts in Canadian dollars

As at June 30, 2018 and December 31, 2017, if the Canadian dollar had strengthened or weakened by 5% in relation to all Foreign currencies, with all variables held constant, the Net Assets of the Fund could possibly have increased or decreased by approximately \$747 (December 31, 2017 – \$614). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Interest rate risk

As at June 30, 2018 and December 31, 2017, the Fund did not have significant exposure to interest rate risk from its investment in the underlying fund.

Other market risk

The fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invests in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, S&P 500 Index (CAD), had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$966 (December 31, 2017 – \$806). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

BMO Low Volatility U.S. Equity ETF GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Credit risk

As at June 30, 2018 and December 31, 2017, the Fund did not have significant exposure to credit risk from its investment in the underlying fund.

Fair value hierarchy

| As at June 30, 2018 | Level 1 | Level 2 | Level 3 | Total |
|---------------------|---------|---------|---------|--------|
| Financial assets | | | | |
| Investment fund | 14,871 | — | — | 14,871 |

| As at December 31, 2017 | Level 1 | Level 2 | Level 3 | Total |
|-------------------------|---------|---------|---------|--------|
| Financial assets | | | | |
| Investment fund | 12,198 | — | — | 12,198 |

Transfers between levels

There were no transfers between the levels during the 2018 period (2017 – \$nil).

Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the table below.

| Carrying amount | As at June 30, 2018 | As at December 31, 2017 |
|--|---------------------|-------------------------|
| BMO Low Volatility US Equity ETF | 14,871 | 12,198 |
| Carrying amount as a % of the underlying fund's Net Assets | | |
| BMO Low Volatility US Equity ETF | 2.01% | 1.54% |

Increase or decrease in net assets held for the benefit of policyowners

The increase (decrease) in net assets held for the benefit of policyowners for the periods ended June 30, 2018 and June 30, 2017 is calculated as follows:

| For the periods ended | June 30, 2018 | June 30, 2017 |
|---|---------------|---------------|
| 75/75 Class A Units | | |
| Increase (decrease) in net assets held for the benefit of policyowners | 200 | (43) |
| Weighted average units outstanding during the period | 412 | 186 |
| Increase (decrease) in net assets held for the benefit of policyowners per unit | 0.49 | (0.23) |

| For the periods ended | June 30, 2018 | June 30, 2017 |
|---|---------------|---------------|
| 75/100 Class A Units | | |
| Increase (decrease) in net assets held for the benefit of policyowners | 361 | (75) |
| Weighted average units outstanding during the period | 875 | 427 |
| Increase (decrease) in net assets held for the benefit of policyowners per unit | 0.41 | (0.18) |
| 75/75 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 1 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.57 | — |
| 75/100 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 1 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.56 | — |

Brokerage commissions

| For the periods ended | June 30, 2018 | June 30, 2017 |
|---|---------------|---------------|
| Total brokerage amounts paid | 1 | 2 |
| Total brokerage amounts paid to related parties | 0 | 0 |

The Company may select brokers who charge a commission in "soft dollars" if it determines in good faith that the commission is reasonable in relation to the order execution and research services utilized. There were no ascertainable soft dollars paid or payable to dealers by the Fund during the periods.

Concentration risk

The following is a summary of the Fund's concentration risk through its investment in the underlying fund:

| As at | June 30, 2018 | December 31, 2017 |
|--------------------------------------|---------------|-------------------|
| Equities | | |
| Consumer Discretionary | 12.5% | 13.3% |
| Consumer Staples | 16.9% | 17.4% |
| Financials | 7.6% | 8.1% |
| Health Care | 15.4% | 16.1% |
| Industrials | 10.3% | 8.2% |
| Information Technology | 1.1% | 1.2% |
| Materials | 1.3% | 2.7% |
| Real Estate | 8.5% | 7.8% |
| Telecommunication Services | 1.4% | 1.4% |
| Utilities | 24.8% | 21.9% |
| Other Assets less Liabilities | 0.2% | 1.9% |
| | 100.0% | 100.0% |

The accompanying notes are an integral part of these financial statements.

BMO Low Volatility U.S. Equity ETF GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

IFRS 9 transition

Upon transition to IFRS 9, financial assets and financial liabilities in the Fund's investment portfolio were classified as FVTPL. The classification differs from the classification under the previous IAS 39 for the financial assets and financial liabilities that were previously classified as held for trading; therefore, there were changes in the categorization of financial assets and financial liabilities upon transition to IFRS 9. However, there were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9. The tables below show the reconciliation of the financial assets and financial liabilities balances as at January 1, 2018, the IFRS 9 transition date.

| As at January 1, 2018 Financial Assets | Held for Trading | Designated as FVTPL | Loans and Receivables** | FVTPL |
|--|---------------------|------------------------|----------------------------|--------|
| Opening balance – under IAS 39 | — | 12,198 | 120 | — |
| On the basis of change from IAS 39 to IFRS 9: | | | | |
| – reclassification of investments to FVTPL* | — | (12,198) | — | 12,198 |
| Total change on transition to IFRS 9 | — | (12,198) | — | 12,198 |
| Opening balance – under IFRS 9 | — | — | 120 | 12,198 |

* These are financial instruments (derivatives) classified as held for trading and others designated as FVTPL under IAS 39.

** These are other financial assets classified as loans and receivables under IAS 39, now classified as amortized cost under IFRS 9.

| As at January 1, 2018 Financial Liabilities | Held for Trading | Amortized Cost** | FVTPL |
|--|---------------------|---------------------|-------|
| Opening balance – under IAS 39 | — | 96 | — |
| On the basis of change from IAS 39 to IFRS 9: | | | |
| – reclassification of shorts and other derivatives* | — | — | — |
| Total change on transition to IFRS 9 | — | — | — |
| Opening balance – under IFRS 9 | — | 96 | — |

* These are financial liabilities (such as shorts and derivatives) classified as held for trading under IAS 39.

** These are other financial liabilities that continue to be classified as amortized cost.

BMO Low Volatility U.S. Equity ETF GIF

Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Financial Highlights (unaudited)

The following table shows selected key financial information about the Fund which is intended to help you understand the Fund's financial performance for the period indicated.

| 75/75 Class A Units | Six months ended June 30, 2018 | Years ended December 31, 2017 2016 ⁽⁴⁾ | |
|--|-----------------------------------|--|-------|
| Net assets (\$000s) ⁽¹⁾ | \$ 5,067 | 3,677 | 866 |
| Net asset value per unit ⁽¹⁾ | \$ 10.96 | 10.55 | 10.27 |
| Units issued and outstanding (000s) ⁽¹⁾ | 462 | 349 | 84 |
| Management fees | % 1.50 | 1.50 | 1.50 |
| Management expense ratio ⁽²⁾ | % 2.54 | 2.57 | 2.57 |
| Management expense ratio before waivers | % 2.54 | 2.57 | 2.57 |
| Portfolio turnover rate ⁽³⁾ | % 6.32 | 7.57 | 5.93 |

| 75/100 Class A Units | Six months ended June 30, 2018 | Years ended December 31, 2017 2016 ⁽⁴⁾ | |
|--|-----------------------------------|--|-------|
| Net assets (\$000s) ⁽¹⁾ | \$ 9,846 | 8,629 | 2,654 |
| Net asset value per unit ⁽¹⁾ | \$ 10.89 | 10.50 | 10.25 |
| Units issued and outstanding (000s) ⁽¹⁾ | 904 | 822 | 259 |
| Management fees | % 1.50 | 1.50 | 1.50 |
| Management expense ratio ⁽²⁾ | % 2.90 | 2.91 | 2.92 |
| Management expense ratio before waivers | % 2.90 | 2.91 | 2.92 |
| Portfolio turnover rate ⁽³⁾ | % 6.32 | 7.57 | 5.93 |

| 75/75 Class F Units | May 14, 2018 to June 30, 2018 |
|--|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ 11 |
| Net asset value per unit ⁽¹⁾ | \$ 10.57 |
| Units issued and outstanding (000s) ⁽¹⁾ | 1 |
| Management fees | % 0.50 |
| Management expense ratio ⁽²⁾ | % 1.45 |
| Management expense ratio before waivers | % 1.45 |
| Portfolio turnover rate ⁽³⁾ | % 6.32 |

| 75/100 Class F Units | May 14, 2018 to June 30, 2018 |
|--|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ 10 |
| Net asset value per unit ⁽¹⁾ | \$ 10.56 |
| Units issued and outstanding (000s) ⁽¹⁾ | 1 |
| Management fees | % 0.50 |
| Management expense ratio ⁽²⁾ | % 1.81 |
| Management expense ratio before waivers | % 1.81 |
| Portfolio turnover rate ⁽³⁾ | % 6.32 |

⁽¹⁾ The information is provided as at June 30 or December 31 of the period shown, as applicable.

⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

⁽³⁾ The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover ratio in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover ratio and the performance of the fund.

⁽⁴⁾ The information in this column is for the period beginning June 21, 2016 (the class' inception date) and ending December 31, 2016.

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of Canadian dollars, except per unit data)

| As at | June 30 2018 | December 31 2017 |
|---|-----------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | 131 | 110 |
| Investments | | |
| Non-derivative financial assets | 14,456 | 13,229 |
| Subscriptions receivable | 6 | 145 |
| Distribution receivable from investment trusts | 94 | 86 |
| Total assets | 14,687 | 13,570 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Payable for investments purchased | 53 | 43 |
| Redemptions payable | 5 | 1 |
| Accrued expenses | 86 | 77 |
| Total liabilities | 144 | 121 |
| Net assets held for the benefit of policyowners | 14,543 | 13,449 |
| Net assets held for the benefit of policyowners | | |
| 75/75 Class A Units | 4,713 | 4,184 |
| 75/100 Class A Units | 9,809 | 9,265 |
| 75/75 Class F Units | 11 | — |
| 75/100 Class F Units | 10 | — |
| Net assets held for the benefit of policyowners per unit | | |
| 75/75 Class A Units | \$ 11.28 | \$ 11.22 |
| 75/100 Class A Units | \$ 11.19 | \$ 11.15 |
| 75/75 Class F Units | \$ 10.39 | \$ — |
| 75/100 Class F Units | \$ 10.38 | \$ — |

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in thousands of Canadian dollars, except per unit data)

| For the periods ended | June 30 2018 | June 30 2017 |
|--|-----------------|-----------------|
| INCOME | | |
| Distributions received from investment trusts | 188 | 90 |
| Other changes in fair value of investments and derivatives | | |
| Net realized gain | 25 | 8 |
| Change in unrealized appreciation | 33 | 192 |
| Net gain in fair value of investments and derivatives | 246 | 290 |
| Total income | 246 | 290 |
| EXPENSES | | |
| Management fees (note 7) | 93 | 41 |
| Fixed administration fees (note 7) | 20 | 8 |
| Insurance fees (note 7) | 56 | 25 |
| Interest expense | 0 | — |
| Commissions and other portfolio transaction costs (note 7) | 1 | 2 |
| Total expenses | 170 | 76 |
| Increase in net assets held for the benefit of policyowners | 76 | 214 |
| Increase in net assets held for the benefit of policyowners | | |
| 75/75 Class A Units | 35 | 64 |
| 75/100 Class A Units | 41 | 150 |
| 75/75 Class F Units | 0 | — |
| 75/100 Class F Units | 0 | — |
| Increase in net assets held for the benefit of policyowners per unit (note 3) | | |
| 75/75 Class A Units | 0.08 | 0.40 |
| 75/100 Class A Units | 0.05 | 0.36 |
| 75/75 Class F Units | 0.39 | — |
| 75/100 Class F Units | 0.38 | — |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| 75/75 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 4,184 | 772 |
| Increase in net assets held for the benefit of policyowners | 35 | 64 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 1,305 | 1,843 |
| Withdrawal of withdrawable units | (811) | (92) |
| Net increase from withdrawable unit transactions | 494 | 1,751 |
| Net increase in net assets held for the benefit of policyowners | 529 | 1,815 |
| Net assets held for the benefit of policyowners | 4,713 | 2,587 |
| 75/100 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 9,265 | 2,448 |
| Increase in net assets held for the benefit of policyowners | 41 | 150 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 1,503 | 4,190 |
| Withdrawal of withdrawable units | (1,000) | (431) |
| Net increase from withdrawable unit transactions | 503 | 3,759 |
| Net increase in net assets held for the benefit of policyowners | 544 | 3,909 |
| Net assets held for the benefit of policyowners | 9,809 | 6,357 |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| 75/75 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 11 | — |
| Net increase from withdrawable unit transactions | 11 | — |
| Net increase in net assets held for the benefit of policyowners | 11 | — |
| Net assets held for the benefit of policyowners | 11 | — |
| 75/100 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| Total Fund | | |
| Net assets held for the benefit of policyowners at beginning of period | 13,449 | 3,220 |
| Increase in net assets held for the benefit of policyowners | 76 | 214 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 2,829 | 6,033 |
| Withdrawal of withdrawable units | (1,811) | (523) |
| Net increase from withdrawable unit transactions | 1,018 | 5,510 |
| Net increase in net assets held for the benefit of policyowners | 1,094 | 5,724 |
| Net assets held for the benefit of policyowners | 14,543 | 8,944 |

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|--|-----------------|-----------------|
| Cash flows from operating activities | | |
| Increase in net assets held for the benefit of policyowners | 76 | 214 |
| Adjustments for: | | |
| Net realized gain on sale of investments and derivatives | (25) | (8) |
| Change in unrealized appreciation of investments and derivatives | (33) | (192) |
| Increase in distribution receivable from investment trusts | (8) | (35) |
| Increase in accrued expenses | 9 | 34 |
| Purchases of investments | (2,402) | (5,643) |
| Proceeds from sale and maturity of investments | 1,243 | 279 |
| Net cash from operating activities | (1,140) | (5,351) |
| Cash flows from financing activities | | |
| Proceeds from issuances of withdrawable units | 2,968 | 5,966 |
| Amounts paid on withdrawal of withdrawable units | (1,807) | (521) |
| Net cash from financing activities | 1,161 | 5,445 |
| Net increase in cash | 21 | 94 |
| Cash at beginning of period | 110 | 113 |
| Cash at end of period | 131 | 207 |
| Supplementary Information: | | |
| Distributions received from investment trusts* | 180 | 55 |
| Interest expense paid* | 0 | — |

*These items are from operating activities

BMO Low Volatility Canadian Equity ETF GIF

(unaudited) (cont'd)

SCHEDULE OF INVESTMENT PORTFOLIO

(All amounts in thousands of Canadian dollars, unless otherwise noted)

| As at June 30, 2018 | Number of Units | Cost* (\$) | Fair Value (\$) |
|---|--------------------|---------------|-----------------------|
| HOLDINGS IN INVESTMENT FUND | | | |
| Canadian Equity Fund — 99.4% | | | |
| BMO Low Volatility Canadian Equity ETF | 471,185 | 14,087 | 14,456 |
| Total Investment Portfolio — 99.4% | | 14,087 | 14,456 |
| Other Assets Less Liabilities — 0.6% | | | 87 |
| NET ASSETS HELD FOR THE BENEFIT OF THE POLICYOWNERS — 100.0% | | | 14,543 |

*Where applicable, distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio.

BMO Low Volatility Canadian Equity ETF GIF

Notes to the Financial Statements (unaudited)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 75/75 Class F Units and 75/100 Class F Units, which are withdrawable at the policyowners' option.

| Class | Launch Date |
|----------------------|---------------|
| 75/75 Class A Units | June 21, 2016 |
| 75/100 Class A Units | June 21, 2016 |
| 75/75 Class F Units | May 14, 2018 |
| 75/100 Class F Units | May 14, 2018 |

Change in units

The number of units that have been issued and are outstanding are disclosed in the table below.

| For the periods ended (in thousands of units) | June 30, 2018 | June 30, 2017 |
|---|------------------|------------------|
| 75/75 Class A Units | | |
| Units issued and outstanding, beginning of period | 373 | 75 |
| Issued for cash | 119 | 172 |
| Withdrawn during the period | (74) | (9) |
| Units issued and outstanding, end of period | 418 | 238 |
| 75/100 Class A Units | | |
| Units issued and outstanding, beginning of period | 831 | 237 |
| Issued for cash | 138 | 391 |
| Withdrawn during the period | (92) | (40) |
| Units issued and outstanding, end of period | 877 | 588 |
| 75/75 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |
| 75/100 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |

Units held by the Company

The Company held the following units of the Fund:

| As at June 30, 2018 Class | Number of Units | Value of Units (\$) |
|------------------------------|-----------------|---------------------|
| 75/75 Class F Units | 1,000 | 10 |
| 75/100 Class F Units | 1,000 | 10 |

There were no units held by the Company as at December 31, 2017.

The accompanying notes are an integral part of these financial statements.

Financial instruments risk

The Fund invests in the BMO Low Volatility Canadian Equity ETF ("underlying fund"). The investment objective of the underlying fund is to provide exposure to the performance of a portfolio of Canadian equities with the potential for long-term capital growth. Securities will be selected from the largest and most liquid securities in Canada. The securities that have the lowest sensitivity to market movement (beta) will be selected for the portfolio and it will be weighted so that a higher allocation is given to securities with lower one year beta, although any investment in a single issuer will be made only in accordance with applicable Canadian security legislation.

Currency risk

As at June 30, 2018 and December 31, 2017, the Fund did not have significant exposure, through its investment in the underlying fund, to currency risk as the underlying fund invested primarily in Canadian securities.

Interest rate risk

As at June 30, 2018 and December 31, 2017, the Fund did not have significant exposure, through its investment in the underlying fund, to interest rate risk.

Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invested in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, S&P/TSX Capped Composite Index, had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$973 (December 31, 2017 – \$874). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

Credit risk

As at June 30, 2018 and December 31, 2017, the Fund did not have significant exposure, through its investment in the underlying fund, to credit risk.

Fair value hierarchy

| As at June 30, 2018 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|--------|
| Investment fund | 14,456 | — | — | 14,456 |

| As at December 31, 2017 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|--------|
| Investment fund | 13,229 | — | — | 13,229 |

Transfers between levels

There were no transfers between the levels during the 2018 period (2017 – \$nil).

BMO Low Volatility Canadian Equity ETF GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the table below.

| | As at June 30, 2018 | As at December 31, 2017 |
|--|---------------------------|-------------------------------|
| Carrying amount | | |
| BMO Low Volatility Canadian Equity ETF | 14,456 | 13,229 |

Carrying amount as a % of the underlying fund's Net Assets

| | | |
|--|-------|-------|
| BMO Low Volatility Canadian Equity ETF | 1.15% | 1.13% |
|--|-------|-------|

Increase or decrease in net assets held for the benefit of policyowners

The increase (decrease) in net assets held for the benefit of policyowners for the periods ended June 30, 2018 and June 30, 2017 is calculated as follows:

| <i>For the periods ended</i> | June 30, 2018 | June 30, 2017 |
|--|------------------|------------------|
| 75/75 Class A Units | | |
| Increase in net assets held for the benefit of policyowners | 35 | 64 |
| Weighted average units outstanding during the period | 407 | 159 |
| Increase in net assets held for the benefit of policyowners per unit | 0.08 | 0.40 |
| 75/100 Class A Units | | |
| Increase in net assets held for the benefit of policyowners | 41 | 150 |
| Weighted average units outstanding during the period | 874 | 412 |
| Increase in net assets held for the benefit of policyowners per unit | 0.05 | 0.36 |
| 75/75 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.39 | — |
| 75/100 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.38 | — |

Brokerage commissions

| <i>For the periods ended</i> | June 30, 2018 | June 30, 2017 |
|------------------------------|------------------|------------------|
|------------------------------|------------------|------------------|

The accompanying notes are an integral part of these financial statements.

| | | |
|---|---|---|
| Total brokerage amounts paid | 1 | 2 |
| Total brokerage amounts paid to related parties | 0 | 0 |

The Company may select brokers who charge a commission in "soft dollars" if they determine in good faith that the commission is reasonable in relation to the order execution and research services utilized. There were no ascertainable soft dollars paid or payable to dealers by the Fund during the periods.

Concentration risk

The following is a summary of the Fund's concentration risk through its investment in the underlying fund:

| <i>As at</i> | June 30, 2018 | December 31, 2017 |
|--------------------------------------|------------------|----------------------|
| Equities | | |
| Consumer Discretionary | 13.0% | 12.8% |
| Consumer Staples | 14.0% | 13.8% |
| Energy | 1.3% | 1.3% |
| Financials | 23.1% | 22.9% |
| Industrials | 6.5% | 6.7% |
| Information Technology | 5.6% | 5.8% |
| Materials | 3.5% | 3.8% |
| Real Estate | 10.7% | 11.4% |
| Telecommunications Services | 6.8% | 6.8% |
| Utilities | 15.4% | 13.4% |
| Other Assets less Liabilities | 0.1% | 1.3% |
| | 100.0% | 100.0% |

Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2018 and December 31, 2017.

BMO Low Volatility Canadian Equity ETF GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

IFRS 9 transition

Upon transition to IFRS 9, financial assets and financial liabilities in the Fund's investment portfolio were classified as FVTPL. The classification differs from the classification under the previous IAS 39 for the financial assets and financial liabilities that were previously classified as held for trading; therefore, there were changes in the categorization of financial assets and financial liabilities upon transition to IFRS 9. However, there were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9. The tables below show the reconciliation of the financial assets and financial liabilities balances as at January 1, 2018, the IFRS 9 transition date.

| As at January 1, 2018 Financial Assets | Held for Trading | Designated as FVTPL | Loans and Receivables** | FVTPL |
|--|---------------------|------------------------|----------------------------|--------|
| Opening balance – under IAS 39 | — | 13,229 | 231 | — |
| On the basis of change from IAS 39 to IFRS 9: – reclassification of investments to FVTPL* | — | (13,229) | — | 13,229 |
| Total change on transition to IFRS 9 | — | (13,229) | — | 13,229 |
| Opening balance – under IFRS 9 | — | — | 231 | 13,229 |

* These are financial instruments (derivatives) classified as held for trading and others designated as FVTPL under IAS 39.

** These are other financial assets classified as loans and receivables under IAS 39, now classified as amortized cost under IFRS 9.

| As at January 1, 2018 Financial Liabilities | Held for Trading | Amortized Cost** | FVTPL |
|--|---------------------|---------------------|-------|
| Opening balance – under IAS 39 | — | 121 | — |
| On the basis of change from IAS 39 to IFRS 9: – reclassification of shorts and other derivatives* | — | — | — |
| Total change on transition to IFRS 9 | — | — | — |
| Opening balance – under IFRS 9 | — | 121 | — |

* These are financial liabilities (such as shorts and derivatives) classified as held for trading under IAS 39.

** These are other financial liabilities that continue to be classified as amortized cost.

BMO Low Volatility Canadian Equity ETF GIF

Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Financial Highlights (unaudited)

The following table shows selected key financial information about the Fund which is intended to help you understand the Fund's financial performance for the periods indicated.

| | Six months ended June 30, 2018 | Years ended December 31, 2017 2016 ⁽⁴⁾ | |
|--|-----------------------------------|--|-------|
| 75/75 Class A Units | | | |
| Net assets (\$000's) ⁽¹⁾ | \$ 4,713 | 4,184 | 772 |
| Net asset value per unit ⁽¹⁾ | \$ 11.28 | 11.22 | 10.34 |
| Units issued and outstanding (000s) ⁽¹⁾ | 418 | 373 | 75 |
| Management fees | % 1.55 | 1.55 | 1.55 |
| Management expense ratio ⁽²⁾ | % 2.55 | 2.57 | 2.57 |
| Management expense ratio before waivers | % 2.55 | 2.57 | 2.57 |
| Portfolio turnover rate ⁽³⁾ | % 8.96 | 7.23 | 6.84 |

| | Six months ended June 30, 2018 | Years ended December 31, 2017 2016 ⁽⁴⁾ | |
|--|-----------------------------------|--|-------|
| 75/100 Class A Units | | | |
| Net assets (\$000's) ⁽¹⁾ | \$ 9,809 | 9,265 | 2,448 |
| Net asset value per unit ⁽¹⁾ | \$ 11.19 | 11.15 | 10.32 |
| Units issued and outstanding (000s) ⁽¹⁾ | 877 | 831 | 237 |
| Management fees | % 1.55 | 1.55 | 1.55 |
| Management expense ratio ⁽²⁾ | % 2.96 | 2.97 | 2.97 |
| Management expense ratio before waivers | % 2.96 | 2.97 | 2.97 |
| Portfolio turnover rate ⁽³⁾ | % 8.96 | 7.23 | 6.84 |

| | May 14, 2018 to June 30, 2018 | |
|--|----------------------------------|-------|
| 75/75 Class F Units | | |
| Net assets (\$000's) ⁽¹⁾ | \$ | 11 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.39 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 1 |
| Management fees | % | 0.55 |
| Management expense ratio ⁽²⁾ | % | 1.44 |
| Management expense ratio before waivers | % | 1.44 |
| Portfolio turnover rate ⁽³⁾ | % | 8.96 |

| | May 14, 2018 to June 30, 2018 | |
|--|----------------------------------|-------|
| 75/100 Class F Units | | |
| Net assets (\$000's) ⁽¹⁾ | \$ | 10 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.38 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 1 |
| Management fees | % | 0.55 |
| Management expense ratio ⁽²⁾ | % | 1.85 |
| Management expense ratio before waivers | % | 1.85 |
| Portfolio turnover rate ⁽³⁾ | % | 8.96 |

⁽¹⁾ The information is provided as at June 30 or December 31 of the period shown, as applicable.

⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

⁽³⁾ The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover ratio in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover ratio and the performance of the fund.

⁽⁴⁾ The information in this column is for the period beginning June 21, 2016 (the class' inception date) and ending December 31, 2016.

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of Canadian dollars, except per unit data)

| As at | June 30 2018 | December 31 2017 |
|---|-----------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | 655 | 1,360 |
| Investments | | |
| Non-derivative financial assets | 31,748 | 26,982 |
| Subscriptions receivable | 10 | 423 |
| Total assets | 32,413 | 28,765 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Payable for investments purchased | 20 | 895 |
| Redemptions payable | 60 | 3 |
| Accrued expenses | 221 | 175 |
| Total liabilities | 301 | 1,073 |
| Net assets held for the benefit of policyowners | 32,112 | 27,692 |
| Net assets held for the benefit of policyowners | | |
| 75/75 Class A Units | 4,324 | 3,958 |
| 75/100 Class A Units | 5,377 | 4,988 |
| 100/100 Class A Units | 11,394 | 9,763 |
| 100/100 Prestige Class Units | 10,987 | 8,983 |
| 75/75 Class F Units | 10 | — |
| 75/100 Class F Units | 10 | — |
| 100/100 Class F Units | 10 | — |
| Net assets held for the benefit of policyowners per unit | | |
| 75/75 Class A Units | \$ 10.48 | \$ 10.43 |
| 75/100 Class A Units | \$ 10.45 | \$ 10.41 |
| 100/100 Class A Units | \$ 10.39 | \$ 10.37 |
| 100/100 Prestige Class Units | \$ 10.45 | \$ 10.41 |
| 75/75 Class F Units | \$ 10.15 | \$ — |
| 75/100 Class F Units | \$ 10.14 | \$ — |
| 100/100 Class F Units | \$ 10.14 | \$ — |

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in thousands of Canadian dollars, except per unit data)

| For the periods ended | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| INCOME | | |
| Distributions received from investment trusts | 584 | 195 |
| Other changes in fair value of investments and derivatives | | |
| Net realized loss | (10) | — |
| Change in unrealized (depreciation) appreciation | (3) | 15 |
| Net gain in fair value of investments and derivatives | 571 | 210 |
| Total income | 571 | 210 |
| EXPENSES | | |
| Management fees (note 7) | 239 | 85 |
| Fixed administration fees (note 7) | 41 | 14 |
| Insurance fees (note 7) | 144 | 54 |
| Total expenses | 424 | 153 |
| Increase in net assets held for the benefit of policyowners | 147 | 57 |
| Increase (decrease) in net assets held for the benefit of policyowners | | |
| 75/75 Class A Units | 23 | 9 |
| 75/100 Class A Units | 32 | (9) |
| 100/100 Class A Units | 38 | 36 |
| 100/100 Prestige Class Units | 54 | 21 |
| 75/75 Class F Units | 0 | — |
| 75/100 Class F Units | 0 | — |
| 100/100 Class F Units | 0 | — |
| Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3) | | |
| 75/75 Class A Units | 0.06 | 0.12 |
| 75/100 Class A Units | 0.07 | (0.06) |
| 100/100 Class A Units | 0.04 | 0.07 |
| 100/100 Prestige Class Units | 0.06 | 0.07 |
| 75/75 Class F Units | 0.15 | — |
| 75/100 Class F Units | 0.14 | — |
| 100/100 Class F Units | 0.14 | — |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| 75/75 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 3,958 | — |
| Increase in net assets held for the benefit of policyowners | 23 | 9 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 625 | 1,339 |
| Withdrawal of withdrawable units | (282) | (72) |
| Net increase from withdrawable unit transactions | 343 | 1,267 |
| Net increase in net assets held for the benefit of policyowners | 366 | 1,276 |
| Net assets held for the benefit of policyowners | 4,324 | 1,276 |
| 75/100 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 4,988 | — |
| Increase (decrease) in net assets held for the benefit of policyowners | 32 | (9) |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 1,580 | 3,455 |
| Withdrawal of withdrawable units | (1,223) | (87) |
| Net increase from withdrawable unit transactions | 357 | 3,368 |
| Net increase in net assets held for the benefit of policyowners | 389 | 3,359 |
| Net assets held for the benefit of policyowners | 5,377 | 3,359 |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| 100/100 Class A Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 9,763 | — |
| Increase in net assets held for the benefit of policyowners | 38 | 36 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 4,715 | 8,446 |
| Withdrawal of withdrawable units | (3,122) | (1,064) |
| Net increase from withdrawable unit transactions | 1,593 | 7,382 |
| Net increase in net assets held for the benefit of policyowners | 1,631 | 7,418 |
| Net assets held for the benefit of policyowners | 11,394 | 7,418 |
| 100/100 Prestige Class Units | | |
| Net assets held for the benefit of policyowners at beginning of period | 8,983 | — |
| Increase in net assets held for the benefit of policyowners | 54 | 21 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 2,481 | 6,167 |
| Withdrawal of withdrawable units | (531) | (64) |
| Net increase from withdrawable unit transactions | 1,950 | 6,103 |
| Net increase in net assets held for the benefit of policyowners | 2,004 | 6,124 |
| Net assets held for the benefit of policyowners | 10,987 | 6,124 |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| 75/75 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |
| 75/100 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-----------------|-----------------|
| 100/100 Class F Units | | |
| Net assets held for the benefit of policyowners at beginning of period | — | — |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 10 | — |
| Net increase from withdrawable unit transactions | 10 | — |
| Net increase in net assets held for the benefit of policyowners | 10 | — |
| Net assets held for the benefit of policyowners | 10 | — |
| Total Fund | | |
| Net assets held for the benefit of policyowners at beginning of period | 27,692 | — |
| Increase in net assets held for the benefit of policyowners | 147 | 57 |
| Withdrawable unit transactions | | |
| Proceeds from withdrawable units issued | 9,431 | 19,407 |
| Withdrawal of withdrawable units | (5,158) | (1,287) |
| Net increase from withdrawable unit transactions | 4,273 | 18,120 |
| Net increase in net assets held for the benefit of policyowners | 4,420 | 18,177 |
| Net assets held for the benefit of policyowners | 32,112 | 18,177 |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

| <i>For the periods ended</i> | June 30 2018 | June 30 2017 |
|---|-------------------------|-------------------------|
| Cash flows from operating activities | | |
| Increase in net assets held for the benefit of policyowners | 147 | 57 |
| Adjustments for: | | |
| Net realized loss on sale of investments and derivatives | 10 | — |
| Change in unrealized depreciation (appreciation) of investments and derivatives | 3 | (15) |
| Increase in accrued expenses | 46 | 114 |
| Non-cash distributions from investment trusts | (584) | (195) |
| Purchases of investments | (5,830) | (17,725) |
| Proceeds from sale and maturity of investments | 760 | — |
| Net cash from operating activities | (5,448) | (17,764) |
| Cash flows from financing activities | | |
| Proceeds from issuances of withdrawable units | 7,980 | 18,524 |
| Amounts paid on withdrawal of withdrawable units | (3,237) | (545) |
| Net cash from financing activities | 4,743 | 17,979 |
| Net (decrease) increase in cash | (705) | 215 |
| Cash at beginning of period | 1,360 | — |
| Cash at end of period | 655 | 215 |

SCHEDULE OF INVESTMENT PORTFOLIO

(All amounts in thousands of Canadian dollars, unless otherwise noted)

| <i>As at June 30, 2018</i> | Number of Units | Cost* (\$) | Fair Value (\$) |
|---|----------------------------|-----------------------|--------------------------------|
| HOLDINGS IN INVESTMENT FUND | | | |
| Canadian Balanced Fund — 98.9% | | | |
| BMO Monthly Income Fund, Series I | 3,519,330 | 32,205 | 31,748 |
| Total Investment Portfolio — 98.9% | | 32,205 | 31,748 |
| Other Assets Less Liabilities — 1.1% | | | 364 |
| NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0% | | | 32,112 |

*Where applicable, distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio.

BMO Monthly Income GIF

Notes to the Financial Statements (unaudited)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)
June 30, 2018

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 100/100 Class A Units, 100/100 Prestige Class Units, 75/75 Class F Units, 75/100 Class F Units and 100/100 Class F Units, which are withdrawable at the policyowners' option.

| Class | Launch Date |
|------------------------------|-----------------|
| 75/75 Class A Units | January 6, 2017 |
| 75/100 Class A Units | January 6, 2017 |
| 100/100 Class A Units | January 6, 2017 |
| 100/100 Prestige Class Units | January 6, 2017 |
| 75/75 Class F Units | May 14, 2018 |
| 75/100 Class F Units | May 14, 2018 |
| 100/100 Class F Units | May 14, 2018 |

Change in units

The number of units that have been issued and are outstanding are disclosed in the table below.

| For the periods ended (in thousands of units) | June 30, 2018 | June 30, 2017 |
|---|------------------|------------------|
| 75/75 Class A Units | | |
| Units issued and outstanding, beginning of period | 379 | — |
| Issued for cash | 61 | 132 |
| Withdrawn during the period | (27) | (7) |
| Units issued and outstanding, end of period | 413 | 125 |
| 75/100 Class A Units | | |
| Units issued and outstanding, beginning of period | 479 | — |
| Issued for cash | 153 | 337 |
| Withdrawn during the period | (117) | (9) |
| Units issued and outstanding, end of period | 515 | 328 |
| 100/100 Class A Units | | |
| Units issued and outstanding, beginning of period | 941 | — |
| Issued for cash | 459 | 831 |
| Withdrawn during the period | (303) | (104) |
| Units issued and outstanding, end of period | 1,097 | 727 |
| 100/100 Prestige Class Units | | |
| Units issued and outstanding, beginning of period | 863 | — |
| Issued for cash | 239 | 605 |
| Withdrawn during the period | (51) | (6) |
| Units issued and outstanding, end of period | 1,051 | 599 |
| 75/75 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |

The accompanying notes are an integral part of these financial statements.

| For the periods ended (in thousands of units) | June 30, 2018 | June 30, 2017 |
|---|------------------|------------------|
| 75/100 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |
| 100/100 Class F Units | | |
| Units issued and outstanding, beginning of period | — | — |
| Issued for cash | 1 | — |
| Units issued and outstanding, end of period | 1 | — |

Units held by the Company

The Company held the following units of the Fund:

| As at June 30, 2018 Class | Number of Units | Value of Units (\$) |
|------------------------------|-----------------|---------------------|
| 75/75 Class F Units | 1,000 | 10 |
| 75/100 Class F Units | 1,000 | 10 |
| 100/100 Class F Units | 1,000 | 10 |

There were no units held by the Company as at December 31, 2017.

Financial instruments risk

The Fund invests in the BMO Monthly Income Fund, Series I ("underlying fund"). The investment objective of the underlying fund is to provide a fixed monthly distribution and to preserve the value of investments.

The underlying fund invested primarily in Canadian fixed income securities with higher-than-average yields, issued by the federal government, provincial governments, government agencies and corporations as well as common shares, real estate investment trusts, royalty trusts and other high-yielding investments.

BMO Monthly Income GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)
June 30, 2018

Currency risk

The Fund's exposure, through its investment in the underlying fund, to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets (including derivatives and the underlying principle (notional) amount of forward currency contracts, if any).

As at June 30, 2018

| Currencies | Cash and other current receivables & payables (\$) | Investments (monetary & non-monetary) (\$) | Forward currency contracts (\$) | Net currency exposure (\$) | As a % of Net Assets (%) |
|--------------------|--|--|---------------------------------|----------------------------|--------------------------|
| Australian Dollar | 0 | 97 | — | 97 | 0.3 |
| Danish Krone | — | 98 | — | 98 | 0.3 |
| Euro | 2 | 523 | — | 525 | 1.6 |
| Hong Kong Dollar | 1 | 103 | — | 104 | 0.3 |
| Israeli Shekel | (0) | 19 | — | 19 | 0.1 |
| Japanese Yen | 1 | 365 | — | 366 | 1.2 |
| New Zealand Dollar | — | 3 | — | 3 | 0.0 |
| Norwegian Krone | — | 12 | — | 12 | 0.0 |
| Pound Sterling | 5 | 371 | — | 376 | 1.2 |
| Singapore Dollar | — | 7 | — | 7 | 0.0 |
| Swedish Krona | 0 | 102 | — | 102 | 0.3 |
| Swiss Franc | 0 | 154 | — | 154 | 0.5 |
| US Dollar | 6 | 4,795 | — | 4,801 | 15.0 |
| Total | 15 | 6,649 | — | 6,664 | 20.8 |

All amounts in Canadian dollars

As at December 31, 2017

| Currencies | Cash and other current receivables & payables (\$) | Investments (monetary & non-monetary) (\$) | Forward currency contracts (\$) | Net currency exposure (\$) | As a % of Net Assets (%) |
|--------------------|--|--|---------------------------------|----------------------------|--------------------------|
| Australian Dollar | 0 | 93 | — | 93 | 0.3 |
| Danish Krone | — | 120 | — | 120 | 0.4 |
| Euro | 1 | 621 | — | 622 | 2.3 |
| Hong Kong Dollar | 1 | 153 | — | 154 | 0.6 |
| Israeli Shekel | — | 27 | — | 27 | 0.1 |
| Japanese Yen | 1 | 407 | — | 408 | 1.5 |
| New Zealand Dollar | 0 | 3 | — | 3 | 0.0 |
| Norwegian Krone | (0) | 21 | — | 21 | 0.1 |
| Pound Sterling | 1 | 399 | — | 400 | 1.4 |
| Singapore Dollar | — | 32 | — | 32 | 0.1 |
| Swedish Krona | — | 90 | — | 90 | 0.3 |
| Swiss Franc | — | 175 | — | 175 | 0.6 |
| US Dollar | 3 | 4,095 | — | 4,098 | 14.8 |
| Total | 7 | 6,236 | — | 6,243 | 22.5 |

All amounts in Canadian dollars

As at June 30, 2018 and December 31, 2017, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, with all variables held constant, the Net Assets of the Fund could possibly have increased or decreased, respectively, by approximately \$333 (December 31, 2017 – \$312). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Interest rate risk

The Fund's exposure, through its investment in the underlying fund, to interest rate risk, by remaining term to maturity, is summarized in the following table:

| Number of years | Interest Rate Exposure as at | |
|------------------------|------------------------------|-------------------|
| | June 30, 2018 | December 31, 2017 |
| Less than one year | 274 | 267 |
| One to three years | 3,962 | 3,002 |
| Three to five years | 1,564 | 1,808 |
| Five to ten years | 4,279 | 3,274 |
| Greater than ten years | 3,438 | 2,841 |
| Total | 13,517 | 11,192 |

All amounts in Canadian dollars

As at June 30, 2018 and December 31, 2017, if the prevailing interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, the Net Assets of the Fund could possibly have decreased or increased, respectively, by approximately \$988 (December 31, 2017 – \$830). The Fund's interest rate sensitivity was determined based on portfolio weighted duration. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invested in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, composed of 50% S&P/TSX Composite Total Return Index and 50% FTSE TMX Canada Universe Overall Bond Index, had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$1,841 (December 31, 2017 – \$1,323). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

BMO Monthly Income GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Credit risk

The Fund's exposure, through its investment in the underlying fund, to credit risk, grouped by credit ratings, is summarized in the following table:

| Credit Rating | As a % of Net Assets as at | |
|---------------|----------------------------|-------------------|
| | June 30, 2018 | December 31, 2017 |
| R-1 High | 0.2 | 0.3 |
| R-1 Mid | 0.1 | — |
| R-1 Low | — | 0.5 |
| AAA | 13.4 | 12.7 |
| AA | 9.0 | 9.7 |
| A | 12.6 | 11.7 |
| BBB | 6.8 | 5.5 |
| Total | 42.1 | 40.4 |

Fair value hierarchy

| As at June 30, 2018 | | | | |
|---------------------|---------|---------|---------|--------|
| Financial assets | Level 1 | Level 2 | Level 3 | Total |
| Investment fund | 31,748 | — | — | 31,748 |

| As at December 31, 2017 | | | | |
|-------------------------|---------|---------|---------|--------|
| Financial assets | Level 1 | Level 2 | Level 3 | Total |
| Investment fund | 26,982 | — | — | 26,982 |

Transfers between levels

There were no transfers between the levels during the 2018 period (2017 – \$nil).

Unconsolidated structured entities

| Carrying amount | As at | |
|-----------------------------------|---------------|-------------------|
| | June 30, 2018 | December 31, 2017 |
| BMO Monthly Income Fund, Series I | 31,748 | 26,982 |

Carrying amount as a % of the underlying fund's Net Assets

| | | |
|-----------------------------------|-------|-------|
| BMO Monthly Income Fund, Series I | 0.76% | 0.62% |
|-----------------------------------|-------|-------|

Increase or decrease in net assets held for the benefit of policyowners

The increase (decrease) in net assets held for the benefit of policyowners for the periods ended June 30, 2018 and June 30, 2017 is calculated as follows:

| For the periods ended | June 30, 2018 | June 30, 2017 |
|---|---------------|---------------|
| 75/75 Class A Units | | |
| Increase in net assets held for the benefit of policyowners | 23 | 9 |
| Weighted average units outstanding during the period | 393 | 76 |
| Increase in net assets held for the benefit of policyowners per unit | 0.06 | 0.12 |
| 75/100 Class A Units | | |
| Increase (decrease) in net assets held for the benefit of policyowners | 32 | (9) |
| Weighted average units outstanding during the period | 473 | 163 |
| Increase (decrease) in net assets held for the benefit of policyowners per unit | 0.07 | (0.06) |
| 100/100 Class A Units | | |
| Increase in net assets held for the benefit of policyowners | 38 | 36 |
| Weighted average units outstanding during the period | 1,020 | 498 |
| Increase in net assets held for the benefit of policyowners per unit | 0.04 | 0.07 |
| 100/100 Prestige Class Units | | |
| Increase in net assets held for the benefit of policyowners | 54 | 21 |
| Weighted average units outstanding during the period | 978 | 319 |
| Increase in net assets held for the benefit of policyowners per unit | 0.06 | 0.07 |
| 75/75 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.15 | — |
| 75/100 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.14 | — |

BMO Monthly Income GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

| For the periods ended | June 30, 2018 | June 30, 2017 |
|--|------------------|------------------|
| 100/100 Class F Units | | |
| Increase in net assets held for the benefit of policyowners | 0 | — |
| Weighted average units outstanding during the period | 1 | — |
| Increase in net assets held for the benefit of policyowners per unit | 0.14 | — |

Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended June 30, 2018 and June 30, 2017.

Concentration risk

The following is a summary of the Fund's concentration risk through its investment in the underlying fund:

| As at | June 30, 2018 | December 31, 2017 |
|--------------------------------------|------------------|----------------------|
| Money Market Investments | 0.3% | 0.8% |
| Bonds and Debentures | 41.8% | 39.6% |
| Canadian Equities | 33.0% | 32.0% |
| U.S. Equities | 14.9% | 14.4% |
| International Equities | 8.5% | 10.2% |
| Other Assets less Liabilities | 1.5% | 3.0% |
| | 100.0% | 100.0% |

Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2018 and December 31, 2017.

IFRS 9 transition

Upon transition to IFRS 9, financial assets and financial liabilities in the Fund's investment portfolio were classified as FVTPL. The classification differs from the classification under the previous IAS 39 for the financial assets and financial liabilities that were previously classified as held for trading; therefore, there were changes in the categorization of financial assets and financial liabilities upon transition to IFRS 9. However, there were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9. The tables below show the reconciliation of the financial assets and financial liabilities balances as at January 1, 2018, the IFRS 9 transition date.

| As at January 1, 2018 Financial Assets | Held for Trading | Designated as FVTPL | Loans and Receivables** | FVTPL |
|--|---------------------|------------------------|----------------------------|--------|
| Opening balance – under IAS 39 | — | 26,982 | 423 | — |
| On the basis of change from IAS 39 to IFRS 9: | | | | |
| – reclassification of investments to FVTPL* | — | (26,982) | — | 26,982 |
| Total change on transition to IFRS 9 | — | (26,982) | — | 26,982 |
| Opening balance – under IFRS 9 | — | — | 423 | 26,982 |

* These are financial instruments (derivatives) classified as held for trading and others designated as FVTPL under IAS 39.

** These are other financial assets classified as loans and receivables under IAS 39, now classified as amortized cost under IFRS 9.

| As at January 1, 2018 Financial Liabilities | Held for Trading | Amortized Cost** | FVTPL |
|--|---------------------|---------------------|-------|
| Opening balance – under IAS 39 | — | 1,073 | — |
| On the basis of change from IAS 39 to IFRS 9: | | | |
| – reclassification of shorts and other derivatives* | — | — | — |
| Total change on transition to IFRS 9 | — | — | — |
| Opening balance – under IFRS 9 | — | 1,073 | — |

* These are financial liabilities (such as shorts and derivatives) classified as held for trading under IAS 39.

** These are other financial liabilities that continue to be classified as amortized cost.

BMO Monthly Income GIF

Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Financial Highlights (unaudited)

The following table shows selected key financial information about the Fund which is intended to help you understand the Fund's financial performance for the period indicated.

| 75/75 Class A Units | Six months ended June 30, 2018 | January 6, 2017 to December 31, 2017 |
|--|-----------------------------------|---|
| Net assets (\$000's) ⁽¹⁾ | \$ 4,324 | 3,958 |
| Net asset value per unit | \$ 10.48 | 10.43 |
| Units issued and outstanding (000s) ⁽¹⁾ | 413 | 379 |
| Management fees | % 1.60 | 1.60 |
| Management expense ratio ⁽²⁾ | % 2.61 | 2.59 |
| Management expense ratio before waivers | % 2.61 | 2.59 |
| Portfolio turnover rate ⁽³⁾ | % 2.63 | 2.08 |

| 75/100 Class A Units | Six months ended June 30, 2018 | January 6, 2017 to December 31, 2017 |
|--|-----------------------------------|---|
| Net assets (\$000's) ⁽¹⁾ | \$ 5,377 | 4,988 |
| Net asset value per unit | \$ 10.45 | 10.41 |
| Units issued and outstanding (000s) ⁽¹⁾ | 515 | 479 |
| Management fees | % 1.60 | 1.60 |
| Management expense ratio ⁽²⁾ | % 2.78 | 2.76 |
| Management expense ratio before waivers | % 2.78 | 2.76 |
| Portfolio turnover rate ⁽³⁾ | % 2.63 | 2.08 |

| 100/100 Class A Units | Six months ended June 30, 2018 | January 6, 2017 to December 31, 2017 |
|--|-----------------------------------|---|
| Net assets (\$000's) ⁽¹⁾ | \$ 11,394 | 9,763 |
| Net asset value per unit | \$ 10.39 | 10.37 |
| Units issued and outstanding (000s) ⁽¹⁾ | 1,097 | 941 |
| Management fees | % 1.60 | 1.60 |
| Management expense ratio ⁽²⁾ | % 3.20 | 3.20 |
| Management expense ratio before waivers | % 3.20 | 3.20 |
| Portfolio turnover rate ⁽³⁾ | % 2.63 | 2.08 |

| 100/100 Prestige Class Units | Six months ended June 30, 2018 | January 6, 2017 to December 31, 2017 |
|--|-----------------------------------|---|
| Net assets (\$000's) ⁽¹⁾ | \$ 10,987 | 8,983 |
| Net asset value per unit | \$ 10.45 | 10.41 |
| Units issued and outstanding (000s) ⁽¹⁾ | 1,051 | 863 |
| Management fees | % 1.25 | 1.25 |
| Management expense ratio ⁽²⁾ | % 2.77 | 2.75 |
| Management expense ratio before waivers | % 2.77 | 2.75 |
| Portfolio turnover rate ⁽³⁾ | % 2.63 | 2.08 |

| 75/75 Class F Units | May 14, 2018 to June 30, 2018 |
|--|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ 10 |
| Net asset value per unit | \$ 10.15 |
| Units issued and outstanding (000s) ⁽¹⁾ | 1 |
| Management fees | % 0.60 |
| Management expense ratio ⁽²⁾ | % 1.47 |
| Management expense ratio before waivers | % 1.47 |
| Portfolio turnover rate ⁽³⁾ | % 2.63 |

| 75/100 Class F Units | May 14, 2018 to June 30, 2018 |
|--|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ 10 |
| Net asset value per unit | \$ 10.14 |
| Units issued and outstanding (000s) ⁽¹⁾ | 1 |
| Management fees | % 0.60 |
| Management expense ratio ⁽²⁾ | % 1.75 |
| Management expense ratio before waivers | % 1.75 |
| Portfolio turnover rate ⁽³⁾ | % 2.63 |

| 100/100 Class F Units | May 14, 2018 to June 30, 2018 |
|--|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ 10 |
| Net asset value per unit | \$ 10.14 |
| Units issued and outstanding (000s) ⁽¹⁾ | 1 |
| Management fees | % 0.60 |
| Management expense ratio ⁽²⁾ | % 2.12 |
| Management expense ratio before waivers | % 2.12 |
| Portfolio turnover rate ⁽³⁾ | % 2.63 |

⁽¹⁾ The information is provided as at June 30 and December 31 of the period shown, as applicable.

⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

⁽³⁾ The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover ratio in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover ratio and the performance of the fund.

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of Canadian dollars, except per unit data)

| As at | June 30 2018 |
|--|-----------------|
| ASSETS | |
| CURRENT ASSETS | |
| Cash | 70 |
| Investments | |
| Non-derivative financial assets | 246 |
| Total assets | 316 |
| LIABILITIES | |
| CURRENT LIABILITIES | |
| Payable for investments purchased | 66 |
| Redemptions payable | 0 |
| Accrued expenses | 0 |
| Total liabilities | 66 |
| Net assets held for the benefit of policyowners | 250 |
| Net assets held for the benefit of policyowners | |
| 75/75 Class A Units | 63 |
| 75/100 Class A Units | 55 |
| 100/100 Class A Units | 92 |
| 100/100 Prestige Class Units | 10 |
| 75/75 Class F Units | 10 |
| 75/100 Class F Units | 10 |
| 100/100 Class F Units | 10 |
| Net asset held for the benefit of policyowners per unit | |
| 75/75 Class A Units | \$ 10.09 |
| 75/100 Class A Units | \$ 10.09 |
| 100/100 Class A Units | \$ 10.08 |
| 100/100 Prestige Class Units | \$ 10.09 |
| 75/75 Class F Units | \$ 10.11 |
| 75/100 Class F Units | \$ 10.10 |
| 100/100 Class F Units | \$ 10.10 |

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in thousands of Canadian dollars, except per unit data)

| For the period ended | June 30 2018 |
|---|-----------------|
| INCOME | |
| Other changes in fair value of investments and derivatives | |
| Unrealized appreciation | 1 |
| Net gain in fair value of investments and derivatives | 1 |
| Total income | 1 |
| EXPENSES | |
| Management fees (note 7) | 1 |
| Fixed administration fees (note 7) | 0 |
| Insurance fees (note 7) | 0 |
| Total expenses | 1 |
| Increase in net assets held for the benefit of policyowners | 0 |
| Increase (decrease) in net assets held for the benefit of policyowners | |
| 75/75 Class A Units | 0 |
| 75/100 Class A Units | (0) |
| 100/100 Class A Units | (0) |
| 100/100 Prestige Class Units | 0 |
| 75/75 Class F Units | 0 |
| 75/100 Class F Units | 0 |
| 100/100 Class F Units | 0 |
| Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3) | |
| 75/75 Class A Units | 0.08 |
| 75/100 Class A Units | (0.06) |
| 100/100 Class A Units | (0.02) |
| 100/100 Prestige Class Units | 0.09 |
| 75/75 Class F Units | 0.11 |
| 75/100 Class F Units | 0.10 |
| 100/100 Class F Units | 0.10 |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS

(All amounts in thousands of Canadian dollars)

| <i>For the period ended</i> | June 30 2018 |
|---|-------------------------|
| 75/75 Class A Units | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Increase in net assets held for the benefit of policyowners | 0 |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 63 |
| Net increase from withdrawable unit transactions | 63 |
| Net increase in net assets held for the benefit of policyowners | 63 |
| Net assets held for the benefit of policyowners | 63 |
| 75/100 Class A Units | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Decrease in net assets held for the benefit of policyowners | (0) |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 55 |
| Net increase from withdrawable unit transactions | 55 |
| Net increase in net assets held for the benefit of policyowners | 55 |
| Net assets held for the benefit of policyowners | 55 |
| 100/100 Class A Units | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Decrease in net assets held for the benefit of policyowners | (0) |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 92 |
| Withdrawal of withdrawable units | (0) |
| Net increase from withdrawable unit transactions | 92 |
| Net increase in net assets held for the benefit of policyowners | 92 |
| Net assets held for the benefit of policyowners | 92 |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the period ended</i> | June 30 2018 |
|---|-------------------------|
| 100/100 Prestige Class Units | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Increase in net assets held for the benefit of policyowners | 0 |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 10 |
| Net increase from withdrawable unit transactions | 10 |
| Net increase in net assets held for the benefit of policyowners | 10 |
| Net assets held for the benefit of policyowners | 10 |
| 75/75 Class F Units | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Increase in net assets held for the benefit of policyowners | 0 |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 10 |
| Net increase from withdrawable unit transactions | 10 |
| Net increase in net assets held for the benefit of policyowners | 10 |
| Net assets held for the benefit of policyowners | 10 |
| 75/100 Class F Units | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Increase in net assets held for the benefit of policyowners | 0 |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 10 |
| Net increase from withdrawable unit transactions | 10 |
| Net increase in net assets held for the benefit of policyowners | 10 |
| Net assets held for the benefit of policyowners | 10 |
| 100/100 Class F Units | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Increase in net assets held for the benefit of policyowners | 0 |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 10 |
| Net increase from withdrawable unit transactions | 10 |
| Net increase in net assets held for the benefit of policyowners | 10 |
| Net assets held for the benefit of policyowners | 10 |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)
(All amounts in thousands of Canadian dollars)

| <i>For the period ended</i> | June 30 2018 |
|---|-------------------------|
| Total Fund | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Increase in net assets held for the benefit of policyowners | 0 |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 250 |
| Withdrawal of withdrawable units | (0) |
| Net increase from withdrawable unit transactions | 250 |
| Net increase in net assets held for the benefit of policyowners | 250 |
| Net assets held for the benefit of policyowners | 250 |

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

| <i>For the period ended</i> | June 30 2018 |
|--|-------------------------|
| Cash flows from operating activities | |
| Increase in net assets held for the benefit of policyowners | 0 |
| Adjustments for: | |
| Change in unrealized appreciation of investments and derivatives | (1) |
| Purchases of investments | (179) |
| Net cash from operating activities | (180) |
| Cash flows from financing activities | |
| Proceeds from issuances of withdrawable units | 250 |
| Net cash from financing activities | 250 |
| Net increase in cash | 70 |
| Cash at beginning of period | — |
| Cash at end of period | 70 |

The accompanying notes are an integral part of these financial statements.

BMO Asset Allocation GIF

(unaudited) (cont'd)

SCHEDULE OF INVESTMENT PORTFOLIO

(All amounts in thousands of Canadian dollars, unless otherwise noted)

| As at June 30, 2018 | Number of Units | Cost* (\$) | Fair Value (\$) |
|---|--------------------|---------------|-----------------------|
| HOLDINGS IN INVESTMENT FUND | | | |
| Canadian Balanced Fund — 98.0% | | | |
| BMO Asset Allocation Fund, Series I | 17,892 | 245 | 246 |
| Total Investment Portfolio — 98.0% | | 245 | 246 |
| Other Assets Less Liabilities — 2.0% | | | 4 |
| NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0% | | | 250 |

*Where applicable, distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio.

BMO Asset Allocation GIF

Notes to the Financial Statements (unaudited)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 100/100 Class A Units, 100/100 Prestige Class Units, 75/75 Class F Units, 75/100 Class F Units and 100/100 Class F Units, which are withdrawable at the policyowners' option.

| Class | Launch Date |
|------------------------------|--------------|
| 75/75 Class A Units | May 14, 2018 |
| 75/100 Class A Units | May 14, 2018 |
| 100/100 Class A Units | May 14, 2018 |
| 100/100 Prestige Class Units | May 14, 2018 |
| 75/75 Class F Units | May 14, 2018 |
| 75/100 Class F Units | May 14, 2018 |
| 100/100 Class F Units | May 14, 2018 |

Change in units

The number of units that have been issued and are outstanding are disclosed in the table below.

| For the period ended (in thousands of units) | June 30, 2018 |
|---|------------------|
| 75/75 Class A Units | |
| Units issued and outstanding, beginning of period | — |
| Issued for cash | 6 |
| Units issued and outstanding, end of period | 6 |
| 75/100 Class A Units | |
| Units issued and outstanding, beginning of period | — |
| Issued for cash | 5 |
| Units issued and outstanding, end of period | 5 |
| 100/100 Class A Units | |
| Units issued and outstanding, beginning of period | — |
| Issued for cash | 9 |
| Withdrawn during the period | (0) |
| Units issued and outstanding, end of period | 9 |

| For the period ended (in thousands of units) | June 30, 2018 |
|---|------------------|
| 100/100 Prestige Class Units | |
| Units issued and outstanding, beginning of period | — |
| Issued for cash | 1 |
| Units issued and outstanding, end of period | 1 |
| 75/75 Class F Units | |
| Units issued and outstanding, beginning of period | — |
| Issued for cash | 1 |
| Units issued and outstanding, end of period | 1 |
| 75/100 Class F Units | |
| Units issued and outstanding, beginning of period | — |
| Issued for cash | 1 |
| Units issued and outstanding, end of period | 1 |
| 100/100 Class F Units | |
| Units issued and outstanding, beginning of period | — |
| Issued for cash | 1 |
| Units issued and outstanding, end of period | 1 |

Units held by the Company

The Company held the following units of the Fund.

| As at June 30, 2018 Class | Number of Units | Value of Units (\$) |
|------------------------------|-----------------|---------------------|
| 75/75 Class A Units | 1,000 | 10 |
| 75/100 Class A Units | 1,000 | 10 |
| 100/100 Class A Units | 1,000 | 10 |
| 100/100 Prestige Class Units | 1,000 | 10 |
| 75/75 Class F Units | 1,000 | 10 |
| 75/100 Class F Units | 1,000 | 10 |
| 100/100 Class F Units | 1,000 | 10 |

Financial instruments risk

The Fund invests in the BMO Asset Allocation Fund ("underlying fund"). The investment objective of the underlying fund is to preserve the value of investments by investing primarily in exchange traded funds that invest in fixed income securities with a lesser exposure to exchange traded funds that invest in Canadian, U.S. and international equity securities. The underlying fund may also invest in other mutual funds or invest directly in individual fixed income or equity securities and cash or cash equivalents.

The accompanying notes are an integral part of these financial statements.

BMO Asset Allocation GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Currency risk

As at June 30, 2018, the Fund did not have significant exposure, through its investment in the underlying fund, to currency risk as the underlying fund invested primarily in Canadian securities.

Interest rate risk

The Fund's exposure, through its investment in the underlying fund, to interest rate risk, by remaining term to maturity, is summarized in the following table:

| Number of years | Interest Rate Exposure as at June 30, 2018 |
|------------------------|--|
| Less than one year | 2 |
| One to three years | 24 |
| Three to five years | 20 |
| Five to ten years | 33 |
| Greater than ten years | 26 |
| Total | 105 |

All amounts in Canadian dollars

As at June 30, 2018, if the prevailing interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, the Net Assets of the Fund could possibly have decreased or increased, respectively, by approximately \$8. The Fund's interest rate sensitivity was determined based on portfolio weighted duration. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invested in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, composed of 50% S&P/TSX Composite Total Return Index and 50% FTSE TMX Canada Universe Overall Bond Index, had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$16. Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

Credit risk

The Fund's exposure, through its investment in the underlying fund, to credit risk, grouped by credit ratings, is summarized in the following table:

| Credit Rating | As a % of Net Assets as at June 30, 2018 |
|---------------|--|
| R-1 High | 0.1 |
| R-1 Mid | 0.6 |
| AAA | 14.1 |
| AA | 8.0 |
| A | 11.3 |
| BBB | 8.0 |
| Total | 42.1 |

Fair value hierarchy

| As at June 30, 2018 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|-------|
| Investment fund | 246 | — | — | 246 |

Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the table below.

| Carrying amount | As at June 30, 2018 |
|---|---------------------|
| BMO Asset Allocation Fund, Series I | 246 |
| Carrying amount as a % of the underlying fund's Net Assets | |
| BMO Asset Allocation Fund, Series I | 0.01% |

BMO Asset Allocation GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Increase or decrease in net assets held for the benefit of policyowners

The increase (decrease) in net assets held for the benefit of the policyowners for the period ended June 30, 2018 is calculated as follows:

| <i>For the period ended</i> | June 30, 2018 |
|--|--------------------------|
| 75/75 Class A Units | |
| Increase in net assets held for the benefit of policyowners | 0 |
| Weighted average units outstanding during the period | 1 |
| Increase in net assets held for the benefit of policyowners per unit | 0.08 |
| 75/100 Class A Units | |
| Decrease in net assets held for the benefit of policyowners | (0) |
| Weighted average units outstanding during the period | 2 |
| Decrease in net assets held for the benefit of policyowners per unit | (0.06) |
| 100/100 Class A Units | |
| Decrease in net assets held for the benefit of policyowners | (0) |
| Weighted average units outstanding during the period | 4 |
| Decrease in net assets held for the benefit of policyowners per unit | (0.02) |
| 100/100 Prestige Class Units | |
| Increase in net assets held for the benefit of policyowners | 0 |
| Weighted average units outstanding during the period | 1 |
| Increase in net assets held for the benefit of policyowners per unit | 0.09 |
| 75/75 Class F Units | |
| Increase in net assets held for the benefit of policyowners | 0 |
| Weighted average units outstanding during the period | 1 |
| Increase in net assets held for the benefit of policyowners per unit | 0.11 |
| 75/100 Class F Units | |
| Increase in net assets held for the benefit of policyowners | 0 |
| Weighted average units outstanding during the period | 1 |
| Increase in net assets held for the benefit of policyowners per unit | 0.10 |
| 100/100 Class F Units | |
| Increase in net assets held for the benefit of policyowners | 0 |
| Weighted average units outstanding during the period | 1 |
| Increase in net assets held for the benefit of policyowners per unit | 0.10 |

Brokerage commissions

There were no brokerage commissions charged to the Fund during the period ended June 30, 2018.

Concentration risk

The following is a summary of the Fund's concentration risk through its investment in the underlying fund:

| <i>As at</i> | June 30, 2018 |
|--|--------------------------|
| Money Market Investments | |
| Federal | 0.6% |
| Provincial | 0.1% |
| Canadian Bonds & Debentures | |
| Federal Bonds | 13.5% |
| Provincial Bonds | 8.5% |
| Corporate Bonds & Debentures | 16.7% |
| Asset-Backed Securities | 0.1% |
| Foreign Bonds & Debentures | |
| Belgium | 0.1% |
| Germany | 0.3% |
| United States | 2.2% |
| Canadian Equities | |
| Consumer Discretionary | 2.1% |
| Consumer Staples | 1.7% |
| Energy | 6.4% |
| Financials | 11.0% |
| Industrials | 2.8% |
| Information Technology | 1.8% |
| Materials | 5.2% |
| Real Estate | 0.6% |
| Telecommunication Services | 0.7% |
| Utilities | 1.1% |
| Holdings in Investment Funds | 22.4% |
| Other Assets less Liabilities | 2.0% |
| | 100.0% |

Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2018.

The accompanying notes are an integral part of these financial statements.

BMO Asset Allocation GIF

Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Financial Highlights (unaudited)

The following table shows selected key financial information about the Fund which is intended to help you understand the Fund's financial performance for the period indicated.

| 75/75 Class A Units | | May 14, 2018 to June 30, 2018 |
|--|----|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 63 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.09 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 6 |
| Management fees | % | 1.60 |
| Management expense ratio ⁽²⁾ | % | 2.60 |
| Management expense ratio before waivers | % | 2.60 |
| Portfolio turnover rate ⁽³⁾ | % | — |

| 75/100 Class A Units | | May 14, 2018 to June 30, 2018 |
|--|----|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 55 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.09 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 5 |
| Management fees | % | 1.60 |
| Management expense ratio ⁽²⁾ | % | 2.85 |
| Management expense ratio before waivers | % | 2.85 |
| Portfolio turnover rate ⁽³⁾ | % | — |

| 100/100 Class A Units | | May 14, 2018 to June 30, 2018 |
|--|----|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 92 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.08 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 9 |
| Management fees | % | 1.60 |
| Management expense ratio ⁽²⁾ | % | 3.25 |
| Management expense ratio before waivers | % | 3.25 |
| Portfolio turnover rate ⁽³⁾ | % | — |

| 100/100 Prestige Class Units | | May 14, 2018 to June 30, 2018 |
|--|----|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 10 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.09 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 1 |
| Management fees | % | 1.25 |
| Management expense ratio ⁽²⁾ | % | 2.86 |
| Management expense ratio before waivers | % | 2.86 |
| Portfolio turnover rate ⁽³⁾ | % | — |

| 75/75 Class F Units | | May 14, 2018 to June 30, 2018 |
|--|----|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 10 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.11 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 1 |
| Management fees | % | 0.60 |
| Management expense ratio ⁽²⁾ | % | 1.47 |
| Management expense ratio before waivers | % | 1.47 |
| Portfolio turnover rate ⁽³⁾ | % | — |

| 75/100 Class F Units | | May 14, 2018 to June 30, 2018 |
|--|----|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 10 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.10 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 1 |
| Management fees | % | 0.60 |
| Management expense ratio ⁽²⁾ | % | 1.72 |
| Management expense ratio before waivers | % | 1.72 |
| Portfolio turnover rate ⁽³⁾ | % | — |

| 100/100 Class F Units | | May 14, 2018 to June 30, 2018 |
|--|----|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 10 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.10 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 1 |
| Management fees | % | 0.60 |
| Management expense ratio ⁽²⁾ | % | 2.12 |
| Management expense ratio before waivers | % | 2.12 |
| Portfolio turnover rate ⁽³⁾ | % | — |

⁽¹⁾ The information is provided as at June 30 of the period shown.

⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

⁽³⁾ The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover ratio in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover ratio and the performance of the fund. For the financial period ended June 30, 2018, no sales of portfolio securities were made in the Fund. As a result, the portfolio turnover ratio for this period was zero.

STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of Canadian dollars, except per unit data)

| As at | June 30 2018 |
|---|-----------------|
| ASSETS | |
| CURRENT ASSETS | |
| Cash | 5 |
| Investments | |
| Non-derivative financial assets | 59 |
| Total assets | 64 |
| LIABILITIES | |
| CURRENT LIABILITIES | |
| Accrued expenses | 0 |
| Total liabilities | 0 |
| Net assets held for the benefit of policyowners | 64 |
| Net assets held for the benefit of policyowners | |
| 75/75 Class A Units | 10 |
| 75/100 Class A Units | 34 |
| 75/75 Class F Units | 10 |
| 75/100 Class F Units | 10 |
| Net assets held for the benefit of policyowners per unit | |
| 75/75 Class A Units | \$ 10.16 |
| 75/100 Class A Units | \$ 10.16 |
| 75/75 Class F Units | \$ 10.18 |
| 75/100 Class F Units | \$ 10.17 |

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in thousands of Canadian dollars, except per unit data)

| For the period ended | June 30 2018 |
|--|-----------------|
| INCOME | |
| Distributions received from investment trusts | 0 |
| Other changes in fair value of investments and derivatives | |
| Unrealized appreciation | 0 |
| Net gain in fair value of investments and derivatives | 0 |
| Total income | 0 |
| EXPENSES | |
| Management fees (note 7) | 0 |
| Fixed administration fees (note 7) | 0 |
| Insurance fees (note 7) | 0 |
| Total expenses | 0 |
| Increase in net assets held for the benefit of policyowners | 0 |
| Increase in net assets held for the benefit of policyowners | |
| 75/75 Class A Units | 0 |
| 75/100 Class A Units | 0 |
| 75/75 Class F Units | 0 |
| 75/100 Class F Units | 0 |
| Increase in net assets held for the benefit of policyowners per unit (note 3) | |
| 75/75 Class A Units | 0.16 |
| 75/100 Class A Units | 0.16 |
| 75/75 Class F Units | 0.18 |
| 75/100 Class F Units | 0.17 |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS

(All amounts in thousands of Canadian dollars)

| <i>For the period ended</i> | June 30 2018 |
|---|-------------------------|
| 75/75 Class A Units | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Increase in net assets held for the benefit of policyowners | 0 |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 10 |
| Net increase from withdrawable unit transactions | 10 |
| Net increase in net assets held for the benefit of policyowners | 10 |
| Net assets held for the benefit of policyowners | 10 |
| 75/100 Class A Units | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Increase in net assets held for the benefit of policyowners | 0 |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 34 |
| Net increase from withdrawable unit transactions | 34 |
| Net increase in net assets held for the benefit of policyowners | 34 |
| Net assets held for the benefit of policyowners | 34 |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the period ended</i> | June 30 2018 |
|---|-------------------------|
| 75/75 Class F Units | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Increase in net assets held for the benefit of policyowners | 0 |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 10 |
| Net increase from withdrawable unit transactions | 10 |
| Net increase in net assets held for the benefit of policyowners | 10 |
| Net assets held for the benefit of policyowners | 10 |
| 75/100 Class F Units | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Increase in net assets held for the benefit of policyowners | 0 |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 10 |
| Net increase from withdrawable unit transactions | 10 |
| Net increase in net assets held for the benefit of policyowners | 10 |
| Net assets held for the benefit of policyowners | 10 |
| Total Fund | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Increase in net assets held for the benefit of policyowners | 0 |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 64 |
| Net increase from withdrawable unit transactions | 64 |
| Net increase in net assets held for the benefit of policyowners | 64 |
| Net assets held for the benefit of policyowners | 64 |

BMO Monthly High Income II GIF

(unaudited) (cont'd)

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

| <i>For the period ended</i> | June 30 2018 |
|--|-------------------------|
| Cash flows from operating activities | |
| Increase in net assets held for the benefit of policyowners | 0 |
| Adjustments for: | |
| Change in unrealized appreciation of investments and derivatives | (0) |
| Non-cash distributions from investment trusts | 0 |
| Purchases of investments | (59) |
| Net cash from operating activities | (59) |
| Cash flows from financing activities | |
| Proceeds from issuances of withdrawable units | 64 |
| Net cash from financing activities | 64 |
| Net increase in cash | 5 |
| Cash at beginning of period | — |
| Cash at end of period | 5 |

SCHEDULE OF INVESTMENT PORTFOLIO

(All amounts in thousands of Canadian dollars, unless otherwise noted)

| <i>As at June 30, 2018</i> | Number of Units | Cost* (\$) | Fair Value (\$) |
|---|--------------------|---------------|-----------------------|
| HOLDINGS IN INVESTMENT FUND | | | |
| Fixed Income Fund — 92.2% | | | |
| BMO Monthly High Income Fund II, Series I | 3,197 | 59 | 59 |
| Total Investment Portfolio — 92.2% | | 59 | 59 |
| Other Assets Less Liabilities — 7.8% | | | 5 |
| NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0% | | | 64 |

*Where applicable, distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio.

The accompanying notes are an integral part of these financial statements.

BMO Monthly High Income II GIF

Notes to the Financial Statements (unaudited)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 75/75 Class F Units and 75/100 Class F Units, which are withdrawable at the policyowners' option.

| Class | Launch Date |
|----------------------|--------------|
| 75/75 Class A Units | May 14, 2018 |
| 75/100 Class A Units | May 14, 2018 |
| 75/75 Class F Units | May 14, 2018 |
| 75/100 Class F Units | May 14, 2018 |

Change in units

The number of units that have been issued and are outstanding are disclosed in the table below.

| For the period ended (in thousands of units) | June 30, 2018 |
|---|------------------|
| 75/75 Class A Units | |
| Units issued and outstanding, beginning of period | — |
| Issued for cash | 1 |
| Units issued and outstanding, end of period | 1 |
| 75/100 Class A Units | |
| Units issued and outstanding, beginning of period | — |
| Issued for cash | 3 |
| Units issued and outstanding, end of period | 3 |
| 75/75 Class F Units | |
| Units issued and outstanding, beginning of period | — |
| Issued for cash | 1 |
| Units issued and outstanding, end of period | 1 |
| 75/100 Class F Units | |
| Units issued and outstanding, beginning of period | — |
| Issued for cash | 1 |
| Units issued and outstanding, end of period | 1 |

Units held by the Company

The Company held the following units of the Fund:

| As at June 30, 2018 Class | Number of Units | Value of Units (\$) |
|------------------------------|-----------------|---------------------|
| 75/75 Class A Units | 1,000 | 10 |
| 75/100 Class A Units | 1,000 | 10 |
| 75/75 Class F Units | 1,000 | 10 |
| 75/100 Class F Units | 1,000 | 10 |

Financial instruments risk

The Fund invests in the BMO Monthly High Income Fund II ("underlying fund"). The investment objective of the underlying fund is to generate a high level of monthly distributions with moderate volatility by investing primarily in a portfolio of trust units, equity securities and fixed income securities.

Currency risk

As at June 30, 2018 and December 31, 2017, the Fund did not have significant exposure, through its investment in the underlying fund, to currency risk as the underlying fund invested primarily in Canadian securities.

Interest rate risk

As at June 30, 2018 and December 31, 2017, the Fund did not have significant exposure, through its investment in the underlying fund, to interest rate risk.

Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invested in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, S&P/TSX Composite Index, had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$89,448. Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

Credit risk

As at June 30, 2018 and December 31, 2017, the Fund did not have significant exposure, through its investment in the underlying fund, to credit risk.

Fair value hierarchy

| As at June 30, 2018 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|-------|
| Investment fund | 59 | — | — | 59 |

BMO Monthly High Income II GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the table below.

| | As at June 30, 2018 |
|---|---------------------------|
| Carrying amount | |
| BMO Monthly High Income Fund II, Series I | 59 |
| Carrying amount as a % of the underlying fund's Net Assets | |
| BMO Monthly High Income Fund II, Series I | 0.00% |

Increase or decrease in net assets held for the benefit of policyowners

The increase (decrease) in net assets held for the benefit of policyowners for the period ended June 30, 2018 is calculated as follows:

| <i>For the period ended</i> | June 30, 2018 |
|--|------------------|
| 75/75 Class A Units | |
| Increase in net assets held for the benefit of policyowners | 0 |
| Weighted average units outstanding during the period | 1 |
| Increase in net assets held for the benefit of policyowners per unit | 0.16 |
| 75/100 Class A Units | |
| Increase in net assets held for the benefit of policyowners | 0 |
| Weighted average units outstanding during the period | 2 |
| Increase in net assets held for the benefit of policyowners per unit | 0.16 |
| 75/75 Class F Units | |
| Increase in net assets held for the benefit of policyowners | 0 |
| Weighted average units outstanding during the period | 1 |
| Increase in net assets held for the benefit of policyowners per unit | 0.18 |
| 75/100 Class F Units | |
| Increase in net assets held for the benefit of policyowners | 0 |
| Weighted average units outstanding during the period | 1 |
| Increase in net assets held for the benefit of policyowners per unit | 0.17 |

Brokerage commissions

There were no brokerage commissions charged to the Fund during the period ended June 30, 2018.

Concentration risk

The following is a summary of the Fund's concentration risk through its investment in the underlying fund:

| <i>As at</i> | June 30, 2018 |
|--------------------------------------|------------------|
| Money Market Investments | |
| Federal | 2.4% |
| Provincial | 0.4% |
| Equities | |
| Consumer Discretionary | 3.7% |
| Consumer Staples | 1.5% |
| Energy | 26.4% |
| Financials | 26.0% |
| Health Care | 1.8% |
| Industrials | 3.5% |
| Materials | 3.6% |
| Real Estate | 8.9% |
| Telecommunication Services | 5.5% |
| Utilities | 7.7% |
| Other Assets less Liabilities | 8.6% |
| | 100.0% |

Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2018.

BMO Monthly High Income II GIF

Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Financial Highlights (unaudited)

The following table shows selected key financial information about the Fund which is intended to help you understand the Fund's financial performance for the period indicated.

| 75/75 Class A Units | | May 14, 2018 to June 30, 2018 |
|--|----|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 10 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.16 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 1 |
| Management fees (%) | % | 1.65 |
| Management expense ratio (%) ⁽²⁾ | % | 2.80 |
| Management expense ratio before waivers (%) | % | 2.80 |
| Portfolio turnover rate (%) ⁽³⁾ | % | — |

| 75/100 Class A Units | | May 14, 2018 to June 30, 2018 |
|--|----|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 34 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.16 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 3 |
| Management fees | % | 1.65 |
| Management expense ratio ⁽²⁾ | % | 3.13 |
| Management expense ratio before waivers | % | 3.13 |
| Portfolio turnover rate ⁽³⁾ | % | — |

| 75/75 Class F Units | | May 14, 2018 to June 30, 2018 |
|--|----|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 10 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.18 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 1 |
| Management fees | % | 0.65 |
| Management expense ratio ⁽²⁾ | % | 1.67 |
| Management expense ratio before waivers | % | 1.67 |
| Portfolio turnover rate ⁽³⁾ | % | — |

| 75/100 Class F Units | | May 14, 2018 to June 30, 2018 |
|--|----|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 10 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.17 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 1 |
| Management fees | % | 0.65 |
| Management expense ratio ⁽²⁾ | % | 2.00 |
| Management expense ratio before waivers | % | 2.00 |
| Portfolio turnover rate ⁽³⁾ | % | — |

⁽¹⁾ The information is provided as at June 30, of the period shown.

⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

⁽³⁾ The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover ratio in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover ratio and the performance of the fund. For the financial period ended June 30, 2018, no sales of portfolio securities were made by the Fund. As a result, the portfolio turnover ratio for this period was zero.

BMO Tactical Balanced GIF

(unaudited)

STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of Canadian dollars, except per unit data)

| As at | June 30 2018 |
|---|-----------------|
| ASSETS | |
| CURRENT ASSETS | |
| Cash | 815 |
| Investments | |
| Non-derivative financial assets | 2,017 |
| Subscriptions receivable | 117 |
| Total assets | 2,949 |
| LIABILITIES | |
| CURRENT LIABILITIES | |
| Payable for investments purchased | 790 |
| Accrued expenses | 2 |
| Total liabilities | 792 |
| Net assets held for the benefit of policyowners | 2,157 |
| Net assets held for the benefit of policyowners | |
| 75/75 Class A Units | 1,945 |
| 75/100 Class A Units | 192 |
| 75/75 Class F Units | 10 |
| 75/100 Class F Units | 10 |
| Net assets held for the benefit of policyowners per unit | |
| 75/75 Class A Units | \$ 10.09 |
| 75/100 Class A Units | \$ 10.08 |
| 75/75 Class F Units | \$ 10.10 |
| 75/100 Class F Units | \$ 10.10 |

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in thousands of Canadian dollars, except per unit data)

| For the period ended | June 30 2018 |
|--|-----------------|
| INCOME | |
| Other changes in fair value of investments and derivatives | |
| Unrealized appreciation | 9 |
| Net gain in fair value of investments and derivatives | 9 |
| Total income | 9 |
| EXPENSES | |
| Management fees (note 7) | 2 |
| Fixed administration fees (note 7) | 0 |
| Insurance fees (note 7) | 1 |
| Total expenses | 3 |
| Increase in net assets held for the benefit of policyowners | 6 |
| Increase in net assets held for the benefit of policyowners | |
| 75/75 Class A Units | 6 |
| 75/100 Class A Units | 0 |
| 75/75 Class F Units | 0 |
| 75/100 Class F Units | 0 |
| Increase in net assets held for the benefit of policyowners per unit (note 3) | |
| 75/75 Class A Units | 0.08 |
| 75/100 Class A Units | 0.00 |
| 75/75 Class F Units | 0.10 |
| 75/100 Class F Units | 0.10 |

The accompanying notes are an integral part of these financial statements.

BMO Tactical Balanced GIF

(unaudited) (cont'd)

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS

(All amounts in thousands of Canadian dollars)

| <i>For the period ended</i> | June 30 2018 |
|---|-------------------------|
| 75/75 Class A Units | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Increase in net assets held for the benefit of policyowners | 6 |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 1,939 |
| Net increase from withdrawable unit transactions | 1,939 |
| Net increase in net assets held for the benefit of policyowners | 1,945 |
| Net assets held for the benefit of policyowners | 1,945 |
| 75/100 Class A Units | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Increase in net assets held for the benefit of policyowners | 0 |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 192 |
| Net increase from withdrawable unit transactions | 192 |
| Net increase in net assets held for the benefit of policyowners | 192 |
| Net assets held for the benefit of policyowners | 192 |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the period ended</i> | June 30 2018 |
|---|-------------------------|
| 75/75 Class F Units | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Increase in net assets held for the benefit of policyowners | 0 |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 10 |
| Net increase from withdrawable unit transactions | 10 |
| Net increase in net assets held for the benefit of policyowners | 10 |
| Net assets held for the benefit of policyowners | 10 |
| 75/100 Class F Units | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Increase in net assets held for the benefit of policyowners | 0 |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 10 |
| Net increase from withdrawable unit transactions | 10 |
| Net increase in net assets held for the benefit of policyowners | 10 |
| Net assets held for the benefit of policyowners | 10 |
| Total Fund | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Increase in net assets held for the benefit of policyowners | 6 |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 2,151 |
| Net increase from withdrawable unit transactions | 2,151 |
| Net increase in net assets held for the benefit of policyowners | 2,157 |
| Net assets held for the benefit of policyowners | 2,157 |

The accompanying notes are an integral part of these financial statements.

BMO Tactical Balanced GIF

(unaudited) (cont'd)

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

| <i>For the period ended</i> | June 30 2018 |
|--|-------------------------|
| Cash flows from operating activities | |
| Increase in net assets held for the benefit of policyowners | 6 |
| Adjustments for: | |
| Change in unrealized appreciation of investments and derivatives | (9) |
| Increase in accrued expenses | 2 |
| Purchases of investments | (1,218) |
| Net cash from operating activities | (1,219) |
| Cash flows from financing activities | |
| Proceeds from issuances of withdrawable units | 2,034 |
| Net cash from financing activities | 2,034 |
| Net increase in cash | 815 |
| Cash at beginning of period | — |
| Cash at end of period | 815 |

SCHEDULE OF INVESTMENT PORTFOLIO

(All amounts in thousands of Canadian dollars, unless otherwise noted)

| <i>As at June 30, 2018</i> | Number of Units | Cost* (\$) | Fair Value (\$) |
|---|----------------------------|-----------------------|--------------------------------|
| HOLDINGS IN INVESTMENT FUND | | | |
| Canadian Balanced Fund — 93.5% | | | |
| BMO Tactical Balanced ETF | | | |
| Fund, Series I | 199,711 | 2,008 | 2,017 |
| Total Investment Portfolio — 93.5% | | 2,008 | 2,017 |
| Other Assets Less Liabilities — 6.5% | | | 140 |
| NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0% | | | 2,157 |

*Where applicable, distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio.

BMO Tactical Balanced GIF

Notes to the Financial Statements (unaudited)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 75/75 Class F Units, and 75/100 Class F Units, which are withdrawable at the policyowners' option.

| Class | Launch Date |
|----------------------|--------------|
| 75/75 Class A Units | May 14, 2018 |
| 75/100 Class A Units | May 14, 2018 |
| 75/75 Class F Units | May 14, 2018 |
| 75/100 Class F Units | May 14, 2018 |

Change in units

The number of units that have been issued and are outstanding are disclosed in the table below.

| For the period ended (in thousands of units) | June 30, 2018 |
|---|------------------|
| 75/75 Class A Units | |
| Units issued and outstanding, beginning of period | — |
| Issued for cash | 193 |
| Units issued and outstanding, end of period | 193 |
| 75/100 Class A Units | |
| Units issued and outstanding, beginning of period | — |
| Issued for cash | 19 |
| Units issued and outstanding, end of period | 19 |
| 75/75 Class F Units | |
| Units issued and outstanding, beginning of period | — |
| Issued for cash | 1 |
| Units issued and outstanding, end of period | 1 |
| 75/100 Class F Units | |
| Units issued and outstanding, beginning of period | — |
| Issued for cash | 1 |
| Units issued and outstanding, end of period | 1 |

Units held by the Company

The Company held the following units of the Fund.

| As at June 30, 2018 Class | Number of Units | Value of Units (\$) |
|------------------------------|-----------------|---------------------|
| 75/75 Class A Units | 1,000 | 10 |
| 75/100 Class A Units | 1,000 | 10 |
| 75/75 Class F Units | 1,000 | 10 |
| 75/100 Class F Units | 1,000 | 10 |

Financial instruments risk

The Fund invests in the BMO Tactical Balanced ETF Fund ("underlying fund"). The investment objective of the underlying fund is to provide long-term capital growth and preservation of the capital by investing primarily in a diversified Portfolio of global equity and fixed income exchange traded funds. The underlying fund has a portfolio consisting of exchange traded funds.

Financial instrument risk of the underlying fund

The Fund is indirectly exposed to currency risk, interest rate risk, other market risk and credit risk through its investment in the underlying fund to the extent the underlying fund was exposed to these risks.

Fair value hierarchy

| As at June 30, 2018 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|-------|
| Investment fund | 2,017 | — | — | 2,017 |

Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the table below.

| Carrying amount | As at June 30, 2018 |
|---|---------------------------|
| BMO Tactical Balanced ETF Fund, Series I | 2,017 |
| Carrying amount as a % of the underlying fund's Net Assets | |
| BMO Tactical Balanced ETF Fund, Series I | 2.07% |

BMO Tactical Balanced GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Increase or decrease in net assets held for the benefit of policyowners

The increase (decrease) in net assets held for the benefit of the policyowners for the period ended June 30, 2018 is calculated as follows:

| <i>For the period ended</i> | June 30, 2018 |
|--|--------------------------|
| 75/75 Class A Units | |
| Increase in net assets held for the benefit of policyowners | 6 |
| Weighted average units outstanding during the period | 74 |
| Increase in net assets held for the benefit of policyowners per unit | 0.08 |
| 75/100 Class A Units | |
| Increase in net assets held for the benefit of policyowners | 0 |
| Weighted average units outstanding during the period | 6 |
| Increase in net assets held for the benefit of policyowners per unit | 0.00 |
| 75/75 Class F Units | |
| Increase in net assets held for the benefit of policyowners | 0 |
| Weighted average units outstanding during the period | 1 |
| Increase in net assets held for the benefit of policyowners per unit | 0.10 |
| 75/100 Class F Units | |
| Increase in net assets held for the benefit of policyowners | 0 |
| Weighted average units outstanding during the period | 1 |
| Increase in net assets held for the benefit of policyowners per unit | 0.10 |

Brokerage commissions

There were no brokerage commissions charged to the Fund during the period ended June 30, 2018.

Concentration risk

The following is a summary of the Fund's concentration risk through its investment in the underlying fund:

| <i>As at</i> | June 30, 2018 |
|--------------------------------------|--------------------------|
| Investment Funds | |
| Canadian Equity Funds | 6.5% |
| Commodity Fund | 1.6% |
| Fixed Income Funds | 23.7% |
| Global Equity Fund | 1.5% |
| U.S. Equity Funds | 35.1% |
| Other Assets less Liabilities | 31.7% |
| | 100.0% |

Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2018.

The accompanying notes are an integral part of these financial statements.

BMO Tactical Balanced GIF

Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Financial Highlights (unaudited)

The following table shows selected key financial information about the Fund which is intended to help you understand the Fund's financial performance for the period indicated.

| 75/75 Class A Units | | May 14, 2018 to June 30, 2018 |
|--|----|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 1,945 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.09 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 193 |
| Management fees | % | 1.60 |
| Management expense ratio ⁽²⁾ | % | 2.60 |
| Management expense ratio before waivers | % | 2.60 |
| Portfolio turnover rate ⁽³⁾ | % | — |

| 75/100 Class A Units | | May 14, 2018 to June 30, 2018 |
|--|----|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 192 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.08 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 19 |
| Management fees | % | 1.60 |
| Management expense ratio ⁽²⁾ | % | 2.90 |
| Management expense ratio before waivers | % | 2.90 |
| Portfolio turnover rate ⁽³⁾ | % | — |

| 75/75 Class F Units | | May 14, 2018 to June 30, 2018 |
|--|----|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 10.00 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.10 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 1 |
| Management fees | % | 0.60 |
| Management expense ratio ⁽²⁾ | % | 1.47 |
| Management expense ratio before waivers | % | 1.47 |
| Portfolio turnover rate ⁽³⁾ | % | — |

| 75/100 Class F Units | | May 14, 2018 to June 30, 2018 |
|--|----|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 10.00 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.10 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 1 |
| Management fees | % | 0.60 |
| Management expense ratio ⁽²⁾ | % | 1.77 |
| Management expense ratio before waivers | % | 1.77 |
| Portfolio turnover rate ⁽³⁾ | % | — |

⁽¹⁾ The information is provided as at June 30 of the period shown.

⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

⁽³⁾ The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover ratio in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover ratio and the performance of the Fund. For the financial period ended June 30, 2018, no sales of portfolio securities were made in the Fund. As a result, the portfolio turnover ratio for this period was zero.

BMO Dividend GIF

(unaudited)

STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of Canadian dollars, except per unit data)

| As at | June 30 2018 |
|---|-----------------|
| ASSETS | |
| CURRENT ASSETS | |
| Cash | 35 |
| Investments | |
| Non-derivative financial assets | 685 |
| Total assets | 720 |
| LIABILITIES | |
| CURRENT LIABILITIES | |
| Payable for investments purchased | 20 |
| Accrued expenses | 1 |
| Total liabilities | 21 |
| Net assets held for the benefit of policyowners | 699 |
| Net assets held for the benefit of policyowners | |
| 75/75 Class A Units | 309 |
| 75/100 Class A Units | 370 |
| 75/75 Class F Units | 10 |
| 75/100 Class F Units | 10 |
| Net assets held for the benefit of policyowners per unit | |
| 75/75 Class A Units | \$ 10.12 |
| 75/100 Class A Units | \$ 10.11 |
| 75/75 Class F Units | \$ 10.13 |
| 75/100 Class F Units | \$ 10.13 |

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in thousands of Canadian dollars, except per unit data)

| For the period ended | June 30 2018 |
|---|-----------------|
| INCOME | |
| Distributions received from investment trusts | 1 |
| Other changes in fair value of investments and derivatives | |
| Unrealized appreciation | 1 |
| Net gain in fair value of investments and derivatives | 2 |
| Total income | 2 |
| EXPENSES | |
| Management fees (note 7) | 1 |
| Fixed administration fees (note 7) | 0 |
| Insurance fees (note 7) | 0 |
| Total expenses | 1 |
| Increase in net assets held for the benefit of policyowners | 1 |
| Increase (decrease) in net assets held for the benefit of policyowners | |
| 75/75 Class A Units | 2 |
| 75/100 Class A Units | (1) |
| 75/75 Class F Units | 0 |
| 75/100 Class F Units | 0 |
| Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3) | |
| 75/75 Class A Units | 0.13 |
| 75/100 Class A Units | (0.17) |
| 75/75 Class F Units | 0.13 |
| 75/100 Class F Units | 0.13 |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS

(All amounts in thousands of Canadian dollars)

| <i>For the period ended</i> | June 30 2018 |
|---|-------------------------|
| 75/75 Class A Units | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Increase in net assets held for the benefit of policyowners | 2 |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 307 |
| Net increase from withdrawable unit transactions | 307 |
| Net increase in net assets held for the benefit of policyowners | 309 |
| Net assets held for the benefit of policyowners | 309 |
| 75/100 Class A Units | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Decrease in net assets held for the benefit of policyowners | (1) |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 371 |
| Net increase from withdrawable unit transactions | 371 |
| Net increase in net assets held for the benefit of policyowners | 370 |
| Net assets held for the benefit of policyowners | 370 |
| 75/75 Class F Units | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Increase in net assets held for the benefit of policyowners | 0 |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 10 |
| Net increase from withdrawable unit transactions | 10 |
| Net increase in net assets held for the benefit of policyowners | 10 |
| Net assets held for the benefit of policyowners | 10 |

STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS (cont'd)

(All amounts in thousands of Canadian dollars)

| <i>For the period ended</i> | June 30 2018 |
|---|-------------------------|
| 75/100 Class F Units | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Increase in net assets held for the benefit of policyowners | 0 |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 10 |
| Net increase from withdrawable unit transactions | 10 |
| Net increase in net assets held for the benefit of policyowners | 10 |
| Net assets held for the benefit of policyowners | 10 |
| Total Fund | |
| Net assets held for the benefit of policyowners at beginning of period | — |
| Increase in net assets held for the benefit of policyowners | 1 |
| Withdrawable unit transactions | |
| Proceeds from withdrawable units issued | 698 |
| Net increase from withdrawable unit transactions | 698 |
| Net increase in net assets held for the benefit of policyowners | 699 |
| Net assets held for the benefit of policyowners | 699 |

The accompanying notes are an integral part of these financial statements.

BMO Dividend GIF

(unaudited) (cont'd)

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

| <i>For the period ended</i> | June 30 2018 |
|--|-------------------------|
| Cash flows from operating activities | |
| Increase in net assets held for the benefit of policyowners | 1 |
| Adjustments for: | |
| Change in unrealized appreciation of investments and derivatives | (1) |
| Increase in accrued expenses | 1 |
| Non-cash distributions from investment trusts | 1 |
| Purchases of investments | (665) |
| Net cash from operating activities | (663) |
| Cash flows from financing activities | |
| Proceeds from issuances of withdrawable units | 698 |
| Net cash from financing activities | 698 |
| Net increase in cash | 35 |
| Cash at beginning of period | — |
| Cash at end of period | 35 |

SCHEDULE OF INVESTMENT PORTFOLIO

(All amounts in thousands of Canadian dollars, unless otherwise noted)

| <i>As at June 30, 2018</i> | Number of Units | Cost* (\$) | Fair Value (\$) |
|---|----------------------------|-----------------------|--------------------------------|
| HOLDINGS IN INVESTMENT FUND | | | |
| Canadian Equity Fund — 98.0% | | | |
| BMO Dividend Fund, Series I | 46,074 | 684 | 685 |
| Total Investment Portfolio — 98.0% | | 684 | 685 |
| Other Assets Less Liabilities — 2.0% | | | 14 |
| NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0% | | | 699 |

*Where applicable, distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio.

BMO Dividend GIF

Notes to the Financial Statements (unaudited)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)
June 30, 2018

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 75/75 Class F Units, and 75/100 Class F Units, which are withdrawable at the policyowners' option.

| Class | Launch Date |
|----------------------|--------------|
| 75/75 Class A Units | May 14, 2018 |
| 75/100 Class A Units | May 14, 2018 |
| 75/75 Class F Units | May 14, 2018 |
| 75/100 Class F Units | May 14, 2018 |

Change in units

The number of units that have been issued and are outstanding are disclosed in the table below.

| For the period ended (in thousands of units) | June 30, 2018 |
|---|------------------|
| 75/75 Class A Units | |
| Units issued and outstanding, beginning of period | — |
| Issued for cash | 31 |
| Units issued and outstanding, end of period | 31 |
| 75/100 Class A Units | |
| Units issued and outstanding, beginning of period | — |
| Issued for cash | 36 |
| Units issued and outstanding, end of period | 36 |
| 75/75 Class F Units | |
| Units issued and outstanding, beginning of period | — |
| Issued for cash | 1 |
| Units issued and outstanding, end of period | 1 |
| 75/100 Class F Units | |
| Units issued and outstanding, beginning of period | — |
| Issued for cash | 1 |
| Units issued and outstanding, end of period | 1 |

Units held by the Company

The Company held the following units of the Fund.

| As at June 30, 2018 Class | Number of Units | Value of Units (\$) |
|------------------------------|-----------------|---------------------|
| 75/75 Class A Units | 1,000 | 10 |
| 75/100 Class A Units | 1,000 | 10 |
| 75/75 Class F Units | 1,000 | 10 |
| 75/100 Class F Units | 1,000 | 10 |

Financial instruments risk

The Fund invests in the BMO Dividend Fund ("underlying fund"). The investment objective of the underlying fund is to preserve the value of investments by investing primarily in exchange traded funds that invest in Canadian securities. The underlying fund may also invest in other mutual funds.

Currency risk

The Fund's exposure, through its investment in the underlying fund, is summarized in the table below. Amounts shown are based on the carrying value of monetary and non-monetary assets (including derivatives and the underlying principal (notional) amount of forward currency contracts, if any).

As at June 30, 2018

| Currencies | Cash and other current receivables & payables (\$) | Investments (monetary & non-monetary) (\$) | Forward currency contracts (\$) | Net currency exposure (\$) | As a % of Net Assets (%) |
|-------------|--|--|---------------------------------|----------------------------|--------------------------|
| U.S. Dollar | — | 142 | (79) | 63 | 9.0 |

All amounts in Canadian dollars

As at June 30, 2018, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, with all variables held constant, the Net Assets of the Fund could possibly have increased or decreased, respectively, by approximately \$3. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Interest rate risk

As at June 30, 2018, the Fund did not have significant exposure, through its investment in the underlying fund, to interest rate risk.

Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invested in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, S&P/TSX Composite Total Return Index, had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$65. Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

Credit risk

As at June 30, 2018, the Fund did not have significant exposure, through its investment in the underlying fund, to credit risk.

BMO Dividend GIF

Notes to the Financial Statements (unaudited) (cont'd)

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Fair value hierarchy

| As at June 30, 2018 Financial assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|-------|
| Investment fund | 685 | — | — | 685 |

Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the table below.

| Carrying amount | As at June 30, 2018 |
|-----------------------------|---------------------------|
| BMO Dividend Fund, Series I | 685 |

Carrying amount as a % of the underlying fund's Net Assets

| | |
|-----------------------------|-------|
| BMO Dividend Fund, Series I | 0.01% |
|-----------------------------|-------|

Increase or decrease in net assets held for the benefit of policyowners

The increase (decrease) in net assets held for the benefit of the policyowners for the period ended June 30, 2018 is calculated as follows:

| For the period ended | June 30, 2018 |
|--|------------------|
| 75/75 Class A Units | |
| Increase in net assets held for the benefit of policyowners | 2 |
| Weighted average units outstanding during the period | 18 |
| Increase in net assets held for the benefit of policyowners per unit | 0.13 |
| 75/100 Class A Units | |
| Decrease in net assets held for the benefit of policyowners | (1) |
| Weighted average units outstanding during the period | 11 |
| Decrease in net assets held for the benefit of policyowners per unit | (0.17) |
| 75/75 Class F Units | |
| Increase in net assets held for the benefit of policyowners | 0 |
| Weighted average units outstanding during the period | 1 |
| Increase in net assets held for the benefit of policyowners per unit | 0.13 |
| 75/100 Class F Units | |
| Increase in net assets held for the benefit of policyowners | 0 |
| Weighted average units outstanding during the period | 1 |
| Increase in net assets held for the benefit of policyowners per unit | 0.13 |

Brokerage commissions

There were no brokerage commissions charged to the Fund during the period ended June 30, 2018.

Concentration risk

The following is a summary of the Fund's concentration risk through its investment in the underlying fund:

| As at | June 30, 2018 |
|--------------------------------------|------------------|
| Money Market Investments | 2.1% |
| Equities | |
| Consumer Discretionary | 6.3% |
| Consumer Staples | 4.9% |
| Energy | 14.5% |
| Financials | 35.5% |
| Health Care | 2.1% |
| Industrials | 8.3% |
| Information Technology | 11.0% |
| Materials | 3.4% |
| Real Estate | 1.6% |
| Telecommunication Services | 2.7% |
| Utilities | 5.7% |
| Other Assets less Liabilities | 1.9% |
| | 100.0% |

Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2018.

BMO Dividend GIF

Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2018

Financial Highlights (unaudited)

The following table shows selected key financial information about the Fund which is intended to help you understand the Fund's financial performance for the periods indicated.

| 75/75 Class A Units | | May 14, 2018 to June 30, 2018 |
|--|----|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 309 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.12 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 31 |
| Management fees | % | 1.60 |
| Management expense ratio ⁽²⁾ | % | 2.75 |
| Management expense ratio before waivers | % | 2.75 |
| Portfolio turnover rate ⁽³⁾ | % | — |

| 75/100 Class A Units | | May 14, 2018 to June 30, 2018 |
|--|----|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 370 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.11 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 36 |
| Management fees | % | 1.60 |
| Management expense ratio ⁽²⁾ | % | 3.08 |
| Management expense ratio before waivers | % | 3.08 |
| Portfolio turnover rate ⁽³⁾ | % | — |

| 75/75 Class F Units | | May 14, 2018 to June 30, 2018 |
|--|----|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 10 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.13 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 1 |
| Management fees | % | 0.60 |
| Management expense ratio ⁽²⁾ | % | 1.62 |
| Management expense ratio before waivers | % | 1.62 |
| Portfolio turnover rate ⁽³⁾ | % | — |

| 75/100 Class F Units | | May 14, 2018 to June 30, 2018 |
|--|----|----------------------------------|
| Net assets (\$000s) ⁽¹⁾ | \$ | 10 |
| Net asset value per unit ⁽¹⁾ | \$ | 10.13 |
| Units issued and outstanding (000s) ⁽¹⁾ | | 1 |
| Management fees | % | 0.60 |
| Management expense ratio ⁽²⁾ | % | 1.95 |
| Management expense ratio before waivers | % | 1.95 |
| Portfolio turnover rate ⁽³⁾ | % | — |

⁽¹⁾ The information is provided as at June 30 of the period shown.

⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

⁽³⁾ The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover ratio in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover ratio and the performance of the Fund. For the financial period ended June 30, 2018, no sales of portfolio securities were made in the Fund. As a result, the portfolio turnover ratio for this period was zero.

Notes to the Financial Statements

(All amounts in thousands of Canadian dollars) (unaudited)

June 30, 2018

1. The Funds

The BMO Guaranteed Investment Funds (the "Funds") are offered through a variable annuity contract issued by BMO Life Assurance Company (the "Company") under authority of the Insurance Companies Act (Canada) and are regulated by the Canadian Life and Health Insurance Association ("CLHIA"). The Company is the registered owner of the assets of the Funds for the benefit of the policy owners. The address of the Company's registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

| Fund | Date Established |
|--|------------------|
| BMO Money Market GIF | December 2, 2013 |
| BMO Canadian Balanced Growth GIF | December 2, 2013 |
| BMO Canadian Income Strategy GIF | December 2, 2013 |
| BMO U.S. Balanced Growth GIF | December 2, 2013 |
| BMO North American Income Strategy GIF | December 2, 2013 |
| BMO Fixed Income ETF Portfolio GIF | June 21, 2016 |
| BMO Income ETF Portfolio GIF | June 21, 2016 |
| BMO Conservative ETF Portfolio GIF | June 21, 2016 |
| BMO Balanced ETF Portfolio GIF | June 21, 2016 |
| BMO Growth ETF Portfolio GIF | June 21, 2016 |
| BMO Equity Growth ETF Portfolio GIF | June 21, 2016 |
| BMO Low Volatility U.S. Equity ETF GIF | June 21, 2016 |
| BMO Low Volatility Canadian Equity ETF GIF | June 21, 2016 |
| BMO Monthly Income GIF | January 9, 2017 |
| BMO Asset Allocation GIF | May 14, 2018 |
| BMO Monthly High Income II GIF | May 14, 2018 |
| BMO Tactical Balanced GIF | May 14, 2018 |
| BMO Dividend GIF | May 14, 2018 |

The Company is the sole issuer of the individual variable insurance contract providing for investment in each Fund.

Each Fund is established under the authority of the Insurance Companies Act. Each of the Funds invest in direct investments or in underlying exchange traded funds or mutual fund units.

The individual variable insurance contract provides guarantees, which are payable either on maturity or on death.

The Statement of Financial Position and related notes of each of the Funds are as at June 30, 2018 and December 31, 2017. The Statement of Comprehensive Income, Statement of Changes in Net Assets Held for the Benefit of Policyowners, Statement of Cash Flows and related notes are of the periods ended June 30, 2018 and June 30, 2017.

The financial statements were authorized for issuance by the Board of Directors of the Company on September 5, 2018.

These financial statements should be read in conjunction with the annual financial statements for the period ended December 31, 2017 which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

2. Basis of preparation and presentation

These unaudited interim financial statements have been prepared in accordance with IFRS and in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB").

3. Summary of significant accounting policies Financial instruments

Investments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These financial instruments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds' investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments ("IFRS 9"). Upon initial recognition, financial instruments are recorded at fair value and classified as fair value through profit or loss ("FVTPL"). A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Financial instruments are subsequently measured as FVTPL with changes in fair value recognized in the Statement of Comprehensive Income as "Change in unrealized appreciation (depreciation)".

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

The Funds' withdrawable units contain multiple contractual obligations and consequently, do not meet the conditions to be classified as equity. As a result, the Funds' obligations for net assets held for the benefit of policy owners are classified as financial liabilities and presented at the withdrawal amounts.

Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported on the Statement of Comprehensive Income. Realized gains and losses on disposition are determined based on the cost of the investments.

Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For exchange-traded securities, close prices are considered to be fair value if they fall within the bid-ask spread. In circumstances where the close price is not within the bid-ask spread, the Company determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

For bonds, debentures, asset-backed securities and other debt securities, fair value is represented by bid prices provided by independent security pricing services. Short-term investments, if any, are fair valued, and in certain circumstances are held at amortized cost which approximates fair value.

Mutual fund units held as investments are valued at their respective Net Asset Value ("NAV") on each Valuation Date (the "Valuation Date" is each day on which the Toronto Stock Exchange is open for trading), as these values are the most readily and regularly available.

Derivatives

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedged purposes.

The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

Cash

Cash is comprised of cash and deposits with banks, which include bankers' acceptances and overnight demand deposits. Cash is recorded at fair value. The carrying amounts of cash approximates its fair value because it is short-term in nature.

Other assets and liabilities

Other assets and other liabilities generally include receivables and payables relating to investment transactions, policyholder subscriptions and redemptions, and other receivables and payables that are initially recorded at fair value. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

Investments in subsidiaries, joint ventures and associates

Subsidiaries are entities over which the Funds have control through their exposure or rights to variable returns from their investment, and have the ability to affect those returns through their power over the entity. The Funds have determined that they are an investment entity and as such, they account for subsidiaries, if any, at fair value. Joint ventures are those where the Funds exercise joint control through an agreement with other shareholders, and associates are investments in which the Funds exert significant influence over operating, investing, and financing decisions (such as entities in which the Funds own 20% – 50% of voting shares), all of which, if any, have been classified at FVTPL.

Unconsolidated structured entities

During the periods, the Funds had no sponsored unconsolidated structured entities. The Company has determined that the underlying funds in which the Funds may invest are unconsolidated structured entities. This determination is based on the fact that decision making about the underlying funds is not governed by the voting right or other similar right held by the Funds. Similarly, investments in securitizations, asset-backed securities and mortgage-backed securities are determined to be interests in unconsolidated structured entities.

The Funds may invest in underlying funds whose investment objectives range from achieving short-term to long-term income and capital growth potential. Underlying funds may use leverage in a manner consistent with their respective investment objectives and as permitted by Canadian securities regulatory authorities. Underlying funds finance their operations by issuing withdrawable units which are puttable at the holders' option and entitles the holder to a proportionate stake in the respective fund's Net Assets. The change in fair value of each of the underlying funds during the periods is included in "Change in unrealized appreciation (depreciation)" in the Statement of Comprehensive Income.

Mortgage-related securities are created from pools of residential or commercial mortgage loans, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks and others. Asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans, and student loans.

The Funds do not provide and have not committed to providing any additional significant financial information or other support to the unconsolidated structured entities other than its investment in the unconsolidated structured entities.

Offsetting of financial assets and financial liabilities

Financial instruments are presented at net or gross amounts in the Statement of Financial Position depending on the existence of intention and legal right to offset opposite positions of such instruments held with the same counterparties. Amounts offset in the Statement of Financial Position are transactions for which the Funds have legally enforceable rights to offset and intend to settle the positions on a net basis. Amounts not offset in the Statement of Financial Position relate to transactions where a master netting arrangement or similar agreement is in place with a right to offset only in the event of default, insolvency or bankruptcy, or where the Funds have no intention of settling on a net basis.

Income recognition

Distributions received from underlying funds are recognized on the ex-distribution date.

Interest income from interest bearing investments is recognized in the Statement of Comprehensive Income as it is earned using the effective interest rate. Interest receivable shown in the Statement of Financial Position is accrued based on the interest bearing instruments' stated rates of interest.

Foreign currency translation

The fair value of investments and other assets and liabilities in foreign currencies are translated into the Funds' functional currency at the rates of exchange prevailing at the period-end date. Purchases and sales of investments, and income and expenses are translated at the rates of exchange prevailing on the respective dates of such transactions. Foreign exchange gains (losses) on completed transactions are included in "Net realized gain (loss)" and unrealized foreign exchange gains (losses) are included in "Change in unrealized appreciation (depreciation)" in the Statement of Comprehensive Income.

Foreign exchange gains (losses) relating to cash, receivables and payables are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

Increase or decrease in net assets held for the benefit of policy owners per unit

"Increase (decrease) in net assets held for the benefit of policyowners per unit" of a class in the Statement of Comprehensive Income represents the increase (decrease) in net assets held for the benefit of policyowners attributable to the class, divided by the weighted average number of units of the class outstanding during the period.

Portfolio turnover ratio

The Funds' portfolio turnover ratio indicates how actively the Funds' portfolio manager manages its portfolio investments.

A portfolio turnover ratio of 100% is equivalent to the fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover ratio in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover ratio and the performance of a fund.

Income taxes

The Funds are segregated funds under the provisions of the *Income Tax Act (Canada)*. The Funds' net income, including net realized capital gains and losses for the calendar year, is allocated to beneficiaries so that the Funds will not be liable for income taxes. As a result, the Funds have determined that they are in substance not taxable and therefore do not record income taxes in the Statement of Comprehensive Income and/or recognize any deferred tax assets or liabilities in the Statement of Financial Position.

4. Units and unit transactions

The withdrawable units of the Funds are classified as financial liabilities.

The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyholders that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyholders that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyholders that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

100/100 Prestige Class Units are only available to policyholders who meet and maintain a minimum investment of \$250, either individually or collectively with other policyholders who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units and 100/100 Class F Units are available to policyholders that have a fee-based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

5. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements.

Accounting judgements:

Functional and presentation currency

The Funds unitholders are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the investors in Canadian dollars.

The Company considers the Canadian dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Canadian dollars, which is the Funds' functional and presentation currency.

Classification and measurement of financial instruments

Effective January 1, 2018, the Funds retrospectively adopted IFRS 9. The new standard requires assets to be carried at either amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI"), based on an assessment of the Funds' business model for managing financial assets and the contractual cash flow characteristic of the financial assets. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio.

Accounting estimates:

The Funds have established policies and control procedures that are intended to ensure these judgements are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

6. Management fees and expenses

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

7. Related party transactions

Management fees

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

Administration fees

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements and communications to policyowners. The Company pays for

these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

Insurance fees

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

Brokerage commissions

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

Other related parties

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from a subsidiary or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by a subsidiary or affiliates of the Bank of Montreal, entering into forward contracts with a subsidiary or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

8. Financial instruments risk

The Funds may be exposed to a variety of financial risks that are concentrated in their investment holdings. The concentration risk table groups securities by asset type, geographic region and/or market segment. The Funds' risk management practices outline the monitoring of compliance to investment guidelines. The Company manages the potential effects of these financial risks on the Funds' performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Funds' positions, market events and diversify investment portfolios within the constraints of the investment guidelines.

Where a Fund invests in another investment fund or investment funds, they may be indirectly exposed to the financial instrument risk of the underlying fund(s), depending on the investment objectives and the type of securities held by the underlying fund(s). The decision to buy or sell an underlying fund is based on the investment guidelines and positions, rather than the exposure of the underlying funds.

a) Currency risk

Currency risk is the risk that the fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value.

b) Interest rate risk

Interest rate risk is the risk that the fair value of the Funds' interest bearing investments will fluctuate due to changes in market interest rates. The Funds' exposure to interest rate risk is concentrated in its investment in debt securities (such as bonds, money market investments, short-term investments and debentures) and interest rate derivative instruments, if any.

Other assets and liabilities are short-term in nature and/or non-interest bearing.

c) Other market risk

Other market risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market. Other assets and liabilities are monetary items that are short-term in nature, as such they are not subject to other market risk.

d) Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. Credit risk exposure for over-the-counter derivative instruments is based on the Funds' unrealized gain of the contractual obligations with the counterparty as at the reporting date. The credit exposure of other assets is represented by its carrying amount.

e) Liquidity risk

The Funds' exposure to liquidity risk is concentrated in the daily cash redemptions of units. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash and cash equivalent positions to maintain liquidity. The Funds may, from time to time, enter into over-the-counter derivative contracts or invest in unlisted securities, which are not traded in an organized market and may be illiquid. The proportion of illiquid securities to NAV of the Fund is monitored by the Company to ensure it does not exceed the regulatory limit and does not significantly affect the liquidity required to meet the Fund's financial obligations.

9. Fair value hierarchy

Each Fund classifies its financial instruments into three levels based on the inputs used to value the financial instruments. Level 1 securities are valued based on the quoted prices in active markets for identical securities.

Level 2 securities are valued based on significant observable market inputs, such as quoted prices from similar securities and quoted prices in inactive markets or based on unobservable inputs to models.

Level 3 securities are valued based on significant unobservable inputs that reflect the Company's determination of assumptions that market participants might reasonably use in valuing the securities.

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