Trimark Seg Funds
2018 Annual Report

for the period ended
December 31, 2018

Invesco

BMO Insurance
We're here to help.™

Trimark family of Seg Funds

Each Trimark Seg Fund invests in an underlying Invesco Canada mutual fund.

Seg funds may not be for everyone, but they may be a good choice for clients with estate planning needs. Business owners, professionals and corporate directors may be able to benefit from the creditor protection offered by seg funds if certain conditions are met. Also, conservative or retired investors will appreciate a seg fund's additional protection from the fluctuations of equity markets.

An investment in a Trimark Seg Fund is actually an investment in an insurance contract issued by BMO Life Assurance Company.† BMO Life Assurance Company, a part of BMO® Financial Group, combines the brand integrity and strength of one of Canada's premier financial institutions.

About BMO Financial Group

A Canadian-based North American bank, established in 1817, BMO Financial Group is highly diversified. We work with millions of personal, commercial, corporate and institutional customers through our operating groups: Personal and Commercial Banking Canada, Personal and Commercial Banking U.S., Private Client Group and BMO Capital Markets. Our employees are dedicated to making BMO the bank that defines great customer experience. Our approach is relationship-driven. In every business, our focus is on customers – and on always improving our overall performance. We are proud of what we do and where we work. And we believe in giving back. This is who we are.

On January 1, 2001, the Trimark Seg Funds were capped, so limited purchase options are now available.

† Death benefit is 100% until the end of the year the annuitant turns 90; 80% thereafter. Maturity benefit is 100% until the end of the year the annuitant turns 90; 80% thereafter and during closing decade of contract.

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Trimark Interest Seg Fund

Selected Seg Fund information

Fund information as at:	December 31, 2018
First offered for sale:	June 23, 1998
Size:	$567,441
Net asset value:	$10.27 per unit
Issued by:	BMO Life Assurance Company
Managed by:	Invesco Canada Ltd.

Performance:	1-year	3-year	5-year	10-year
	0.45%	0.17%	0.12%	0.08%
Current yield**:	0.81%			
Effective yield**:	0.81%			

Underlying mutual fund: Trimark Interest Seg Fund invests solely in Series SC units of Invesco Canadian Interest Fund, and also holds a small percentage of cash.

The rates of return and investment yields will fluctuate, and there is no guarantee this Seg Fund can maintain a fixed net asset value per unit. They do not take into account sales charges or administrative fees payable by contractholders, which would have reduced returns. **Past performance does not guarantee future results. The value of your contract and investment return will fluctuate.**

** The current and effective annualized historical yields for Trimark Interest Seg Fund are for the seven-day period ended December 31, 2018, annualized in the case of effective yield by compounding the seven-day return. They do not represent an actual one-year return.

Underlying mutual fund – Invesco Canadian Interest Fund

Portfolio management team's comments on the underlying mutual fund

During the period, the team decreased the Invesco Canadian Interest Fund's (the "Underlying Fund") allocation to commercial paper and term deposits. Conversely, the team increased the Underlying Fund's exposure to government discount instruments and financial paper. The weighted average maturity of the Underlying Fund decreased over the period from 26 days at the end of December 2017 to 18 days at period-end.

The Underlying Fund's ratings breakdown as a percentage of Net Asset Value changed over the period, from 41.5% rated R-1 (high), 45.4% rated R-1 (middle) and 13.1% rated R-1 (low) at the end of December 2017 to 53.3% rated R-1 (high), 39.6% rated R-1 (middle) and 7.1% rated R-1 (low) by period-end.

While Canada's bond market, as measured by the FTSE Canada Universe Bond Index, rose over the 12-month period, Canada's equity market, as measured by the S&P/TSX Composite Total Return Index, declined over the period. Energy, consumer discretionary and health care were the weakest-performing equity sectors, while information technology, consumer staples and real estate were the strongest-performing equity sectors over the period.

While Canada's gross domestic product growth expanded at an annualized rate of 2.0% during the third quarter of 2018, largely as a result of positive consumer spending and exports, Canadian economic growth slowed from the second quarter. The Canadian labour market was robust during the period. The Canadian unemployment rate fell to 5.6% (as at November 2018), its lowest level in decades.

Year-over-year consumer prices, as measured by the Consumer Price Index ("CPI"), rose 1.7% as of November 2018, which is within the Bank of Canada's (the "BoC's") target inflation range of 1.0% to 3.0%. While rising energy prices accounted for a significant portion of the higher CPI figure, the impact of these higher energy prices began to weaken later in the period.

The BoC increased its key overnight lending rate three times, by 0.25 percentage points each time, from 1.00% to 1.75%, during the 12-month period ended December 31, 2018. Despite continued trade concerns, the BoC stated that favourable labour market conditions helped influence its interest rate decisions.

Portfolio management team of the underlying mutual fund

Invesco Global Liquidity team

Location: Atlanta, U.S.

Trimark Interest Seg Fund

Underlying mutual fund – Invesco Canadian Interest Fund

The prospectus and other information about the underlying mutual fund are available at sedar.com. For more information, please contact us at *inquiries@invesco.ca* or 1.800.874.6275.

Top holdings as at December 31, 2018

	Security name	% of net asset value
1.	National Bank of Canada	9.41%
2.	HSBC Bank Canada	6.60%
3.	Canadian Imperial Bank of Commerce	5.94%
4.	The Toronto-Dominion Bank	5.36%
5.	Sumitomo Mitsui Banking Corp. (Canada Branch)	5.30%
6.	PACCAR Financial Ltd.	5.29%
7.	The Bank of Nova Scotia	4.99%
8.	Federation des Caisses Desjardins du Québec	4.94%
9.	Mizuho Bank Ltd (Canada Branch)	4.94%
10.	Corporation BNP Paribas Canada	4.41%
11.	CDP Financial Inc.	4.36%
12.	Bank of Montreal	4.35%
13.	Ontario Teachers Finance Trust	4.18%
14.	Manulife Bank Of Canada	4.12%
15.	MUFG Bank Ltd (Toronto Branch)	4.11%
16.	Imperial Oil Ltd.	4.00%
17.	Province of Quebec	3.53%
18.	Royal Bank of Canada	3.42%
19.	Province of Saskatchewan	3.23%
20.	Citibank NA	2.94%
21.	JPMorgan Chase Bank NA (Toronto Branch)	2.12%
22.	Nestle Capital Canada Ltd.	2.00%
23.	Cash○	0.54%

○ Cash and cash equivalents include Canadian and foreign cash, as well as all indebtedness maturing within 90 days from the date of acquisition.

Summary of portfolio as at December 31, 2018

Initial date of sale – Series SC: May 1987

Total underlying mutual fund net assets: $84.9 million

Investment philosophy: Invesco Canadian Interest Fund seeks to generate a high level of interest income in a manner consistent with the preservation of capital and liquidity. The Fund invests primarily in Canadian-dollar money market instruments. The Fund seeks to add value by investing mainly in short-term government and high-quality corporate debt securities. Individual investment selection is based on fundamental credit analysis.

Trimark Interest Seg Fund

Financial highlights *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five financial years ended December 31, if applicable.

	Series I				
	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Distributions					
From income (excluding dividends)	$ -	$ -	$ -	$ -	$ -
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions (2)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net Asset Value per Security, end of period (1)	**$ 10.27**	**$ 10.23**	**$ 10.22**	**$ 10.22**	**$ 10.22**
Ratios/supplemental data					
Net Asset Value - end of period ($'000)	567	670	699	813	924
Number of Securities outstanding - end of period ('000)	55	66	68	80	90
Management expense ratio (3)	1.13%	0.86%	0.69%	0.77%	1.07%
Management expense ratio including fees/expenses waived/absorbed by Manager (3)	4.44%	4.16%	3.21%	2.28%	2.30%
Portfolio turnover rate (4)	N/A	N/A	N/A	N/A	N/A

(1) This information is derived from the Fund's audited annual financial statements.

(2) Distributions were reinvested in additional Securities of the Fund. Immediately following such reinvestment, the number of Securities outstanding were consolidated so that the Net Asset Value per Security following the distribution and reinvestment was the same as it would have been if the distribution had not been paid. Distributions to Securityholders are calculated based on the number of Securities outstanding on the record date of each distribution.

(3) The management expense ratio (MER) is calculated based on the total expenses of the Fund (including Goods and Services Tax, Harmonized Sales Tax and interest, but excluding brokerage commissions and other portfolio transaction costs), and the Seg Fund's allocated percentage of underlying mutual Funds' expenses is expressed as an annualized percentage of daily average Net Asset Value of the Fund during the period. At its sole discretion, the Manager may waive a portion of the insurance charges or absorb a portion of the operating expenses of certain Funds. Such waivers and absorptions can be terminated at any time, but can be expected to continue for certain Funds until such time as these Funds are of sufficient size to reasonably absorb all insurance charges and expenses incurred in their operation.

(4) The portfolio turnover rate calculation excludes portfolio investments having maturity dates at acquisition of one year or less; therefore, the portfolio turnover rate is not applicable for money market funds.

Trimark Canadian Bond Seg Fund

Selected Seg Fund information

Fund information as at:	December 31, 2018			
First offered for sale:	June 23, 1998			
Size:	$ 260,900			
Net asset value:	$ 7.56 per unit			
Issued by:	BMO Life Assurance Company			
Managed by:	Invesco Canada Ltd.			
Performance:	1-year	3-year	5-year	10-year
	-8.10%	-5.22%	-2.82%	-0.26%
Underlying mutual fund:	Trimark Canadian Bond Seg Fund invests solely in Series A units of Invesco Canadian Core Plus Bond Fund, and also holds a small percentage of cash.			

The rates of return and investment values reflect changes in unit value. They do not take into account sales charges or administrative fees payable by contractholders, which would have reduced returns. **Past performance does not guarantee future results. The value of your contract and investment return will fluctuate.**

Underlying mutual fund – Invesco Canadian Core Plus Bond Fund

Portfolio management team's comments on the underlying mutual fund

Over the 12-month period ended December 31, 2018, the Invesco Canadian Core Plus Fund (the "Underlying Fund") returned -1.13%, underperforming its benchmark, the FTSE Canada Universe Bond Index, which gained 1.41% over the same period. The FTSE TMX Canada Indices have been re-branded as FTSE Canada Indices.

The Underlying Fund's out of index exposure to US interest rates was a positive contributor to relative performance benefitting from the additional carry that rising rates in the US provided. The Underlying Fund's underweight to Canadian government agency debt was also a positive contributor. Exposure to structured securities such as commercial mortgage backed securities (CMBS) and asset backed securities (ABS) provided a boost to relative return as well.

The Underlying Fund's overweight to and security selection within investment grade corporates was a detractor from performance. The Underlying Fund's underweight to Provincial debt was also a detractor for the period. Out of index exposure to emerging market debt was also a drag on relative performance for the period.

Effective March 29, 2018 Alexander Schwiersch, Portfolio Manager for Invesco Fixed Income (IFI) left the firm to pursue another opportunity. In addition to the current members on the Underlying fund, Matt Brill and Todd Schomberg were added as co-leads.

Mr. Brill, with over 15 years of experience, is a Senior Portfolio Manager for Invesco Fixed Income and is responsible for implementing investment grade credit strategies across the fixed income platform. Prior to joining Invesco in 2013, Mr. Brill was a portfolio manager and vice president at ING Investment Management, where he specialized in investment grade credit and commercial mortgage-backed securities. Prior to that he was a portfolio analyst at Wells Real Estate Funds. Mr. Brill earned a BA in economics at Washington and Lee University and is a Chartered Financial Analyst® (CFA) charterholder.

Mr. Schomberg is a Senior Portfolio Manager for Invesco Fixed Income and is also responsible for implementing investment-grade credit strategies across the fixed-income platform. Prior to joining Invesco in 2016, Mr. Schomberg was a portfolio manager and vice president for Voya Investment Management. Before joining Voya Investment Management, he was a senior fixed-income analyst with Wells Capital Management. Mr. Schomberg earned an MBA from the University of Wisconsin-Madison and a BSc in finance and economics from the University of Wisconsin-La Crosse. He is a Chartered Financial Analyst® (CFA) charterholder.

Effective on June 8th the Underlying Fund's name was changed from the Invesco Canadian Bond Fund to the Invesco Canadian Core Plus Bond Fund. In conjunction with the change the Underlying Fund's investment strategy was enhanced to allow for a "core plus" approach, which includes an allocation to high-yield and non-traditional fixed-income securities, such as floating-rate loans and emerging-market bonds.

Effective July 23rd Avi Hooper was added to the Underlying Fund as a Senior Portfolio Manager. Since joining Invesco in 2010, Mr. Hooper has served as a Senior Portfolio Manager within IFI, primarily focusing on Canadian strategies as well as emerging markets. Prior to joining Invesco in 2010, Mr. Hooper was a portfolio manager with Blackfriars Asset Management, where he was responsible for managing Canadian fixed income and currency in Global Credit Portfolios. Before Blackfriars, Mr. Hooper was a Canadian country analyst at Thomas Miller and Co. and he began his career in 1998 in Toronto with Dynamic Mutual Funds. Mr. Hooper earned a BAS with a focus on accounting and finance from York University. He is a member of the Society of Technical Analysts and is a Chartered Financial Analyst® (CFA) charterholder.

The Canadian economy faced some headwinds in the fourth quarter including a slowing housing market, lower oil prices and the Bank of Canada (BoC) hiking the overnight rate to 1.75%. The United States-Mexico-Canada Agreement (USMCA) is unsigned currently and the delay in signing it may affect business confidence. Despite the headwinds, employment growth remains very strong and the economy remains on track to grow near 2.0% in 2019. The Canadian 10-year bond rate has rallied substantially to 1.97% at year end. Unless inflation or growth prospects pick up, it is unlikely bond yields can rise substantially from current levels.

The tone from the BoC has changed since the last rate hike in October. The BoC has taken the playbook from other central banks and backed away from any urgent need to raise interest rates. As it appears the U.S. rate hiking cycle may be pausing, another rate hike from the BoC is unlikely before the second half of the year. Canadian corporate credit fundamentals remain strong overall, while valuations have now become attractive. Primary market issuance is subsequently coming with spread concessions to ensure new issuance is well absorbed. In a benign backdrop for growth and inflation, and without a further tightening of monetary policy, credit spreads are expected to tighten from current levels. Fixed income fund outflows continue to remain a negative technical backdrop for the overall market.

Portfolio management team of the underlying mutual fund

Jennifer Hartviksen CFA; Matthew Brill CFA; Todd Schomberg CFA; Brian Schneider CFA; Michael Hyman MBA; Avi Hooper CFA;

Location: Toronto, Canada; Atlanta, U.S.

Trimark Canadian Bond Seg Fund

Underlying mutual fund – Invesco Canadian Core Plus Bond Fund

The prospectus and other information about the underlying mutual fund are available at sedar.com. For more information, please contact us at *inquiries@invesco.ca* or 1.800.874.6275.

Top 25 holdings as at December 31, 2018

	Security/Issuer name	% of net asset value
1.	Province of Ontario	10.06%
2.	Province of Quebec	6.32%
3.	Province of Manitoba	4.22%
4.	AT&T Inc.	2.66%
5.	Government of Canada	2.54%
6.	Province of Saskatchewan	2.47%
7.	Bell Canada Inc.	2.19%
8.	City of Toronto	2.14%
9.	Kraft Canada Inc.	1.87%
10.	Morgan Stanley	1.82%
11.	Real Estate Asset Liquidity Trust	1.72%
12.	Mondelez International, Inc.	1.61%
13.	TransCanada PipeLines Ltd.	1.59%
14.	CU Inc.	1.50%
15.	Canadian Dollar Cash Management Fund	1.47%
16.	AltaLink, L.P.	1.39%
17.	CenterPoint Energy, Inc.	1.29%
18.	NXP B.V. and NXP Funding LLC	1.26%
19.	KS SP LP / KS SP1 LP / ARI SP LP / ARI SP1 LP	1.23%
20.	Original Wempi Inc.	1.21%
21.	Allied Properties Real Estate Investment Trust	1.21%
22.	Canadian Natural Resources Ltd.	1.20%
23.	Lloyds Banking Group PLC	1.16%
24.	Enbridge Inc.	1.14%
25.	Brookfield Asset Management Inc.	1.14%

Summary of portfolio as at December 31, 2018

Initial date of sale – Series A: December 1994

Total underlying mutual fund net assets: $720.2 million

Investment philosophy: Invesco Canadian Core Plus Bond Fund seeks to generate a high level of interest income in a manner consistent with the preservation of capital and liquidity. The Fund invests primarily in Canadian-dollar money market instruments. The Fund seeks to add value by investing mainly in short-term government and high-quality corporate debt securities. Individual investment selection is based on fundamental credit analysis.

Portfolio mix (as at December 31, 2018)

Canadian corporate bonds	34.95%
Canadian government bonds	29.22%
Foreign corporate bonds	25.15%
Mortgage-backed securities	3.83%
Asset-backed securities	2.97%
Cash, cash equivalents and money market funds°	2.20%
Foreign government bonds	1.44%
Equities	0.74%
Other net assets	-0.50%

°Cash and cash equivalents include Canadian, foreign and restricted cash, as well as all indebtedness maturing within 90 days from the date of acquisition.

Trimark Canadian Bond Seg Fund

Financial highlights *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five financial years ended December 31, if applicable.

	Series I				
	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Distributions					
From income (excluding dividends)	$ -	$ -	$ -	$ -	$ -
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions [(2)]	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net Asset Value per Security, end of period [(1)]	**$ 7.56**	**$ 8.23**	**$ 8.54**	**$ 8.88**	**$ 9.02**
Ratios/supplemental data					
Net Asset Value - end of period ($'000)	261	325	399	443	474
Number of Securities outstanding - end of period ('000)	35	40	47	50	53
Management expense ratio [(3)]	8.83%	7.19%	6.16%	4.78%	4.47%
Management expense ratio including fees/expenses waived/absorbed by Manager [(3)]	9.14%	7.47%	6.26%	4.85%	4.74%
Portfolio turnover rate [(4)]	18.09%	1.59%	3.53%	2.43%	9.20%

(1) This information is derived from the Fund's audited annual financial statements.

(2) Distributions were reinvested in additional Securities of the Fund. Immediately following such reinvestment, the number of Securities outstanding were consolidated so that the Net Asset Value per Security following the distribution and reinvestment was the same as it would have been if the distribution had not been paid. Distributions to Securityholders are calculated based on the number of Securities outstanding on the record date of each distribution.

(3) The management expense ratio (MER) is calculated based on the total expenses of the Fund (including Goods and Services Tax, Harmonized Sales Tax and interest, but excluding brokerage commissions and other portfolio transaction costs), and the Seg Fund's allocated percentage of underlying mutual Funds' expenses is expressed as an annualized percentage of daily average Net Asset Value of the Fund during the period. At its sole discretion, the Manager may waive a portion of the insurance charges or absorb a portion of the operating expenses of certain Funds. Such waivers and absorptions can be terminated at any time, but can be expected to continue for certain Funds until such time as these Funds are of sufficient size to reasonably absorb all insurance charges and expenses incurred in their operation.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager/management team manages its portfolio investments and it relates to the portfolio investments of the Fund as a whole. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of its portfolio investments once in the course of the period. In general, the higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales for the period, excluding money market funds and portfolio investments having maturity dates at acquisition of one year or less, divided by the average market value (at last traded market prices) of the portfolio of investments for the period. Where the reporting period is less than or greater than 12 months, the portfolio turnover rate has not been annualized and will not be comparable to the portfolio turnover rate calculated for reported 12-month periods.

Trimark Select Balanced Seg Fund

Selected Seg Fund information

Fund information as at:	December 31, 2018
First offered for sale:	June 23, 1998
Size:	$ 481,705
Net asset value:	$ 7.28 per unit
Issued by:	BMO Life Assurance Company
Managed by:	Invesco Canada Ltd.
Performance:	1-year -14.41% / 3-year -1.89% / 5-year -0.92% / 10-year 3.05%
Underlying mutual fund:	Trimark Select Balanced Seg Fund invests solely in Series A units of Invesco Select Balanced Fund.

The rates of return and investment values reflect changes in unit value. They do not take into account sales charges or administrative fees payable by contractholders, which would have reduced returns. **Past performance does not guarantee future results. The value of your contract and investment return will fluctuate.**

Underlying mutual fund – Invesco Select Balanced Fund

Portfolio management team's comments on the underlying mutual fund

Over the twelve-month period ended December 31, 2018, the Invesco Select Balanced Fund (the "Underlying Fund") underperformed its specific benchmark, the 35% S&P/TSX Composite Index/25% MSCI World Index/35% FTSE Canada Universe Bond Index/5% FTSE Canada 91-Day Treasury Bill Index. The FTSE TMX Canada Indices have been re-branded as FTSE Canada Indices.

The Underlying Fund's investments in the industrials sector lagged those of the specific benchmark, due to weak security selection, over the period. Industrials names constituted an average weight in the equity portion of the Underlying Fund of 18.5% over the period, compared to 10.6% within the benchmark. Geographically, Underlying Fund holdings in Canada experienced weak performance over the period, both on an absolute basis and relative to the benchmark.

The Underlying Fund's asset mix was 73.8% equities, 24.7% bonds and 1.8% in cash, cash equivalents and money market funds at December 31, 2018 versus the asset mix of 72.0% equities, 25.0% bonds and 3.0% in cash, cash equivalents and money market funds at December 31, 2017.

The fourth quarter of 2018 was a turbulent period for capital markets globally. The U.S. stock market, as represented by the S&P 500 Index, experienced the worst quarter by far for 2018, and its 2018 calendar-year return represents its biggest annual loss since 2008. The Canadian stock market, as represented by the S&P/TSX Composite Index, posted a quarterly loss of 10.1%. Developed international markets, as represented by the MSCI EAFE Index, returned -7.6% for the quarter. Europe, as represented by the MSCI Europe Index, returned -7.8% over the quarter. Emerging markets generally fared better than developed markets during the fourth quarter, with the MSCI Emerging Markets Index returning -2.2%. China experienced continued weakness, with the MSCI China Index falling 5.7%.

Corporate bonds had a difficult quarter and generally underperformed government bonds. Not surprisingly, investors adopted a "risk-off" sentiment during the quarter, leading to outperformance of "safe-haven" government bonds. In this environment, high-yield bonds experienced weakness. U.S. bonds in general, as represented by the Bloomberg Barclays US Aggregate Index, made substantial gains for the quarter. Emerging-market bonds saw improved performance throughout the quarter, as the U.S. dollar weakened. Alternative asset classes posted mixed returns, with real estate down a relatively modest amount, as represented by the Dow Jones US Select REIT Index. Commodities declined dramatically, largely due to the drop in energy prices.

Underlying these market movements was fear about a global economic slowdown brought on by central bank tightening and the U.S.-China trade war. U.S. 10-year Treasury yields reflected this fear, falling from 3.06% to 2.68% during the quarter, while global economic growth showed clear signs of deceleration. In the eurozone, economic data was disappointing, with the flash Eurozone Composite Manufacturing PMI Index for December showing significant weakness. In the U.K., political turmoil around Brexit caused continued economic policy uncertainty. In Japan, economic growth appears to have slowed but remains solid, with the Bank of Japan still very accommodative. In China, economic data suggests continued deceleration in growth. China experienced some economic damage due to its trade war with the U.S., but has begun to counter this deficit with significant domestic stimulus. Some Asian countries that are net oil importers received a boost from the drop in crude oil prices. Emerging markets benefited from relative weakness in the U.S. dollar. Conversely, lower oil prices proved to be an economic headwind for emerging-market countries that are net oil exporters such as Russia. In the U.S., the economy continued to show strength despite challenges such as rising rates and the U.S.-China trade war. The Canadian economy showed signs of slowing in the fourth quarter, experiencing some headwinds from rate hikes and lower crude oil prices, but growth remains solid.

The Bank of Canada raised rates three times in 2018. Specifically, in December, they suggested that there are more to come, noting that it "continues to judge that the policy interest rate will need to rise into a neutral range to achieve the inflation target." In December, the U.S. Federal Reserve (the "Fed") decided to raise the federal funds rate again, constituting the fourth rate hike for 2018. The economy and the stock market are both coming under pressure as a result of this tightening and concerns of future tightening. In particular, U.S. stocks experienced a significant drop in December on concerns that the Fed would continue raising rates and that balance-sheet normalization would remain on "autopilot", as stated by Chair Powell. However, the quarter ended on a more positive note as Fed officials suggested that they could be more flexible about Fed tightening, and as the U.S. implied progress regarding trade negotiations with China.

We expect future growth to decelerate but remain solid globally, with tepid but positive global stock market returns. However, the tails are getting fatter as risks, both positive and negative, increase. For example, the quick resolution of the trade war with China could push global growth and stock market returns higher, especially if the Fed becomes significantly more dovish. Conversely, an escalation of the trade war with China could put downward pressure on global economic growth and likely push stock markets lower as well, particularly if the Fed is less dovish.

In this environment, we expect continued volatility as the geopolitical situation becomes more unpredictable. We also believe that we are likely to see significant rotations in stock market leadership among various factors and regions. Expect shifts in sentiment from "risk on" to "risk off." This environment is one in which broad diversification is recommended.

Portfolio management team of the underlying mutual fund

Avi Hooper CFA, BAS; Jennifer Hartviksen CFA; Michael Hyman MBA; Matthew Brill CFA; Todd Schomberg CFA, MBA; Alan Mannik CFA, MBA; Mark Uptigrove CFA, MBA; Clayton Zacharias CFA, CPA, CA

Location: Toronto, Canada; Kelowna, Canada; Atlanta, U.S.

Trimark Select Balanced Seg Fund

Underlying mutual fund – Invesco Select Balanced Fund

The prospectus and other information about the underlying mutual fund are available at **sedar.com**. For more information, please contact us at *inquiries@invesco.ca* or 1.800.874.6275.

Top 25 holdings as at December 31, 2018

	Security name	% of net asset value
1.	Brookfield Asset Management Inc.	6.74%
2.	Berkshire Hathaway Inc.	5.14%
3.	Royal Bank of Canada	4.66%
4.	The Bank of Nova Scotia	4.44%
5.	Canada Housing Trust No. 1*	3.67%
6.	The Toronto-Dominion Bank	3.41%
7.	Power Corp. of Canada	3.33%
8.	Province of Ontario*	3.14%
9.	Oracle Corp.	3.05%
10.	Open Text Corp.	2.65%
11.	Wells Fargo & Co.	2.59%
12.	Total Energy Services Inc.	2.52%
13.	CarMax, Inc.	2.50%
14.	Deere & Co.	2.42%
15.	Oaktree Capital Group, LLC	2.21%
16.	Brenntag AG	2.19%
17.	Heroux-Devtek Inc.	2.10%
18.	Hyundai Motor Co.	2.04%
19.	Fairfax Financial Holdings Ltd.	1.98%
20.	Canadian Natural Resources Ltd.	1.93%
21.	Toromont Industries Ltd.	1.83%
22.	Canadian Dollar Cash Management Fund	1.78%
23.	Hunter Douglas N.V.	1.75%
24.	Zimmer Biomet Holdings, Inc.	1.63%
25.	Richelieu Hardware Ltd.	1.61%

*Debt instrument

Summary of portfolio as at December 31, 2018

Initial date of sale – Series A: December 1989

Total underlying mutual fund net assets: $631.3 million

Investment philosophy: Trimark Select Balanced Seg Fund invests substantially all of its assets in Securities of Invesco Select Balanced Fund (the "Underlying Fund"). Consequently, the following risk analysis will focus on this underlying holding.

The Underlying Fund strives for long-term capital growth and current income by investing in a mix of equities and fixed-income securities. The equity portion is invested mainly in high-quality Canadian stocks that are attractively priced relative to their historical earnings, cash flows and valuation records. The fixed-income portion seeks to generate current income.

Portfolio mix (as at December 31, 2018)

Financials	36.07%
Corporate bonds	14.68%
Industrials	12.74%
Government bonds	8.09%
Other sectors	7.89%
Information technology	7.19%
Consumer discretionary	6.29%
Energy	5.55%
Cash and equivalents and money market funds°	1.84%
Other net assets	-0.34%

°Cash and cash equivalents include Canadian and foreign cash, as well as all indebtedness maturing within 90 days from the date of acquisition.

Trimark Select Balanced Seg Fund

Financial highlights *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five financial years ended December 31, if applicable.

	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Distributions					
From income (excluding dividends)	$ -	$ -	$ -	$ -	$ -
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions (2)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net Asset Value per Security, end of period (1)	**$ 7.28**	**$ 8.50**	**$ 8.31**	**$ 7.71**	**$ 8.18**
Ratios/supplemental data					
Net Asset Value - end of period ($'000)	482	671	886	861	1,105
Number of Securities outstanding - end of period ('000)	66	79	107	112	135
Management expense ratio (3)	7.99%	7.21%	6.61%	5.71%	5.57%
Management expense ratio including fees/expenses waived/absorbed by Manager (3)	8.05%	7.29%	6.61%	5.71%	5.64%
Portfolio turnover rate (4)	2.56%	0.47%	6.24%	3.04%	5.07%

(1) This information is derived from the Fund's audited annual financial statements.

(2) Distributions were reinvested in additional Securities of the Fund. Immediately following such reinvestment, the number of Securities outstanding were consolidated so that the Net Asset Value per Security following the distribution and reinvestment was the same as it would have been if the distribution had not been paid. Distributions to Securityholders are calculated based on the number of Securities outstanding on the record date of each distribution.

(3) The management expense ratio (MER) is calculated based on the total expenses of the Fund (including Goods and Services Tax, Harmonized Sales Tax and interest, but excluding brokerage commissions and other portfolio transaction costs), and the Seg Fund's allocated percentage of underlying mutual Funds' expenses is expressed as an annualized percentage of daily average Net Asset Value of the Fund during the period. At its sole discretion, the Manager may waive a portion of the insurance charges or absorb a portion of the operating expenses of certain Funds. Such waivers and absorptions can be terminated at any time, but can be expected to continue for certain Funds until such time as these Funds are of sufficient size to reasonably absorb all insurance charges and expenses incurred in their operation.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager/management team manages its portfolio investments and it relates to the portfolio investments of the Fund as a whole. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of its portfolio investments once in the course of the period. In general, the higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales for the period, excluding money market funds and portfolio investments having maturity dates at acquisition of one year or less, divided by the average market value (at last traded market prices) of the portfolio of investments for the period. Where the reporting period is less than or greater than 12 months, the portfolio turnover rate has not been annualized and will not be comparable to the portfolio turnover rate calculated for reported 12-month periods.

Trimark Select Canadian Growth Seg Fund

Selected Seg Fund information

Fund information as at:	December 31, 2018			
First offered for sale:	June 23, 1998			
Size:	$ 495,402			
Net asset value:	$ 6.40 per unit			
Issued by:	BMO Life Assurance Company			
Managed by:	Invesco Canada Ltd.			
Performance:	1-year	3-year	5-year	10-year
	-16.97%	-1.05%	-6.47%	-0.10%
Underlying mutual fund:	Trimark Select Canadian Growth Seg Fund invests solely in Series A units of Invesco Select Canadian Equity Fund, and also holds a small percentage of cash.			

The rates of return and investment values reflect changes in unit value. They do not take into account sales charges or administrative fees payable by contractholders, which would have reduced returns. **Past performance does not guarantee future results. The value of your contract and investment return will fluctuate.**

Underlying mutual fund – Invesco Select Canadian Equity Fund

Portfolio management team's comments on the underlying mutual fund

Over the twelve-month period ended December 31, 2018, the Invesco Select Canadian Equity Fund (the "Underlying Fund") underperformed its specific benchmark, the 65% S&P/TSX Composite Index/35% MSCI World Index.

The Underlying Fund's investments in the consumer discretionary and financials sectors outperformed those of the specific benchmark over the period, due to superior security selection. Market sentiment for oil and gas was poor for much of 2018, and energy companies were under continued pressure. The Underlying Fund's investments in the energy sector underperformed those of the specific benchmark over the period. Many Energy stocks were significantly disconnected from the higher move in oil over the first three quarters of 2018. Oil prices declined significantly during the fourth quarter over concerns about excessive supply and reduced demand. The portfolio manager still believes the oil industry requires a higher commodity price level in order to encourage reinvestment in the business, particularly given the recent decline in oil prices. Industrials names in the Underlying Fund also underperformed those investments within the benchmark, hurting relative performance.

The fourth quarter of 2018 was a turbulent period for capital markets globally. The U.S. stock market, as represented by the S&P 500 Index, experienced the worst quarter by far for 2018, and its 2018 calendar-year return represents its biggest annual loss since 2008. The Canadian stock market, as represented by the S&P/TSX Composite Index, posted a quarterly loss of 10.1%. Developed international markets, as represented by the MSCI EAFE Index, returned -7.6% for the quarter. Europe, as represented by the MSCI Europe Index, returned -7.8% over the quarter. Emerging markets generally fared better than developed markets during the fourth quarter, with the MSCI Emerging Markets Index returning -2.2%. China experienced continued weakness, with the MSCI China Index falling 5.7%.

Corporate bonds had a difficult quarter and generally underperformed government bonds. Not surprisingly, investors adopted a "risk-off" sentiment during the quarter, leading to outperformance of "safe-haven" government bonds. In this environment, high-yield bonds experienced weakness. U.S. bonds in general, as represented by the Bloomberg Barclays US Aggregate Index, made substantial gains for the quarter. Emerging-market bonds saw improved performance throughout the quarter, as the U.S. dollar weakened. Alternative asset classes posted mixed returns, with real estate down a relatively modest amount, as represented by the Dow Jones US Select REIT Index. Commodities declined dramatically, largely due to the drop in energy prices.

Underlying these market movements was fear about a global economic slowdown brought on by central bank tightening and the U.S.-China trade war. U.S. 10-year Treasury yields reflected this fear, falling from 3.06% to 2.68% during the quarter, while global economic growth showed clear signs of deceleration. In the eurozone, economic data was disappointing, with the flash Eurozone Composite Manufacturing PMI Index for December showing significant weakness. In the U.K., political turmoil around Brexit caused continued economic policy uncertainty. In Japan, economic growth appears to have slowed but remains solid, with the Bank of Japan still very accommodative. In China, economic data suggests continued deceleration in growth. China experienced some economic damage due to its trade war with the U.S., but has begun to counter this deficit with significant domestic stimulus. Some Asian countries that are net oil importers received a boost from the drop in crude oil prices. Emerging markets benefited from relative weakness in the U.S. dollar. Conversely, lower oil prices proved to be an economic headwind for emerging-market countries that are net oil exporters such as Russia. In the U.S., the economy continued to show strength despite challenges such as rising rates and the U.S.-China trade war. The Canadian economy showed signs of slowing in the fourth quarter, experiencing some headwinds from rate hikes and lower crude oil prices, but growth remains solid.

The Bank of Canada raised rates three times in 2018. Specifically, in December, they suggested that there are more to come, noting that it "continues to judge that the policy interest rate will need to rise into a neutral range to achieve the inflation target." In December, the U.S. Federal Reserve (the "Fed") decided to raise the federal funds rate again, constituting the fourth rate hike for 2018. The economy and the stock market are both coming under pressure as a result of this tightening and concerns of future tightening. In particular, U.S. stocks experienced a significant drop in December on concerns that the Fed would continue raising rates and that balance-sheet normalization would remain on "autopilot", as stated by Chair Powell. However, the quarter ended on a more positive note as Fed officials suggested that they could be more flexible about Fed tightening, and as the U.S. implied progress regarding trade negotiations with China.

We expect future growth to decelerate but remain solid globally, with tepid but positive global stock market returns, however risks remain. The quick resolution of the trade war with China could push global growth and stock market returns higher, especially if the Fed becomes significantly more dovish. Conversely, an escalation of the trade war with China could put downward pressure on global economic growth and likely push stock markets lower as well, particularly if the Fed is less dovish. In this environment, we expect continued volatility as the geopolitical situation becomes more unpredictable. We also believe that we are likely to see significant rotations in stock market leadership among various factors and regions. Expect shifts in sentiment from "risk on" to "risk off." This environment is one in which broad diversification is recommended.

Portfolio management team of the underlying mutual fund

Alan Mannik CFA, MBA; Mark Uptigrove CFA, MBA; Clayton Zacharias CFA, CPA, CA

Location: Toronto, Canada; Kelowna, Canada

Trimark Select Canadian Growth Seg Fund

Underlying mutual fund – Invesco Select Canadian Equity Fund

The prospectus and other information about the underlying mutual fund are available at sedar.com. For more information, please contact us at *inquiries@invesco.ca* or 1.800.874.6275.

Top 25 holdings as at December 31, 2018

	Security name	% of net asset value
1.	Brookfield Asset Management Inc.	9.25%
2.	Royal Bank of Canada	6.61%
3.	The Bank of Nova Scotia	6.43%
4.	Berkshire Hathaway Inc.	6.23%
5.	The Toronto-Dominion Bank	4.97%
6.	Power Corp. of Canada	4.82%
7.	Oracle Corp.	4.23%
8.	Wells Fargo & Co.	4.14%
9.	Open Text Corp.	3.74%
10.	CarMax, Inc.	3.60%
11.	Deere & Co.	3.56%
12.	Brenntag AG	3.10%
13.	Oaktree Capital Group, LLC	2.94%
14.	Fairfax Financial Holdings Ltd.	2.89%
15.	Zimmer Biomet Holdings, Inc.	2.78%
16.	Axalta Coating Systems Ltd.	2.76%
17.	Canadian Natural Resources Ltd.	2.75%
18.	Hyundai Motor Co.	2.75%
19.	Toromont Industries Ltd.	2.69%
20.	Microsoft Corp.	2.42%
21.	The Sherwin-Williams Co.	2.21%
22.	Total Energy Services Inc.	2.20%
23.	Manulife Financial Corp.	2.14%
24.	Expeditors International of Washington, Inc.	2.05%
25.	Alimentation Couche-Tard Inc.	2.03%

Summary of portfolio as at December 31, 2018

Initial date of sale – Series A: November 1992

Total underlying mutual fund net assets: $444.7 million

Investment philosophy: Invesco Select Canadian Equity Fund seeks to provide strong capital growth with a high degree of reliability over the long term. Investing primarily in Canadian companies, the portfolio management team focuses on high-quality companies that offer industry leadership, opportunities for long-term growth, solid financials and strong management.

Portfolio mix (as at December 31, 2018)

Financials	50.42%
Industrials	12.85%
Information technology	10.39%
Energy	7.40%
Consumer discretionary	6.35%
Materials	4.97%
Consumer staples	4.02%
Health care	2.78%
Cash, cash equivalents and money market funds°	1.64%
Other net assets	-0.82%

°Cash and cash equivalents include Canadian and foreign cash, as well as all indebtedness maturing within 90 days from the date of acquisition.

Trimark Select Canadian Growth Seg Fund

Financial highlights *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five financial years ended December 31, if applicable.

	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Distributions					
From income (excluding dividends)	$ -	$ -	$ -	$ -	$ -
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions (2)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net Asset Value per Security, end of period (1)	**$ 6.40**	**$ 7.71**	**$ 7.35**	**$ 6.61**	**$ 8.41**
Ratios/supplemental data					
Net Asset Value - end of period ($'000)	495	816	1,133	1,164	1,937
Number of Securities outstanding - end of period ('000)	77	106	154	176	230
Management expense ratio (3)	7.57%	6.72%	6.32%	5.32%	5.11%
Management expense ratio including fees/expenses waived/absorbed by Manager (3)	7.62%	6.78%	6.32%	5.32%	5.14%
Portfolio turnover rate (4)	0.20%	0.89%	7.59%	4.60%	12.81%

(1) This information is derived from the Fund's audited annual financial statements.

(2) Distributions were reinvested in additional Securities of the Fund. Immediately following such reinvestment, the number of Securities outstanding were consolidated so that the Net Asset Value per Security following the distribution and reinvestment was the same as it would have been if the distribution had not been paid. Distributions to Securityholders are calculated based on the number of Securities outstanding on the record date of each distribution.

(3) The management expense ratio (MER) is calculated based on the total expenses of the Fund (including Goods and Services Tax, Harmonized Sales Tax and interest, but excluding brokerage commissions and other portfolio transaction costs), and the Seg Fund's allocated percentage of underlying mutual Funds' expenses is expressed as an annualized percentage of daily average Net Asset Value of the Fund during the period. At its sole discretion, the Manager may waive a portion of the insurance charges or absorb a portion of the operating expenses of certain Funds. Such waivers and absorptions can be terminated at any time, but can be expected to continue for certain Funds until such time as these Funds are of sufficient size to reasonably absorb all insurance charges and expenses incurred in their operation.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager/management team manages its portfolio investments and it relates to the portfolio investments of the Fund as a whole. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of its portfolio investments once in the course of the period. In general, the higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales for the period, excluding money market funds and portfolio investments having maturity dates at acquisition of one year or less, divided by the average market value (at last traded market prices) of the portfolio of investments for the period. Where the reporting period is less than or greater than 12 months, the portfolio turnover rate has not been annualized and will not be comparable to the portfolio turnover rate calculated for reported 12-month periods.

Trimark Select Growth Seg Fund

Selected Seg Fund information

Fund information as at:	December 31, 2018			
First offered for sale:	June 23, 1998			
Size:	$ 1,235,348			
Net asset value:	$ 8.56 per unit			
Issued by:	BMO Life Assurance Company			
Managed by:	Invesco Canada Ltd.			
Performance:	1-year	3-year	5-year	10-year
	-9.90%	0.42%	4.35%	5.52%
Underlying mutual fund:	Trimark Select Growth Seg Fund invests solely in Series A units of Invesco Global Diversified Companies Fund and also holds a small percentage of cash.			

The rates of return and investment values reflect changes in unit value. They do not take into account sales charges or administrative fees payable by contractholders, which would have reduced returns. **Past performance does not guarantee future results. The value of your contract and investment return will fluctuate.**

Underlying mutual fund – Invesco Global Diversified Companies Fund

Portfolio management team's comments on the underlying mutual fund

Over the twelve-month period ended December 31, 2018, Invesco Global Diversified Companies Fund (the "Underlying Fund") underperformed its benchmark, the MSCI ACWI. The investment team's investment philosophy is benchmark agnostic by design. The team invests in a concentrated selection of companies that represents their highest conviction ideas driven by independent thought. This results in a portfolio that is very different than the benchmark. While the team underperformed relative to the benchmark over the period, they take a long-term approach to investing and typically hold companies for at least 5 years.

The top-performing sectors during the period, relative to the ACWI, were the financials and materials sectors. The top-performing region for the Underlying Fund during the period, relative to the specific benchmark, was Europe ex-U.K. and the U.S. due to the strong relative performance. In a sector context, the consumer staples and information technology sectors were the largest detractors from Underlying Fund performance over the period. The Underlying Fund's Emerging Markets holdings were the weakest performing region relative to the benchmark, and the main contributor to the Underlying Fund's underperformance. Compounding the underperformance was the Underlying Fund's overweight exposure 22% vs. 12% exposure to the region. The team continues to believe this region provides an excellent risk/reward trade-off as a result of strong demographics and lower valuations.

2018 was a turbulent year for capital markets globally as equity markets performed strongly in the first half of the year, but eventually gave back most of those gains in the second half of the year.

Underlying these market movements was fear about a global economic slowdown brought on by central bank tightening and the U.S.-China trade war. U.S. 10-year Treasury yields reflected this fear, falling from 3.06% to 2.68% during the quarter, while global economic growth showed clear signs of deceleration. In the eurozone, economic data was disappointing, with the flash Eurozone Composite Manufacturing PMI Index for December showing significant weakness. In the U.K., political turmoil around Brexit caused continued economic policy uncertainty. In Japan, economic growth appears to have slowed but remains solid, with the Bank of Japan still very accommodative. In China, economic data suggests continued deceleration in growth. China experienced some economic damage due to its trade war with the U.S. but has begun to counter this deficit with significant domestic stimulus. Some Asian countries that are net oil importers received a boost from the drop in crude oil prices. Emerging markets benefited from relative weakness in the U.S. dollar. Conversely, lower oil prices proved to be an economic headwind for emerging-market countries that are net oil exporters such as Russia. In the U.S., the economy continued to show strength despite challenges such as rising rates and the U.S.-China trade war. The Canadian economy showed signs of slowing in the fourth quarter, experiencing some headwinds from rate hikes and lower crude oil prices, but growth remains solid.

The Bank of Canada raised rates three times in 2018. Specifically, in December, they suggested that there are more to come, noting that it "continues to judge that the policy interest rate will need to rise into a neutral range to achieve the inflation target." In December, the U.S. Federal Reserve (the "Fed") decided to raise the federal funds rate again, constituting the fourth-rate hike for 2018. The economy and the stock market are both coming under pressure because of this tightening and concerns of future tightening. U.S. stocks experienced a significant drop in December on concerns that the Fed would continue raising rates and that balance-sheet normalization would remain on "autopilot", as stated by Chair Powell. However, the quarter ended on a more positive note as Fed officials suggested that they could be more flexible about Fed tightening, and as the U.S. implied progress regarding trade negotiations with China.

We expect future growth to decelerate but remain solid globally, with tepid but positive global stock market returns, however risks remain. A quick resolution of the trade war with China could push global growth and stock market returns higher, especially if the Fed becomes significantly more dovish. Conversely, an escalation of the trade war with China could put downward pressure on global economic growth and likely push stock markets lower as well, particularly if the Fed is less dovish.

In this environment, we expect continued volatility as the geopolitical situation becomes more unpredictable. We also believe that we are likely to see significant rotations in stock market leadership among various factors and regions. Expect shifts in sentiment from "risk on" to "risk off." This environment is one in which broad diversification is recommended.

Portfolio management team of the underlying mutual fund

Jeff Feng CFA, MBA; Michael Hatcher CFA, MSc, MMF; Matt Peden CFA, MBA; Marina Pomerantz, CFA, CA, CPA, BBA

Location: Toronto, Canada

Trimark Select Growth Seg Fund

Underlying mutual fund – Invesco Global Diversified Companies Fund

The prospectus and other information about the underlying mutual fund are available at **www.sedar.com**. For more information, please contact us at *inquiries@invesco.ca* or 1.800.874.6275.

Top 25 holdings as at December 31, 2018

	Security name	% of net asset value
1.	Microsoft Corp.	3.89%
2.	AIA Group Ltd.	3.84%
3.	Scout24 AG	3.65%
4.	Kweichow Moutai Co., Ltd.	3.46%
5.	Visa Inc.	3.28%
6.	Alphabet Inc.	3.08%
7.	Wells Fargo & Co.	2.93%
8.	Edenred	2.90%
9.	Anheuser-Busch InBev SA/NV	2.79%
10.	AutoZone, Inc.	2.77%
11.	Alibaba Group Holding Ltd.	2.53%
12.	Becton, Dickinson and Co.	2.51%
13.	Howden Joinery Group PLC	2.50%
14.	Eurofins Scientific SE	2.48%
15.	Honeywell International Inc.	2.39%
16.	Cielo S.A.	2.29%
17.	Naspers Ltd.	2.19%
18.	SoftBank Group Corp.	2.16%
19.	Flowserve Corp.	2.09%
20.	Housing Development Finance Corp. Ltd.	1.96%
21.	Ping An Insurance (Group) Co. of China, Ltd.	1.88%
22.	Reckitt Benckiser Group PLC	1.79%
23.	Samsung Electronics Co., Ltd.	1.79%
24.	The Walt Disney Co.	1.73%
25.	Johnson & Johnson	1.72%

Summary of portfolio as at December 31, 2018

Initial date of sale – Series A: May 1989

Total underlying mutual fund net assets: $1.10 billion

Investment philosophy: Invesco Global Diversified Companies Fund seeks to achieve long-term capital growth by investing in high-quality global stocks that are attractively priced relative to their prospective earnings, cash flows and valuation records. The portfolio management team focuses on companies that offer strong management, industry leadership and a demonstrated commitment to securing a competitive advantage.

Portfolio mix (as at December 31, 2018)

Industrials	20.89%
Information technology	17.18%
Communication services	15.25%
Consumer staples	13.66%
Financials	10.61%
Consumer Discretionary	9.66%
Health care	7.71%
Energy	2.26%
Cash, cash equivalents and money market funds°	1.61%
Real estate	1.17%

°Cash and cash equivalents include Canadian and foreign cash, as well as all indebtedness maturing within 90 days from the date of acquisition.

Trimark Select Growth Seg Fund

Financial highlights *(unaudited)*

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five financial years ended December 31, if applicable.

	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Distributions					
From income (excluding dividends)	$ -	$ -	$ -	$ -	$ -
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions [2]	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net Asset Value per Security, end of period [1]	**$ 8.56**	**$ 9.50**	**$ 8.49**	**$ 8.45**	**$ 7.46**
Ratios/supplemental data					
Net Asset Value - end of period ($'000)	1,235	1,611	2,313	2,685	2,932
Number of Securities outstanding - end of period ('000)	144	170	272	318	393
Management expense ratio [3]	5.82%	5.70%	5.34%	5.03%	5.16%
Management expense ratio including fees/expenses waived/absorbed by Manager [3]	5.84%	5.74%	5.34%	5.03%	5.18%
Portfolio turnover rate [4]	2.95%	9.78%	5.43%	6.45%	3.84%

[1] This information is derived from the Fund's audited annual financial statements.

[2] Distributions were reinvested in additional Securities of the Fund. Immediately following such reinvestment, the number of Securities outstanding were consolidated so that the Net Asset Value per Security following the distribution and reinvestment was the same as it would have been if the distribution had not been paid. Distributions to Securityholders are calculated based on the number of Securities outstanding on the record date of each distribution.

[3] The management expense ratio (MER) is calculated based on the total expenses of the Fund (including Goods and Services Tax, Harmonized Sales Tax and interest, but excluding brokerage commissions and other portfolio transaction costs), and the Seg Fund's allocated percentage of underlying mutual Funds' expenses is expressed as an annualized percentage of daily average Net Asset Value of the Fund during the period. At its sole discretion, the Manager may waive a portion of the insurance charges or absorb a portion of the operating expenses of certain Funds. Such waivers and absorptions can be terminated at any time, but can be expected to continue for certain Funds until such time as these Funds are of sufficient size to reasonably absorb all insurance charges and expenses incurred in their operation.

[4] The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager/management team manages its portfolio investments and it relates to the portfolio investments of the Fund as a whole. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of its portfolio investments once in the course of the period. In general, the higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales for the period, excluding money market funds and portfolio investments having maturity dates at acquisition of one year or less, divided by the average market value (at last traded market prices) of the portfolio of investments for the period. Where the reporting period is less than or greater than 12 months, the portfolio turnover rate has not been annualized and will not be comparable to the portfolio turnover rate calculated for reported 12-month periods.

Management report

Management's responsibility for financial reporting

The accompanying financial statements have been prepared by the management of Invesco Canada Ltd., doing business as "Invesco," and are approved by the Board of Directors of BMO Life Assurance Company (the "Board"). Pursuant to an agreement with BMO Life Assurance Company, Invesco is responsible for the information and representations contained in the financial statements and other sections of this Annual Report.

Invesco has maintained appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgements. The significant accounting policies that management believes are appropriate for the Trimark Seg Funds are described in note 2 to the financial statements. Financial information used elsewhere in this Annual Report is consistent with that in the financial statements.

The Board is responsible for reviewing and approving the financial statements and overseeing Invesco's performance of its financial reporting responsibilities. An Audit Committee, comprising a majority of non-management directors, is appointed by the Board. The Audit Committee reports to the Board prior to the Board approval of the audited financial statements for publication in the Annual Report.

PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants are the external auditors of the Trimark Seg Funds. They are appointed by BMO Life Assurance Company. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the contractholders their opinion on the financial statements. Their report is set out on page 22 of this Annual Report.

Peter McCarthy
President and Chief Executive Officer

David Mackie
Chief Financial Officer

BMO Life Assurance Company

March 26, 2019

Independent Auditor's Report

To the Securityholders of

Trimark Interest Seg Fund, Trimark Select Growth Seg Fund, Trimark Select Balanced Seg Fund, Trimark Select Canadian Growth Seg Fund, Trimark Canadian Bond Seg Fund

(collectively, the Funds, individually the Fund)

Our opinion

In our opinion, the accompanying financial statements of each of the Funds present fairly, in all material respects, the financial position of each Fund as at December 31, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board (IFRS).

What we have audited

The financial statements of each of the Funds comprise:

- the statements of financial position as at December 31, 2018 and 2017;
- the statements of comprehensive income for the years then ended;
- the statements of changes in financial position for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of each of the Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information of each of the Funds. The other information comprises the information, other than the financial statements and our auditor's report thereon, included in the Annual Report.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

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

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

Those charged with governance are responsible for overseeing the financial reporting process of each of the Funds.

Independent Auditor's Report

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Ontario
April 4, 2019

Trimark Interest Seg Fund

Statements of financial position

as at December 31, 2018 and December 31, 2017 (see note 1 (b))

	December 31, 2018	December 31, 2017
Assets		
Current assets		
Portfolio investments - at fair value	$ 566,111	$ 669,236
Cash	940	988
Income receivable	390	24
	567,441	670,248
Liabilities		
Current liabilities		
	-	-
Net assets attributable to Securityholders	**$ 567,441**	**$ 670,248**
Net assets attributable to Securityholders per Security	$ 10.27	$ 10.23

On behalf of the BMO Life Assurance Company

Peter McCarthy
Director

Thomas Burian
Director

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

Trimark Interest Seg Fund

Statements of comprehensive income

for the periods ended December 31, 2018 and December 31, 2017 (see note 1 (b))

	December 31, 2018	December 31, 2017
Income		
Net gain (loss) on investments:		
Interest for distribution purposes and distributions from underlying fund	$ 2,646	$ 262
Net gain (loss) on investments	2,646	262
Total income (net)	2,646	262
Expenses (see note 4)		
Insurance charges	848	951
Securityholder reporting	9,444	10,021
Audit	9,907	9,704
Legal	-	16
Total expenses	20,199	20,692
Deduct: Insurance charges waived by Manager	(848)	(951)
Deduct: Expenses absorbed by Manager	(19,351)	(19,741)
Net expenses *	-	-
Increase (decrease) in Net assets attributable to Securityholders from operations	**$ 2,646**	**$ 262**
Increase (decrease) in Net assets attributable to Securityholders from operations per Security	$ 0.04	$ -

* The Manager has temporarily waived a portion of the insurance charges and/or absorbed certain Fund operating expenses. Such waivers and absorptions can be terminated at any time.
The accompanying notes to the financial statements are an integral part of these financial statements.

Trimark Interest Seg Fund

Statements of changes in financial position

for the periods ended December 31, 2018 and December 31, 2017 (see note 1 (b))

	December 31, 2018	December 31, 2017
Increase (decrease) in Net assets attributable to Securityholders from operations	**$ 2,646**	**$ 262**
Distributions to Securityholders		
From net investment income	-	-
From net realized gains on portfolio investments	-	-
Return of capital	-	-
Total distributions	-	-
Securityholder transactions [1]		
Proceeds from Securities issued	153,951	96,422
Reinvested distributions	-	-
Payment for Securities redeemed	(259,404)	(125,251)
Total Securityholder transactions	(105,453)	(28,829)
Total increase (decrease) in Net assets attributable to Securityholders	**(102,807)**	**(28,567)**
Net assets attributable to Securityholders - beginning of period	670,248	698,815
Net assets attributable to Securityholders - end of period	**$ 567,441**	**$ 670,248**

[1] **Fund Securities transactions**	**Number of Securities**	
Securities - beginning of period	**65,538**	**68,357**
Purchases during period	15,049	9,431
Reinvestments during period	-	-
Redemptions during period	(25,350)	(12,250)
Securities - end of period	**55,237**	**65,538**

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

Trimark Interest Seg Fund

Statements of cash flows

for the periods ended December 31, 2018 and December 31, 2017 (see note 1 (b))

	December 31, 2018	December 31, 2017
Cash flows from operating activities		
Increase (decrease) in Net assets attributable to Securityholders from operations	$ 2,646	$ 262
Adjustments for:		
Cost of purchases of investments	(190,200)	(98,989)
Proceeds from sales and maturity of investments	295,629	125,930
Non-cash distributions from underlying portfolio investments reinvested	(2,304)	(248)
(Increase) decrease in income receivables and other assets	(366)	-
Net cash inflows (outflows) from operating activities	**105,405**	**26,955**
Cash flows from financing activities		
Proceeds from subscriptions by Securityholders	153,951	96,422
Payments for redemptions by Securityholders	(259,404)	(125,251)
Distributions paid to Securityholders	-	-
Net cash inflows (outflows) from financing activities	**(105,453)**	**(28,829)**
Net increase (decrease) in cash	(48)	(1,874)
Cash (bank indebtedness) at beginning of period	988	2,862
Cash (bank indebtedness) at end of period	**$ 940**	**$ 988**
Interest received for distribution purposes and distributions from underlying fund [1]	$ 24	$ 14

[1] Classified as part of operating activities.

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

Trimark Interest Seg Fund

Schedule of portfolio investments *as at December 31, 2018*

Number of shares or units		Average cost ($)	Fair value ($)
	Short-term mutual funds (99.77%)		
	Canada (99.77%)		
56,611	Invesco Canadian Interest Fund, Series SC	566,111	566,111
Transaction costs (see note 2 (a))		-	-
Total portfolio of investments (99.77%)		566,111	566,111
Cash (0.17%)			
Cash - Canadian			940
Other assets, net of other liabilities (0.06%)			390
Net assets attributable to Securityholders (100.00%)			567,441

Trimark Interest Seg Fund

Financial instrument risk and Fund-specific notes *(see note 2 (b))*

Risk management

Trimark Interest Seg Fund (the "Fund") invests substantially all of its assets in Securities of Invesco Canadian Interest Fund, formerly Trimark Interest Fund (the "underlying Fund"). Consequently, the following risk analysis will focus on this underlying holding.

The underlying Fund seeks to generate a high level of interest income in a manner consistent with the preservation of capital and liquidity. The Fund invests primarily in Canadian-dollar money market instruments. The Fund seeks to add value by investing mainly in short-term government and high-quality corporate debt securities. Individual investment selection is based on fundamental credit analysis.

Invesco maintains a robust risk management process to ensure the risks of the Fund are managed within the scope of its investment objectives and strategies. This process includes supervision and monitoring by the Chief Investment Officer or Head of Investments, product and risk specialists, and the Compliance Department. The Compliance Department conducts ongoing monitoring to ensure the Fund adheres to its investment objectives, strategies and securities regulations, and reports its findings to the Executive Committee.

The underlying Fund's activities expose the Fund to a variety of financial risks as detailed below.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Trimark Interest Seg Fund is exposed to credit risk if the underlying Fund is unable to facilitate redemptions and discharge its obligation.

The underlying Fund is exposed to credit risk through its holdings in short-term debt securities. Generally, the greater the credit rating of a security, the lower the probability of the issuer defaulting on its obligations. As at December 31, 2018 and December 31, 2017, the underlying Fund was invested in short-term debt securities with the following credit ratings:

Short-term debt securities by credit rating	% of short-term investments	
	December 31, 2018	December 31, 2017
R-1 (high)	53.3	41.5
R-1 (middle)	39.6	45.4
R-1 (low)	7.1	13.1
Total	100.0	100.0

Credit ratings are obtained from Dominion Bond Rating Services, where available, otherwise ratings are obtained from Standard & Poor's or Moody's Investors Services. A rating of R-1 (high) is of the highest quality and indicates the capacity for the payment of short-term financial obligations as they fall due is exceptionally high. It is unlikely to be adversely affected by future events. A rating of R-1 (middle) is of superior credit quality and in most cases differs from R-1 (high) by only a small degree. A rating of R-1 (low) is of satisfactory credit quality.

The underlying Fund purchases only securities that are rated in the top tier of ratings categories. The credit risk of all approved issuers is monitored by the credit research group to identify any credit quality deterioration. When a potential deterioration in an issuer's credit profile is identified, the portfolio management team may resort to different tools, including, but not limited to, reducing the issuer's term limit, reducing the issuer's dollar limit and/or placing the issuer on watch status. By placing an issuer on watch status, no additional exposure would be extended to the issuer and a decision would be made whether to liquidate any existing holdings. The tool(s) used by the credit research group will depend on the creditworthiness and severity of each particular situation.

Liquidity risk

Liquidity risk is the risk that a fund may encounter difficulty meeting obligations associated with financial liabilities. The Fund is exposed to daily redemptions and therefore invests the majority of its assets in the underlying Fund which can be readily disposed of. The underlying Fund is exposed to daily redemptions and therefore invests the majority of its assets in portfolio investments that are traded in an active market and/or can be readily disposed of. The underlying Fund may borrow up to 5% of its Net Asset Value for the purpose of funding redemptions. As at December 31, 2018 and December 31, 2017, all of the underlying Fund's financial liabilities are current liabilities maturing within one year and no borrowings outside the scope of normal business transactions occurred during the period. The underlying Fund's investments are subject to a monthly liquidity test by the portfolio management team's Compliance department.

Market risks

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of interest-bearing financial instruments. Trimark Interest Seg Fund, through its underlying Fund, is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Within a money market fund there is a minimal sensitivity to changes in interest rates, since securities are usually held to maturity and tend to be short-term in nature. The weighted average days to maturity of the underlying Fund is approximately 18 days.

The following table summarizes the underlying Fund's exposure to interest rate risk by remaining term-to-maturity and the weighted average maturity as at December 31, 2018 and December 31, 2017.

Trimark Interest Seg Fund

Financial instrument risk and Fund-specific notes *(see note 2 (b))*

Maturity schedule (days)	December 31, 2018	December 31, 2017
	% of short-term investments	% of short-term investments
2-7	30.3	31.4
8-30	50.8	40.7
31-60	11.7	22.8
61-90	7.2	5.1
Weighted average maturity (days)	18	26

Currency risk

Currency risk is the risk that changes in the fair value or cash flows of a financial instrument will occur due to foreign exchange-rate fluctuations. The underlying Fund currently does not hold assets denominated in currencies other than the Canadian dollar. As such, foreign currency risk is not a major component of the overall risks for Trimark Interest Seg Fund.

Portfolio concentration risk

Portfolio concentration risk is the risk of loss in the total value of the portfolio investments of the underlying Fund due to an over-concentration of investments in a particular instrument, sector, or country. Including cash, as at December 31, 2018, the underlying Fund holds 39 (December 31, 2017: 52) investments. The following table summarizes the top asset class and geographic allocations of the securities held within the underlying Fund as at December 31, 2018 and December 31, 2017.

December 31, 2018		December 31, 2017	
Asset class allocation	% of Net Asset Value	Asset class allocation	% of Net Asset Value
Cash and cash equivalents	84.45	Cash and cash equivalents	78.61
Short-term investments	15.63	Short-term investments	21.19

December 31, 2018		December 31, 2017	
Geographic allocation	% of Net Asset Value	Geographic allocation	% of Net Asset Value
Canada	96.60	Canada	99.27
United States	2.94		

The portfolio management team mitigates this risk through a thorough understanding of each investment in the portfolio. They are cognizant of the business risk each investment is exposed to and other potential risks that may be caused by common links between the different holdings within the portfolio.

Fair value measurements

The following table shows financial instruments recognized at fair value and tiered based on inputs used to value the investments of Trimark Interest Seg Fund as at December 31, 2018 and December 31, 2017. The hierarchy of inputs is as follows:

Level 1 – quoted unadjusted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are based on observable market data for assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices). Investments in cash, if any, meet the criteria for level 2 but are excluded from the following table;

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	December 31, 2018				December 31, 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments in Funds ($ '000)	566	–	–	566	669	–	–	669

All fair value measurements above are recurring. During the periods ended December 31, 2018 and December 31, 2017, there were no transfers between Levels 1, 2 and 3.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported on the *Statements of financial position* where, in accordance with IFRS, the Fund has a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. In all other situations they are presented on a gross basis. In the normal course of business, the Fund enters into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the *Statements of financial position* but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts.

As at December 31, 2018 and December 31, 2017, no financial instruments were eligible for offset.

Trimark Interest Seg Fund

Financial instrument risk and Fund-specific notes *(see note 2 (b))*

Investments in underlying Funds

Disclosure of some of the key characteristics of the underlying Funds is included in the following table:

Underlying Fund/ETF	Country of domicile	December 31, 2018		December 31, 2017	
		Ownership % in the underlying Fund/ETF	Fair Value of Fund's Investment in underlying Fund/ETF ($ '000)	Ownership % in the underlying Fund/ETF	Fair Value of Fund's Investment in underlying Fund/ETF ($ '000)
Invesco Canadian Interest Fund	Canada	0.7	566	0.7	669

Trimark Canadian Bond Seg Fund

Statements of financial position

as at December 31, 2018 and December 31, 2017 (see note 1 (b))

	December 31, 2018	December 31, 2017
Assets		
Current assets		
Portfolio investments - at fair value	$ 261,390	$ 327,314
Cash	198	174
	261,588	327,488
Liabilities		
Current liabilities		
Accrued expenses	688	2,289
	688	2,289
Net assets attributable to Securityholders	**$ 260,900**	**$ 325,199**
Net assets attributable to Securityholders per Security	$ 7.56	$ 8.23

On behalf of the BMO Life Assurance Company

Peter McCarthy
Director

Thomas Burian
Director

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

Trimark Canadian Bond Seg Fund

Statements of comprehensive income

for the periods ended December 31, 2018 and December 31, 2017 (see note 1 (b))

	December 31, 2018	December 31, 2017
Income		
Net gain (loss) on investments:		
Interest for distribution purposes and distributions from underlying fund	$ 6,684	$ 5,895
Net realized gain (loss) on sale of portfolio investments	3,538	4,348
Change in unrealized appreciation (depreciation) on portfolio investments	(13,580)	(2,746)
Net gain (loss) on investments	(3,358)	7,497
Total income (net)	(3,358)	7,497
Expenses (see note 4)		
Insurance charges	1,795	2,390
Securityholder reporting	9,342	9,909
Audit	9,800	9,595
Legal	-	16
Total expenses	20,937	21,910
Deduct: Insurance charges waived by Manager	-	-
Deduct: Expenses absorbed by Manager	(316)	(581)
Net expenses	20,621	21,329
Increase (decrease) in Net assets attributable to Securityholders from operations	**$ (23,979)**	**$ (13,832)**
Increase (decrease) in Net assets attributable to Securityholders from operations per Security	$ (0.68)	$ (0.31)

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

Trimark Canadian Bond Seg Fund

Statements of changes in financial position

for the periods ended December 31, 2018 and December 31, 2017 (see note 1 (b))

	December 31, 2018	December 31, 2017
Increase (decrease) in Net assets attributable to Securityholders from operations	**$ (23,979)**	**$ (13,832)**
Distributions to Securityholders		
From net investment income	-	-
From net realized gains on portfolio investments	-	-
Return of capital	-	-
Total distributions	-	-
Securityholder transactions [1]		
Proceeds from Securities issued	-	-
Reinvested distributions	-	-
Payment for Securities redeemed	(40,320)	(59,635)
Total Securityholder transactions	(40,320)	(59,635)
Total increase (decrease) in Net assets attributable to Securityholders	**(64,299)**	**(73,467)**
Net assets attributable to Securityholders - beginning of period	325,199	398,666
Net assets attributable to Securityholders - end of period	**$ 260,900**	**$ 325,199**

[1] **Fund Securities transactions**	**Number of Securities**	
Securities - beginning of period	**39,537**	**46,670**
Purchases during period	-	-
Reinvestments during period	-	-
Redemptions during period	(5,020)	(7,133)
Securities - end of period	**34,517**	**39,537**

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

Trimark Canadian Bond Seg Fund

Statements of cash flows

for the periods ended December 31, 2018 and December 31, 2017 (see note 1 (b))

	December 31, 2018	December 31, 2017
Cash flows from operating activities		
Increase (decrease) in Net assets attributable to Securityholders from operations	$ (23,979)	$ (13,832)
Adjustments for:		
Net realized (gain) loss on sale of portfolio investments	(3,538)	(4,348)
Change in unrealized (appreciation) depreciation of portfolio investments	13,580	2,746
Cost of purchases of investments	(43,994)	(16)
Proceeds from sales and maturity of investments	106,537	81,889
Non-cash distributions from underlying portfolio investments reinvested	(6,661)	(5,889)
Increase (decrease) in accrued expenses and other payables	(1,601)	(909)
Net cash inflows (outflows) from operating activities	**40,344**	**59,641**
Cash flows from financing activities		
Proceeds from subscriptions by Securityholders	-	-
Payments for redemptions by Securityholders	(40,320)	(59,635)
Distributions paid to Securityholders	-	-
Net cash inflows (outflows) from financing activities	**(40,320)**	**(59,635)**
Net increase (decrease) in cash	24	6
Cash (bank indebtedness) at beginning of period	174	168
Cash (bank indebtedness) at end of period	**$ 198**	**$ 174**
Interest received for distribution purposes and distribution from underlying fund, net of withholding taxes [1]	$ 23	$ 6

[1] Classified as part of operating activities.

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

Trimark Canadian Bond Seg Fund

Schedule of portfolio investments *as at December 31, 2018*

Number of shares or units		Average cost ($)	Fair value ($)
	Fixed-income mutual funds (100.19%)		
	Canada (100.19%)		
43,292	Invesco Canadian Core Plus Bond Fund, Series A	256,981	261,390
Transaction costs (see note 2 (b))		-	-
Total portfolio of investments (100.19%)		256,981	261,390
Cash (0.08%)			
Cash - Canadian			198
Other assets, net of other liabilities (-0.27%)			(688)
Net assets attributable to Securityholders (100.00%)			260,900

Trimark Canadian Bond Seg Fund

Financial instrument risk and Fund-specific notes *(see note 2 (b))*

Risk management

Trimark Canadian Bond Seg Fund invests substantially all of its assets in Securities of Invesco Canadian Core Plus Bond Fund, formerly Invesco Canadian Bond Fund (the "underlying Fund"). Consequently, the following risk analysis will focus on this underlying holding.

The underlying Fund seeks to provide above-average investment returns through a combination of income and capital growth. The portfolio management team (the "team") places a great deal of emphasis on relative value and rigorous credit analysis, with additional focus on anticipated changes in, for example, interest rates.

Invesco maintains a robust risk management process to ensure the risks of the Fund are managed within the scope of its investment objectives and strategies. This process includes supervision and monitoring by the Chief Investment Officer or Head of Investments, product and risk specialists, and the Compliance Department. The Compliance Department conducts ongoing monitoring to ensure the Fund adheres to its investment objectives, strategies and securities regulations, and reports its findings to the Executive Committee.

The underlying Fund's activities expose the Fund to a variety of financial risks as detailed below.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Trimark Canadian Bond Seg Fund is exposed to credit risk if the underlying Fund is unable to facilitate redemptions and discharge its obligation.

The underlying Fund invests primarily in government and corporate bonds and other fixed-income mutual funds and represents 97.56% (December 31, 2017: 98.58%) of NAV as at year end. Generally, the greater the credit rating of a security, the lower the probability of the issuer defaulting on its obligations. As at December 31, 2018 and December 31, 2017, the underlying Fund was invested in debt securities with the following credit ratings:

Debt securities by credit rating	% of fixed-income assets	
	December 31, 2018	December 31, 2017
AAA	10.1	24.2
AA	13.2	5.9
A	31.9	35.5
BBB	40.6	30.9
BB	4.2	2.8
B	-	0.7
Total	100.0	100.0

Credit ratings are obtained from S&P Global Ratings or equivalent rating from another rating service.

As at December 31, 2018, the underlying Fund invests nil (December 31, 2017: 5.72%) in underlying mutual funds and ETFs that have exposure to fixed-income investments which may include floating rate instruments, high-yield securities and derivatives that are viewed as having a lower credit rating and higher probability of default. This risk is professionally managed at the security level by the portfolio manager.

Credit risk is measured by the credit rating distribution and issuer concentration among its holdings. This risk is managed by diversifying the business or company-specific risks as well as by aiming to maintain individual corporate issuer exposure to a maximum of 5%. The team manages portfolio risk by optimizing diversification by issuer, sector and maturity.

As at December 31, 2018, the underlying Fund had 1.53% (December 31, 2017: 0.80%) of Net Asset Value invested in Canadian Dollar Cash Management Fund and/or U.S. Dollar Cash Management Fund. These Funds are managed by the Invesco Global Liquidity team and provide a cash-holding alternative. The underlying holdings of these Funds are short-term money market instruments, which are exposed to some credit risk.

The underlying Fund uses forward contracts for hedging purposes and is therefore subject to credit risk. The counterparties to these derivatives have an approved credit rating. The Manager monitors credit risk on a monthly basis.

The underlying Fund uses futures contracts and maintains a margin account which may be subject to credit risk. The credit risk related to futures contracts is considered minimal since the exchange's clearinghouse, as counterparty to all exchange-traded futures, guarantees the futures against default. The counterparty has an approved credit rating. The Manager monitors credit risk on a monthly basis. For the unrealized gains / (losses) of these derivatives, please refer to the *Schedule of portfolio investments*.

Liquidity risk

Liquidity risk is the risk that a fund may encounter difficulty meeting obligations associated with financial liabilities. Trimark Canadian Bond Seg Fund is exposed to liquidity risk if it is unable to meet its financial obligations. The underlying Fund is exposed to daily redemptions and therefore invests the majority of its assets in the underlying Fund which can be readily disposed of. The underlying Fund is exposed to daily redemptions and therefore invests the majority of its assets in portfolio investments that are traded in an active market and/or can be readily disposed of. The underlying Fund has the ability to borrow up to 5% of its Net Asset Value for the purpose of funding redemptions. As at December 31, 2018 and December 31, 2017, all of the underlying Fund's financial liabilities are current liabilities maturing within one year and no borrowings outside the scope of normal business transactions occurred during the period. The underlying Fund's investments are subject to a monthly liquidity test by the Manager's Compliance department.

Market risks

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of interest-bearing financial instruments. Trimark Canadian Bond Seg Fund, through its underlying Fund, is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The Fund invests in Canadian Dollar Cash Management Fund and/or U.S. Dollar Cash Management Fund. The underlying holdings of these Funds are short-term money market instruments, which are exposed to some interest rate risk. There is minimal sensitivity to interest rate fluctuations on any cash and cash equivalents invested at short-term market interest rates.

As at December 31, 2018 and December 31, 2017, the underlying Fund had exposure to debt instruments by maturity as follows:

Debt instruments by maturity date	% of fixed-income assets	
	December 31, 2018	**December 31, 2017**
< 1 year	1.3	1.2
1-5 years	17.2	27.9
5-10 years	28.8	31.2
> 10 years	52.7	39.7

Modified duration is a statistical approximation of the sensitivity of the price of a fixed-income fund to interest rate movements. As at December 31, 2018, the modified duration of the fixed-income portfolio of the underlying Fund was 7.46 (December 31, 2017: 7.34). The impact on Net Asset Value (in '000s) would be -/+ $8 (December 31, 2017: $11) as indicated by the underlying Fund's modified duration and had the yield curve shifted in parallel by +/- 0.5%, with all other variables held constant. In practice, the actual trading results may differ from this sensitivity analysis, and the difference could be material.

Currency risk

Currency risk is the risk that changes in the fair value or cash flows of a financial instrument will occur due to foreign exchange-rate fluctuations. The underlying Fund subjects the Fund to foreign currency risk by investing in securities denominated in a foreign currency. The underlying Fund's exposure to foreign securities will impact Canadian investors indirectly in the case of any currency changes.

The following table summarizes the foreign currencies to which the Fund, through its underlying Fund had exposure as at December 31, 2018 and December 31, 2017, adjusting for any currency hedges, if applicable. The figures used in the sensitivity analysis are adjusted values for the Fund based on percentages of the underlying Fund. It also illustrates the impact of a +/- 2.5% move in the Canadian dollar on the Net Asset Value of the Fund as at December 31, 2018 and December 31, 2017.

Currency	Fair value of investments and cash (C$ '000)	Foreign exchange contracts (C$ '000)	Net currency exposure (C$ '000)		Possible impact on Net Asset Value			
			December 31, 2018	**December 31, 2017**	**December 31, 2018**		**December 31, 2017**	
					(C$ '000)	% of Net Asset Value	(C$ '000)	% of Net Asset Value
U.S. dollars	39	(38)	1	3	-	-	-	-
Euros	4	(4)	-	-	-	-	-	-
Total	43	(42)	1	3	-/+ -	-	-/+ -	-

To manage currency risk, the Manager has made use of forward foreign-currency contracts in order to hedge a portion of the underlying Fund's foreign currency exposure. This is typically done by selling the foreign-currency in the forward market. As such, if the foreign currency was to appreciate in value relative to the Canadian dollar, losses incurred on the forward foreign-currency contracts (due to them being sold) would be offset by currency translation gains in the underlying security. In practice, the actual trading results may differ from this sensitivity analysis, and the difference could be material.

Other price risk

Other price risk is the risk that the value of portfolio investments will fluctuate as a result of changes in market prices, other than those arising from interest rate or currency risk, whether caused by factors specific to an individual portfolio investment or all factors affecting all investments traded in a market or market segment. All portfolio investments present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value. Trimark Canadian Bond Seg Fund, through its underlying Fund, is exposed to this risk.

The underlying Fund's benchmark is the FTSE Canada Universe Bond Index. However, as the portfolio management team uses a bottom-up approach to investing, geographic and sector weights are a by-product of security selection and, as such, may be different than those of the benchmark.

Historical beta, a measure of the sensitivity of the underlying Fund's returns to market returns, is derived from comparing 36 months of returns between the specific benchmark and the underlying Fund. As such, beta may inherently include effects previously reflected in the interest rate and currency risks. The following table illustrates the possible impact on the Net Asset Value of the underlying Fund, as at December 31, 2018 and December 31, 2017, assuming a +/- 5% change in the benchmark while holding all other variables constant. The figures used below are adjusted values for the Fund based on its proportionate share of the underlying Fund.

Trimark Canadian Bond Seg Fund

Financial instrument risk and Fund-specific notes *(see note 2 (b))*

Benchmark	Historical beta [1]	Total Net Asset Value ($ '000)	Possible impact on Net Asset Value			
			December 31, 2018		December 31, 2017	
			($ '000)	% of Net Asset Value	($ '000)	% of Net Asset Value
FTSE Canada Universe Bond Index[2]	0.93	261	+/- 12	4.6	+/- 15	4.6

[1] For the three-year period ended December 31, 2018.
[2] As at December 31, 2017, the underlying Fund's benchmark was the FTSE TMX Canada Universe Bond Index.

Beta between the benchmark and the Fund is dynamic and, as such, historical beta may not be representative of future beta. In practice, the actual trading results may differ from this sensitivity analysis, and the difference could be material.

Portfolio concentration risk

Portfolio concentration risk is the risk of loss in the total value of the portfolio investments of the Fund due to an over-concentration of investments in a particular instrument, sector, or country. Including cash, as at December 31, 2018, the underlying Fund holds 158 (December 31, 2017: 126) investments. The following table summarizes the top asset class and geographic allocations of the securities held within the underlying Fund as at December 31, 2018 and December 31, 2017.

December 31, 2018		December 31, 2017	
Asset class allocation	% of Net Asset Value	Asset class allocation	% of Net Asset Value
Canadian corporate bonds	34.95	Canadian corporate bonds	39.65
Canadian government bonds	29.22	Canadian government bonds	36.80
Foreign corporate bonds	25.15	Foreign corporate bonds	10.87
Mortgage-backed securities	3.83	Mortgage-backed securities	3.80
Asset-backed securities	2.97	Fixed-income mutual funds	3.71

December 31, 2018		December 31, 2017	
Geographic allocation	% of Net Asset Value	Geographic allocation	% of Net Asset Value
Canada	70.37	Canada	81.99
United States	18.89	United States	12.25
Cash, cash equivalents and money market funds	2.20	Global	3.71
United Kingdom	1.97	Cash, cash equivalents and money market funds	0.88
Netherlands	1.26	Cayman Islands	0.63

The team members mitigate this risk through a thorough understanding of each investment in the portfolio. They are cognizant of the business risk each investment is exposed to and other potential risks that may be caused by common links between the different holdings within the portfolio.

Fair value measurements

The following table shows financial instruments recognized at fair value and tiered based on inputs used to value the investments of Trimark Canadian Bond Seg Fund as at December 31, 2018 and December 31, 2017. The hierarchy of inputs is as follows:

Level 1 – quoted unadjusted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are based on observable market data for assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices). Investments in cash, if any, meet the criteria for level 2 but are excluded from the following table;

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	December 31, 2018				December 31, 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments in Funds ($ '000)	261	–	–	261	327	–	–	327

All fair value measurements above are recurring. During the periods ended December 31, 2018 and December 31, 2017, there were no transfers between Levels 1, 2 and 3.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported on the *Statements of financial position* where, in accordance with IFRS, the Fund has a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. In all other situations they are presented on a gross basis. In the normal course of business, the Fund enters into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the *Statements of financial position* but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts.

As at December 31, 2018 and December 31, 2017, no financial instruments were eligible for offset.

Investments in underlying Funds

Disclosure of some of the key characteristics of the underlying Funds is included in the following table:

Underlying Fund/ETF	Country of domicile	December 31, 2018		December 31, 2017	
		Ownership % in the underlying Fund/ETF	Fair Value of Fund's Investment in underlying Fund/ETF ($ '000)	Ownership % in the underlying Fund/ETF	Fair Value of Fund's Investment in underlying Fund/ETF ($ '000)
Invesco Canadian Core Plus Bond Fund	Canada	-	261	-	327

Trimark Select Balanced Seg Fund

Statements of financial position

as at December 31, 2018 and December 31, 2017 (see note 1 (b))

	December 31, 2018	December 31, 2017
Assets		
Current assets		
Portfolio investments - at fair value	$ 482,803	$ 674,466
Cash	281	3,690
	483,084	678,156
Liabilities		
Current liabilities		
Payable for underlying fund units purchased	-	3,449
Accrued expenses	1,379	3,233
	1,379	6,682
Net assets attributable to Securityholders	**$ 481,705**	**$ 671,474**
Net assets attributable to Securityholders per Security	$ 7.28	$ 8.50

On behalf of the BMO Life Assurance Company

Peter McCarthy
Director

Thomas Burian
Director

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

Trimark Select Balanced Seg Fund

Statements of comprehensive income

for the periods ended December 31, 2018 and December 31, 2017 (see note 1 (b))

	December 31, 2018	December 31, 2017
Income		
Net gain (loss) on investments:		
Interest for distribution purposes and distributions from underlying fund	$ 25	$ 10
Net realized gain (loss) on sale of portfolio investments	53,992	90,309
Change in unrealized appreciation (depreciation) on portfolio investments	(107,061)	(39,338)
Net gain (loss) on investments	(53,044)	50,981
Total income (net)	(53,044)	50,981
Expenses (see note 4)		
Insurance charges	11,124	14,674
Securityholder reporting	9,396	10,010
Audit	9,857	9,693
Legal	-	16
Total expenses	30,377	34,393
Deduct: Insurance charges waived by Manager	-	-
Deduct: Expenses absorbed by Manager	(317)	(587)
Net expenses	30,060	33,806
Increase (decrease) in Net assets attributable to Securityholders from operations	**$ (83,104)**	**$ 17,175**
Increase (decrease) in Net assets attributable to Securityholders from operations per Security	$ (1.21)	$ 0.20

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

Trimark Select Balanced Seg Fund

Statements of changes in financial position

for the periods ended December 31, 2018 and December 31, 2017 (see note 1 (b))

	December 31, 2018	December 31, 2017
Increase (decrease) in Net assets attributable to Securityholders from operations	**$ (83,104)**	**$ 17,175**
Distributions to Securityholders		
From net investment income	-	-
From net realized gains on portfolio investments	-	-
Return of capital	-	-
Total distributions	-	-
Securityholder transactions [1]		
Proceeds from Securities issued	14	1
Reinvested distributions	-	-
Payment for Securities redeemed	(106,679)	(231,407)
Total Securityholder transactions	(106,665)	(231,406)
Total increase (decrease) in Net assets attributable to Securityholders	**(189,769)**	**(214,231)**
Net assets attributable to Securityholders - beginning of period	671,474	885,705
Net assets attributable to Securityholders - end of period	**$ 481,705**	**$ 671,474**

[1] **Fund Securities transactions**	Number of Securities	
Securities - beginning of period	**78,982**	**106,614**
Purchases during period	-	-
Reinvestments during period	-	-
Redemptions during period	(12,785)	(27,632)
Securities - end of period	**66,197**	**78,982**

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

Trimark Select Balanced Seg Fund

Statements of cash flows

for the periods ended December 31, 2018 and December 31, 2017 (see note 1 (b))
(in thousands of dollars)

	December 31, 2018	December 31, 2017
Cash flows from operating activities		
Increase (decrease) in Net assets attributable to Securityholders from operations	$ (83,104)	$ 17,175
Adjustments for:		
Net realized (gain) loss on sale of portfolio investments	(53,992)	(90,309)
Change in unrealized (appreciation) depreciation of portfolio investments	107,061	39,338
Cost of purchases of investments	(17,584)	-
Proceeds from sales and maturity of investments	152,729	269,915
Increase (decrease) in accrued expenses and other payables	(1,854)	(1,254)
Net cash inflows (outflows) from operating activities	**103,256**	**234,865**
Cash flows from financing activities		
Proceeds from subscriptions by Securityholders	14	1
Payments for redemptions by Securityholders	(106,679)	(231,407)
Distributions paid to Securityholders	-	-
Net cash inflows (outflows) from financing activities	**(106,665)**	**(231,406)**
Net increase (decrease) in cash	(3,409)	3,459
Cash (bank indebtedness) at beginning of period	3,690	231
Cash (bank indebtedness) at end of period	**$ 281**	**$ 3,690**
Interest received for distribution purposes and distributions from underlying fund [1]	$ 25	$ 10

[1] Classified as part of operating activities.

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

Trimark Select Balanced Seg Fund

Schedule of portfolio investments *as at December 31, 2018*

Number of shares or units		Average cost ($)	Fair value ($)
	Equity mutual funds (100.23%)		
	Canada (100.23%)		
37,280	Invesco Select Balanced Fund, Series A	343,951	482,803
Transaction costs (see note 2 (b))		-	-
Total portfolio of investments (100.23%)		343,951	482,803
Cash (0.06%)			
Cash - Canadian			281
Other assets, net of other liabilities (-0.29%)			(1,379)
Net assets attributable to Securityholders (100.00%)			481,705

Trimark Select Balanced Seg Fund

Financial instrument risk and Fund-specific notes *(see note 2 (b))*

Risk management

Trimark Select Balanced Seg Fund (the "Fund") invests substantially all of its assets in Securities of Invesco Select Balanced Fund, formerly Trimark Select Balanced Fund (the "underlying Fund"). Consequently, the following risk analysis will focus on this underlying holding.

The underlying Fund strives for long-term capital growth and current income by investing in a mix of equities and fixed-income securities. The equity portion is invested mainly in high-quality Canadian stocks that are attractively priced relative to their historical earnings, cash flows and valuation records. The fixed-income portion seeks to generate current income.

Invesco maintains a robust risk management process to ensure the risks of the Fund are managed within the scope of its investment objectives and strategies. This process includes supervision and monitoring by the Chief Investment Officer or Head of Investments, product and risk specialists, and the Compliance Department. The Compliance Department conducts ongoing monitoring to ensure the Fund adheres to its investment objectives, strategies and securities regulations, and reports its findings to the Executive Committee.

The underlying Fund's activities expose the Fund to a variety of financial risks as detailed below.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Fund is exposed to credit risk if the underlying Fund is unable to facilitate redemptions and discharge its obligation. The underlying Fund's fixed-income securities are primarily invested in government and corporate bonds and represent 22.77% (December 31, 2017: 23.69%) of NAV as at year end.

Generally, the greater the credit rating of a security, the lower the probability of the issuer defaulting on its obligations. As at December 31, 2018 and December 31, 2017, The Fund was invested in debt securities with the following credit ratings:

Debt securities by credit rating	% of fixed-income assets	
	December 31, 2018	December 31, 2017
AAA	27.8	38.0
AA	6.1	2.7
A	33.0	28.6
BBB	28.6	25.2
BB	4.5	3.4
B	-	2.1
Total	100.0	100.0

Credit ratings are obtained from Standard & Poor's, Moody's Investors Service and/or Fitch Ratings. Where more than one rating is obtained for a security, the lowest rating has been used.

As at December 31, 2018, the underlying Fund had had 1.78% (December 31, 2017: 2.90%) of Net Asset Value invested in Canadian Dollar Cash Management Fund and/or U.S. Dollar Cash Management Fund. These Funds are managed by the Invesco Global Liquidity team and provide a cash-holding alternative. The underlying holdings of these Funds are short-term money market instruments, which are exposed to some credit risk.

The underlying Fund uses forward foreign-currency contracts for hedging purposes and may therefore be subject to credit risk. The counterparties to these derivatives have an approved credit rating (see note 2(j)). The Manager monitors credit risk and credit ratings on a monthly basis.

Liquidity risk

Liquidity risk is the risk that a fund may encounter difficulty meeting obligations associated with financial liabilities. The Fund is exposed to liquidity risk if it is unable to meet its financial obligations. The Fund is exposed to daily redemptions and therefore invests the majority of its assets in the underlying Fund which can be readily disposed of. The underlying Fund is exposed to daily redemptions and therefore invests the majority of its assets in portfolio investments that are traded in an active market and/or can be readily disposed of. The underlying Fund has the ability to borrow up to 5% of its Net Asset Value for the purpose of funding redemptions. As at December 31, 2018 and December 31, 2017, all of the Fund's and underlying Fund's financial liabilities are current liabilities maturing within one year and no borrowings outside the scope of normal business transactions occurred during the period. The underlying Fund's investments are subject to a monthly liquidity test by the Manager's Compliance department.

Market risks

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of interest-bearing financial instruments. The Fund, through its underlying Fund, is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The underlying Fund invests in Canadian Dollar Cash Management Fund and/or U.S. Dollar Cash Management Fund. The underlying holdings of these Funds are short-term money market instruments, which are exposed to some interest rate risk. However, there is minimal sensitivity to changes in interest rates, since securities are usually held to maturity and tend to be short-term in nature.

As at December 31, 2018 and December 31, 2017, the underlying Fund had exposure to debt instruments by maturity as follows:

Debt instruments by maturity date	% of fixed-income assets	
	December 31, 2018	December 31, 2017
< 1 year	3.7	4.6
1-5 years	58.5	60.5
5-10 years	35.4	33.9
> 10 years	2.4	1.0

Modified duration is a statistical approximation of the sensitivity of the price of a fixed-income fund to interest rate movements. As at December 31, 2018, the modified duration of the fixed-income portfolio of the underlying Fund was 3.63 (December 31, 2017: 3.67). The impact on Net Asset Value (in '000s) would be -/+ $2 (December 31, 2017: $3) as indicated by the underlying Fund's modified duration and had the yield curve shifted in parallel by +/- 0.5%, with all other variables held constant. In practice, the actual trading results may differ from this sensitivity analysis, and the difference could be material.

Currency risk

Currency risk is the risk that changes in the fair value or cash flows of a financial instrument will occur due to foreign exchange-rate fluctuations. Since the local price for each applicable portfolio investment is converted to Canadian dollars to determine its fair value, the exposure to foreign securities will impact Canadian investors in the case of any currency changes.

The following table summarizes the foreign currencies to which the Fund, through its udnerlying Fund had exposure as at December 31, 2018 and December 31, 2017, adjusting for any currency hedges, if applicable. The figures used below are adjusted values for the Fund based on its proportionate share of the underlying Fund. It also illustrates the impact of a +/- 2.5% move in the Canadian dollar on the Net Asset Value of the Fund as at December 31, 2018 and December 31, 2017.

Currency	Fair value of investments and cash (C$ '000)	Foreign exchange contracts (C$ '000)	Net currency exposure (C$ '000)		Possible impact on Net Asset Value			
			December 31, 2018	December 31, 2017	December 31, 2018		December 31, 2017	
					(C$ '000)	% of Net Asset Value	(C$ '000)	% of Net Asset Value
U.S. dollars	116	58	58	114	2	0.41	3	0.45
Euros	19	-	19	18	-	-	-	-
South Korean won	10	-	10	14	-	-	-	-
Total	145	58	87	146	-/+ 2	0.41	-/+ 3	0.45

To manage currency risk, the Manager of the underlying Fund has made use of forward foreign-currency contracts in order to hedge a portion of the underlying Fund's foreign currency exposure. This is typically done by selling the foreign-currency in the forward market. As such, if the foreign currency was to appreciate in value relative to the Canadian dollar, losses incurred on the forward foreign-currency contracts (due to them being sold) would be offset by currency translation gains in the underlying security. In practice, the actual trading results may differ from this sensitivity analysis, and the difference could be material.

Other price risk

Other price risk is the risk that the value of portfolio investments will fluctuate as a result of changes in market prices, other than those arising from interest rate or currency risk, whether caused by factors specific to an individual portfolio investment or all factors affecting all investments traded in a market or market segment. All portfolio investments present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value. The Fund, through its underlying Fund, is exposed to this risk.

The underlying Fund's specific benchmark is the 35% S&P/TSX Composite Index/25% MSCI World Index/35% FTSE Canada Universe Bond Index/5% FTSE Canada 91-Day Treasury Bill Index. However, as the team uses a bottom-up approach to investing, geographic and sector weights are a by-product of security selection and, as such, may be different than those of the specific benchmark.

Historical beta, a measure of the sensitivity of the underlying Fund's returns to market returns, is derived from comparing 36 months of returns between the specific benchmark and the underlying Fund. As such, beta may inherently include effects previously reflected in the interest rate and currency risks. The following table illustrates the possible impact on the Net Asset Value of the Fund, as at December 31, 2018 and December 31, 2017, assuming a +/- 8% change in the specific benchmark while holding all other variables constant. The figures used below are adjusted values for the Fund based on percentages of the underlying Fund.

Trimark Select Balanced Seg Fund

Financial instrument risk and Fund-specific notes *(see note 2 (b))*

Benchmark	Historical beta [1]	Total Net Asset Value ($ '000)	Possible impact on Net Asset Value December 31, 2018 ($ '000)	December 31, 2018 % of Net Asset Value	December 31, 2017 ($ '000)	December 31, 2017 % of Net Asset Value
35% S&P/TSX Composite Index/25% MSCI World Index/35% FTSE Canada Universe Bond Index/5% FTSE Canada 91-Day Treasury Bill Index[2]	1.29	482	+/- 50	10.4	+/- 50	7.5

[1] For the three-year period ended December 31, 2018.

[2] As at December 31, 2017, the underlying Fund's specific benchmark was the 35% S&P/TSX Composite Index/25% MSCI World Index/35% FTSE TMX Canada Universe Bond Index/5% FTSE TMX Canada 91-Day Treasury Bill Index.

Beta between the benchmark and the underlying Fund is dynamic and, as such, historical beta may not be representative of future beta. In practice, the actual trading results may differ from this sensitivity analysis, and the difference could be material.

Portfolio concentration risk

Portfolio concentration risk is the risk of loss in the total value of the portfolio investments of the Fund due to an over-concentration of investments in a particular instrument, sector, or country. Including cash, as at December 31, 2018, the underlying Fund holds 148 (December 31, 2017: 150) investments. The following table summarizes the top sector and geographic allocations of the securities held within the underlying Fund as at December 31, 2018 and December 31, 2017.

December 31, 2018		December 31, 2017	
Sector allocation*	**% of Net Asset Value**	**Sector allocation**	**% of Net Asset Value**
Financials	36.07	Financials	34.50
Corporate bonds	14.68	Industrials	14.66
Industrials	12.74	Corporate bonds	12.94
Government bonds	8.09	Government bonds	10.29
Information technology	7.19	Energy	6.78

* On September 28, 2018, several changes occurred in the MSCI Global Industry Classification Standard (GICS) with the renaming of telecommunication services sector to communication services and the expansion of subindustries within consumer discretionary and information technology (IT). These changes are reflective of the rapid evolution in the way people communicate and access content. The December 31, 2018 figures above are inclusive of these changes.

December 31, 2018		December 31, 2017	
Geographic allocation	**% of Net Asset Value**	**Geographic allocation**	**% of Net Asset Value**
Canada	67.41	Canada	69.53
United States	25.11	United States	22.61
Germany	2.19	Cash, cash equivalents and money market funds	2.94
South Korea	2.04	Germany	2.40
Cash, cash equivalents and money market funds	1.84	South Korea	2.09

The teams mitigate this risk through a thorough understanding of each company in the portfolio by a combination of rigorous and fundamental bottom-up analysis of each company, interviews with company management and valuation analysis. They are cognizant of the business risk each company is exposed to and other potential risks that may be caused by common links between the different holdings within the portfolio.

Fair value measurements

The following table shows financial instruments recognized at fair value and tiered based on inputs used to value the investments of the Fund as at December 31, 2018 and December 31, 2017. The hierarchy of inputs is as follows:

- Level 1 – quoted unadjusted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are based on observable market data for assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices). Investments in cash, if any, meet the criteria for level 2 but are excluded from the following table;
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	December 31, 2018 Level 1	Level 2	Level 3	Total	December 31, 2017 Level 1	Level 2	Level 3	Total
Investments in Funds ($ '000)	483	–	–	483	674	–	–	674

All fair value measurements above are recurring. During the periods ended December 31, 2018 and December 31, 2017, there were no transfers between Levels 1, 2 and 3.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported on the *Statements of financial position* where, in accordance with IFRS, the Fund has a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. In all other situations they are presented on a gross basis. In the normal course of business, the Fund enters into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the *Statements of financial position* but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts.

As at December 31, 2018 and December 31, 2017, no financial instruments were eligible for offset.

Investments in underlying Funds

Disclosure of some of the key characteristics of the underlying Funds is included in the following table:

Underlying Fund/ETF	Country of domicile	December 31, 2018		December 31, 2017	
		Ownership % in the underlying Fund/ETF	Fair Value of Fund's Investment in underlying Fund/ETF ($ '000)	Ownership % in the underlying Fund/ETF	Fair Value of Fund's Investment in underlying Fund/ETF ($ '000)
Invesco Select Balanced Fund	Canada	0.1	483	0.1	674

Trimark Select Canadian Growth Seg Fund

Statements of financial position

as at December 31, 2018 and December 31, 2017 (see note 1 (b))

		December 31, 2018		December 31, 2017
Assets				
Current assets				
Portfolio investments - at fair value	$	496,241	$	818,799
Cash		559		714
		496,800		819,513
Liabilities				
Current liabilities				
Payable for underlying fund units purchased		-		191
Accrued expenses		1,398		3,427
		1,398		3,618
Net assets attributable to Securityholders	**$**	**495,402**	**$**	**815,895**
Net assets attributable to Securityholders per Security	$	6.40	$	7.71

On behalf of the BMO Life Assurance Company

Peter McCarthy
Director

Thomas Burian
Director

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

Trimark Select Canadian Growth Seg Fund

Statements of comprehensive income

for the periods ended December 31, 2018 and December 31, 2017 (see note 1 (b))

	December 31, 2018	December 31, 2017
Income		
Net gain (loss) on investments:		
Interest for distribution purposes and distributions from underlying fund	$ 35	$ 9
Net realized gain (loss) on sale of portfolio investments	29,365	40,206
Change in unrealized appreciation (depreciation) on portfolio investments	(112,096)	37,255
Net gain (loss) on investments	(82,696)	77,470
Total income (net)	(82,696)	77,470
Expenses (see note 4)		
Insurance charges	12,668	18,265
Securityholder reporting	9,344	9,847
Audit	9,802	9,535
Legal	-	16
Total expenses	31,814	37,663
Deduct: Insurance charges waived by Manager	-	-
Deduct: Expenses absorbed by Manager	(316)	(577)
Net expenses	31,498	37,086
Increase (decrease) in Net assets attributable to Securityholders from operations	**$ (114,194)**	**$ 40,384**
Increase (decrease) in Net assets attributable to Securityholders from operations per Security	$ (1.32)	$ 0.33

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

Trimark Select Canadian Growth Seg Fund

Statements of changes in financial position

for the periods ended December 31, 2018 and December 31, 2017 (see note 1 (b))

	December 31, 2018	December 31, 2017
Increase (decrease) in Net assets attributable to Securityholders from operations	$ (114,194)	$ 40,384
Distributions to Securityholders		
From net investment income	-	-
From net realized gains on portfolio investments	-	-
Return of capital	-	-
Total distributions	-	-
Securityholder transactions [1]		
Proceeds from Securities issued	-	-
Reinvested distributions	-	-
Payment for Securities redeemed	(206,299)	(357,771)
Total Securityholder transactions	(206,299)	(357,771)
Total increase (decrease) in Net assets attributable to Securityholders	**(320,493)**	**(317,387)**
Net assets attributable to Securityholders - beginning of period	815,895	1,133,282
Net assets attributable to Securityholders - end of period	$ **495,402**	$ **815,895**

[1] **Fund Securities transactions**	Number of Securities	
Securities - beginning of period	**105,849**	**154,104**
Purchases during period	-	-
Reinvestments during period	-	-
Redemptions during period	(28,443)	(48,255)
Securities - end of period	**77,406**	**105,849**

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

Trimark Select Canadian Growth Seg Fund

Statements of cash flows

for the periods ended December 31, 2018 and December 31, 2017 (see note 1 (b))

	December 31, 2018	December 31, 2017
Cash flows from operating activities		
Increase (decrease) in Net assets attributable to Securityholders from operations	$ (114,194)	$ 40,384
Adjustments for:		
Net realized (gain) loss on sale of portfolio investments	(29,365)	(40,206)
Change in unrealized (appreciation) depreciation of portfolio investments	112,096	(37,255)
Cost of purchases of investments	(1,427)	(8,016)
Proceeds from sales and maturity of investments	241,063	404,469
Increase (decrease) in accrued expenses and other payables	(2,029)	(1,406)
Net cash inflows (outflows) from operating activities	**206,144**	**357,970**
Cash flows from financing activities		
Proceeds from subscriptions by Securityholders	-	-
Payments for redemptions by Securityholders	(206,299)	(357,771)
Distributions paid to Securityholders	-	-
Net cash inflows (outflows) from financing activities	**(206,299)**	**(357,771)**
Net increase (decrease) in cash	(155)	199
Cash (bank indebtedness) at beginning of period	714	515
Cash (bank indebtedness) at end of period	**$ 559**	**$ 714**
Interest received for distribution purposes, net of withholding taxes [1]	$ 35	$ 9

[1] Classified as part of operating activities.

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

Trimark Select Canadian Growth Seg Fund

Schedule of portfolio investments *as at December 31, 2018*

Number of shares or units		Average cost ($)	Fair value ($)
	Equity mutual funds (100.17%)		
	Canada (100.17%)		
45,331	Invesco Select Canadian Equity Fund, Series A	480,393	496,241
Transaction costs (see note 2 (b))		-	-
Total portfolio of investments (100.17%)		480,393	496,241
Cash (0.11%)			
Cash - Canadian			559
Other assets, net of other liabilities (-0.28%)			(1,398)
Net assets attributable to Securityholders (100.00%)			495,402

Trimark Select Canadian Growth Seg Fund

Financial instrument risk and Fund-specific notes *(see note 2 (b))*

Risk management

Trimark Select Canadian Growth Seg Fund invests substantially all of its assets in Securities of Invesco Select Canadian Equity Fund (the "underlying Fund"). Consequently, the following risk analysis will focus on this underlying holding.

The underlying Fund seeks to provide strong capital growth with a high degree of reliability over the long term. Investing primarily in Canadian companies, the portfolio management team focuses on high-quality companies that offer industry leadership, opportunities for long-term growth, solid financials and strong management.

Invesco maintains a robust risk management process to ensure the risks of the Fund are managed within the scope of its investment objectives and strategies. This process includes supervision and monitoring by the Chief Investment Officer or Head of Investments, product and risk specialists, and the Compliance Department. The Compliance Department conducts ongoing monitoring to ensure the Fund adheres to its investment objectives, strategies and securities regulations, and reports its findings to the Executive Committee.

The underlying Fund's activities expose the Fund to a variety of financial risks as detailed below.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Trimark Select Canadian Growth Seg Fund is exposed to credit risk if the underlying Fund is unable to facilitate redemptions and discharge its obligation. As at December 31, 2018 and December 31, 2017, the underlying Fund had no significant investments in debt instruments.

As at December 31, 2018, the underlying Fund had 1.55% (December 31, 2017: 4.81%) of Net Asset Value invested in Canadian Dollar Cash Management Fund and/or U.S. Dollar Cash Management Fund. These Funds are managed by the Invesco Global Liquidity team and provide a cash-holding alternative. The underlying holdings of these Funds are short-term money market instruments, which are exposed to some credit risk.

The underlying Fund uses forward foreign-currency contracts for hedging purposes and may therefore be subject to credit risk. The counterparties to these derivatives have an approved credit rating. The Manager monitors credit risk and credit ratings on a monthly basis.

Liquidity risk

Liquidity risk is the risk that a fund may encounter difficulty meeting obligations associated with financial liabilities. Trimark Select Canadian Growth Seg Fund is exposed to liquidity risk if it is unable to meet its financial obligations. The Fund is exposed to daily redemptions and therefore invests the majority of its assets in the underlying Fund which can be readily disposed of. The underlying Fund is exposed to daily redemptions and therefore invests the majority of its assets in portfolio investments that are traded in an active market and/or can be readily disposed of. The underlying Fund has the ability to borrow up to 5% of its Net Asset Value for the purpose of funding redemptions. As at December 31, 2018 and December 31, 2017 all of the Fund's and underlying Fund's financial liabilities are current liabilities maturing within one year and no borrowings outside the scope of normal business transactions occurred during the period. The underlying Fund's investments are subject to a monthly liquidity test by the Manager's Compliance department.

Market risks

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The majority of the underlying Fund's financial assets and liabilities, as at December 31, 2018 and December 31, 2017, were non-interest-bearing. The underlying Fund invests in Canadian Dollar Cash Management Fund and/or U.S. Dollar Cash Management Fund. The underlying holdings of these Funds are short-term money market instruments, which are exposed to some interest rate risk. However, there is minimal sensitivity to changes in interest rates, since securities are usually held to maturity and tend to be short-term in nature. Accordingly, Trimark Select Canadian Growth Seg Fund was not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Currency risk is the risk that changes in the fair value or cash flows of a financial instrument will occur due to foreign exchange-rate fluctuations. The underlying Funds subject the Fund to foreign currency risk by investing in securities denominated in a foreign currency. The underlying Funds' exposure to foreign securities will impact Canadian investors indirectly in the case of any currency changes.

The following table summarizes the foreign currencies to which the Fund, through its underlying Fund had exposure as at December 31, 2018 and December 31, 2017, adjusting for any currency hedges, if applicable. The figures used in the sensitivity analysis are adjusted values for the Fund based on percentages of the underlying Funds. It also illustrates the impact of a +/- 2.5% move in the Canadian dollar on the Net Asset Value of the underlying Fund as at December 31, 2018 and December 31, 2017.

Trimark Select Canadian Growth Seg Fund

Financial instrument risk and Fund-specific notes *(see note 2 (b))*

Currency	Fair value of investments and cash (C$ '000)	Foreign exchange contracts (C$ '000)	Net currency exposure (C$ '000)		Possible impact on Net Asset Value			
			December 31, 2018	December 31, 2017	December 31, 2018		December 31, 2017	
					(C$ '000)	% of Net Asset Value	(C$ '000)	% of Net Asset Value
U.S. dollars	193	(99)	94	203	2	0.40	5	0.61
Euros	15	–	15	27	1	0.20	1	0.12
South Korean won	14	–	14	22	–	–	1	0.12
Total	222	(99)	123	252	-/+ 3	0.60	-/+ 7	0.85

To manage currency risk, the Manager has made use of forward foreign-currency contracts in order to hedge a portion of the underlying Fund's foreign currency exposure. This is typically done by selling the foreign-currency in the forward market. As such, if the foreign currency was to appreciate in value relative to the Canadian dollar, losses incurred on the forward foreign-currency contracts (due to them being sold) would be offset by currency translation gains in the underlying security. In practice, the actual trading results may differ from this sensitivity analysis, and the difference could be material.

Other price risk

Other price risk is the risk that the value of portfolio investments will fluctuate as a result of changes in market prices, other than those arising from interest rate or currency risk, whether caused by factors specific to an individual portfolio investment or all factors affecting all investments traded in a market or market segment. All portfolio investments present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value. Please refer to the *Schedule of portfolio investments* for a breakdown of the Net Asset Value of the underlying Fund by security and geographic allocation.

The underlying Fund's specific benchmark is the 65% S&P/TSX Composite Index/35% MSCI World Index. However, as the team uses a bottom-up approach to investing, geographic and sector weights are a by-product of security selection and, as such, may be different than those of the specific benchmark.

Historical beta, a measure of the sensitivity of the underlying Fund's returns to market returns, is derived from comparing 36 months of returns between the specific benchmark and the underlying Fund. As such, beta may inherently include effects previously reflected in the interest rate and currency risks. The following table illustrates the possible impact on the Net Asset Value of the underlying Fund, as at December 31, 2018 and December 31, 2017, assuming a +/- 10% change in the specific benchmark while holding all other variables constant. The figures used below are adjusted values for the Fund based on its proportionate share of the underlying Fund.

Benchmark	Historical beta [1]	Total Net Asset Value ($ '000)	Possible impact on Net Asset Value			
			December 31, 2018		December 31, 2017	
			($ '000)	% of Net Asset Value	($ '000)	% of Net Asset Value
65% S&P/TSX Composite Index/35% MSCI World Index	1.31	495	+/- 65	13.1	+/- 113	13.8

[1] For the three-year period ended December 31, 2018.

Beta between the benchmark and the underlying Fund is dynamic and, as such, historical beta may not be representative of future beta. In practice, the actual trading results may differ from this sensitivity analysis, and the difference could be material.

Portfolio concentration risk

Portfolio concentration risk is the risk of loss in the total value of the portfolio investments of the Fund due to an over-concentration of investments in a particular instrument, sector, or country. Including cash, as at December 31, 2018, the underlying Fund holds 33 (December 31, 2017: 35) investments. Please refer to the *Schedule of portfolio investments* for a listing of the Fund's holdings. The following table summarizes the top sector and geographic allocations of the securities held within the underlying Fund as at December 31, 2018 and December 31, 2017.

December 31, 2018		December 31, 2017	
Sector allocation*	% of Net Asset Value	Sector allocation	% of Net Asset Value
Financials	50.42	Financials	43.37
Industrials	12.85	Industrials	14.40
Information technology	10.39	Energy	9.33
Energy	7.40	Information technology	8.73
Consumer discretionary	6.35	Consumer discretionary	7.28

* On September 28, 2018, several changes occurred in the MSCI Global Industry Classification Standard (GICS) with the renaming of telecommunication services sector to communication services and the expansion of subindustries within consumer discretionary and information technology (IT). These changes are reflective of the rapid evolution in the way people communicate and access content. The December 31, 2018 figures above are inclusive of these changes.

Trimark Select Canadian Growth Seg Fund

Financial instrument risk and Fund-specific notes *(see note 2 (b))*

December 31, 2018		December 31, 2017	
Geographic allocation	**% of Net Asset Value**	**Geographic allocation**	**% of Net Asset Value**
Canada	52.97	Canada	55.10
United States	40.36	United States	34.09
Germany	3.10	Cash, cash equivalents and money market funds	4.85
South Korea	2.75	Germany	3.25
Cash, cash equivalents and money market funds	1.64	South Korea	2.69

The teams mitigate this risk through a thorough understanding of each company in the portfolio by a combination of rigorous and fundamental bottom-up analysis of each company, interviews with company management and valuation analysis. They are cognizant of the business risk each company is exposed to and other potential risks that may be caused by common links between the different holdings within the portfolio.

Fair value measurements

The following table shows financial instruments recognized at fair value and tiered based on inputs used to value the investments of Trimark Select Canadian Growth Seg Fund as at December 31, 2018 and December 31, 2017. The hierarchy of inputs is as follows:

Level 1 – quoted unadjusted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are based on observable market data for assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices). Investments in cash, if any, meet the criteria for level 2 but are excluded from the following table;

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	December 31, 2018				December 31, 2017			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments in Funds ($ ‘000)	496	-	-	496	819	-	-	819

All fair value measurements above are recurring. During the periods ended December 31, 2018 and December 31, 2017, there were no transfers between Levels 1, 2 and 3.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported on the *Statements of financial position* where, in accordance with IFRS, the underlying Fund has a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. In all other situations they are presented on a gross basis. In the normal course of business, the underlying Fund enters into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the *Statements of financial position* but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts.

As at December 31, 2018 and December 31, 2017, no financial instruments were eligible for offset.

Investments in underlying Funds

Disclosure of some of the key characteristics of the underlying Funds is included in the following table:

Underlying Fund/ETF	Country of domicile	December 31, 2018		December 31, 2017	
		Ownership % in the underlying Fund/ETF	**Fair Value of Fund's Investment in underlying Fund/ETF ($ ‘000)**	**Ownership % in the underlying Fund/ETF**	**Fair Value of Fund's Investment in underlying Fund/ETF ($ ‘000)**
Invesco Select Canadian Equity Fund	Canada	0.1	496	0.1	819

Trimark Select Growth Seg Fund

Statements of financial position

as at December 31, 2018 and December 31, 2017 (see note 1 (b))

	December 31, 2018	December 31, 2017
Assets		
Current assets		
Portfolio investments - at fair value	$ 1,237,848	$ 1,615,040
Cash	251	472
	1,238,099	1,615,512
Liabilities		
Current liabilities		
Payable for underlying fund units purchased	-	272
Accrued expenses	2,751	4,715
	2,751	4,987
Net assets attributable to Securityholders	**$ 1,235,348**	**$ 1,610,525**
Net assets attributable to Securityholders per Security	$ 8.56	$ 9.50

On behalf of the BMO Life Assurance Company

Peter McCarthy
Director

Thomas Burian
Director

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

Trimark Select Growth Seg Fund

Statements of comprehensive income

for the periods ended December 31, 2018 and December 31, 2017 (see note 1 (b))

	December 31, 2018	December 31, 2017
Income		
Net gain (loss) on investments:		
Interest for distribution purposes and distributions from underlying fund	$ 50	$ 14
Net realized gain (loss) on sale of portfolio investments	143,456	421,924
Change in unrealized appreciation (depreciation) on portfolio investments	(228,450)	(151,225)
Net gain (loss) on investments	(84,944)	270,713
Total income (net)	(84,944)	270,713
Expenses (see note 4)		
Insurance charges	29,354	35,497
Securityholder reporting	9,370	9,927
Audit	9,830	9,612
Legal	-	16
Total expenses	48,554	55,052
Deduct: Insurance charges waived by Manager	-	-
Deduct: Expenses absorbed by Manager	(235)	(582)
Net expenses	48,319	54,470
Increase (decrease) in Net assets attributable to Securityholders from operations	**$ (133,263)**	**$ 216,243**
Increase (decrease) in Net assets attributable to Securityholders from operations per Security	$ (0.87)	$ 1.11

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

Trimark Select Growth Seg Fund

Statements of changes in financial position

for the periods ended December 31, 2018 and December 31, 2017 (see note 1 (b))

	December 31, 2018	December 31, 2017
Increase (decrease) in Net assets attributable to Securityholders from operations	**$ (133,263)**	**$ 216,243**
Distributions to Securityholders		
From net investment income	-	-
From net realized gains on portfolio investments	-	-
Return of capital	-	-
Total distributions	-	-
Securityholder transactions [1]		
Proceeds from Securities issued	22,013	119
Reinvested distributions	-	-
Payment for Securities redeemed	(263,927)	(918,608)
Total Securityholder transactions	(241,914)	(918,489)
Total increase (decrease) in Net assets attributable to Securityholders	**(375,177)**	**(702,246)**
Net assets attributable to Securityholders - beginning of period	1,610,525	2,312,771
Net assets attributable to Securityholders - end of period	**$ 1,235,348**	**$ 1,610,525**

[1] **Fund Securities transactions**	**Number of Securities**	
Securities - beginning of period	**169,551**	**272,458**
Purchases during period	2,094	12
Reinvestments during period	-	-
Redemptions during period	(27,309)	(101,919)
Securities - end of period	**144,336**	**169,551**

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

Trimark Select Growth Seg Fund

Statements of cash flows

for the periods ended December 31, 2018 and December 31, 2017 (see note 1 (b))

	December 31, 2018	December 31, 2017
Cash flows from operating activities		
Increase (decrease) in Net assets attributable to Securityholders from operations	$ (133,263)	$ 216,243
Adjustments for:		
Net realized (gain) loss on sale of portfolio investments	(143,456)	(421,924)
Change in unrealized (appreciation) depreciation of portfolio investments	228,450	151,225
Cost of purchases of investments	(42,900)	(172,169)
Proceeds from sales and maturity of investments	334,826	1,145,510
Increase (decrease) in accrued expenses and other payables	(1,964)	(2,233)
Net cash inflows (outflows) from operating activities	**241,693**	**916,652**
Cash flows from financing activities		
Proceeds from subscriptions by Securityholders	22,013	119
Payments for redemptions by Securityholders	(263,927)	(918,608)
Distributions paid to Securityholders	-	-
Net cash inflows (outflows) from financing activities	**(241,914)**	**(918,489)**
Net increase (decrease) in cash	(221)	(1,837)
Cash (bank indebtedness) at beginning of period	472	2,309
Cash (bank indebtedness) at end of period	**$ 251**	**$ 472**
Interest received for distribution purposes and distributions from underlying fund, net of withholding taxes [1]	$ 50	$ 14

[1] Classified as part of operating activities.

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

Trimark Select Growth Seg Fund

Schedule of portfolio investments *as at December 31, 2018*

Number of shares or units		Average cost ($)	Fair value ($)
	Equity mutual funds (100.20%)		
	Canada (100.20%)		
47,909	Invesco Global Diversified Companies Fund, Series A	787,108	1,237,848
Transaction costs (see note 2 (b))		-	-
Total portfolio of investments (100.20%)		787,108	1,237,848
Cash (0.02%)			
Cash - Canadian			251
Other assets, net of other liabilities (-0.22%)			(2,751)
Net assets attributable to Securityholders (100.00%)			1,235,348

Trimark Select Growth Seg Fund

Financial instrument risk and Fund-specific notes *(see note 2 (b))*

Risk management

Trimark Select Growth Seg Fund invests substantially all of its assets in Securities of Invesco Global Diversified Companies Fund, formerly Trimark Global Fundamental Equity Fund (the "underlying Fund"). Consequently, the following risk analysis will focus on this underlying holding.

The underlying Fund seeks to achieve long-term capital growth by investing in high-quality global stocks that are attractively priced relative to their prospective earnings, cash flows and valuation records. The portfolio management team focuses on companies that offer strong management, industry leadership and a demonstrated commitment to securing a competitive advantage.

Invesco maintains a robust risk management process to ensure the risks of the Fund are managed within the scope of its investment objectives and strategies. This process includes supervision and monitoring by the Chief Investment Officer or Head of Investments, product and risk specialists, and the Compliance Department. The Compliance Department conducts ongoing monitoring to ensure the Fund adheres to its investment objectives, strategies and securities regulations, and reports its findings to the Executive Committee.

The underlying Fund's activities expose the Fund to a variety of financial risks as detailed below.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Trimark Select Growth Seg Fund is exposed to credit risk if the underlying Fund is unable to facilitate redemptions and discharge its obligation. As at December 31, 2018 and December 31, 2017, the underlying Fund did not have any significant investments in debt instruments.

As at December 31, 2018, the underlying Fund had had 1.15% (December 31, 2017: 1.45%) of Net Asset Value invested in Canadian Dollar Cash Management Fund and/or U.S. Dollar Cash Management Fund. These Funds are managed by the Invesco Global Liquidity team and provide a cash-holding alternative. The underlying holdings of these Funds are short-term money market instruments, which are exposed to some credit risk.

The underlying Fund uses forward foreign currency contracts for hedging purposes, and may therefore be subject to credit risk. The counterparties to these derivatives have an approved credit rating. The Manager monitors credit risk and credit ratings on a monthly basis.

Liquidity risk

Liquidity risk is the risk that a fund may encounter difficulty meeting obligations associated with financial liabilities. Trimark Select Growth Seg Fund is exposed to daily redemptions and therefore invests the majority of its assets in the underlying Fund which can be readily disposed of. The underlying Fund is exposed to daily redemptions and therefore invests the majority of its assets in portfolio investments that are traded in an active market and/or can be readily disposed of. The underlying Fund may borrow up to 5% of its Net Asset Value for the purpose of funding redemptions. As at December 31, 2018 and December 31, 2017, all of the Fund's and underlying Fund's financial liabilities are current liabilities maturing within one year, and no borrowings outside the scope of normal business transactions occurred during the period. The underlying Fund's investments are subject to a monthly liquidity test by the Manager's Compliance department.

Market risks

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The majority of the underlying Fund's financial assets and liabilities, as at December 31, 2018 and December 31, 2017, were non-interest-bearing. The underlying Fund invests in Canadian Dollar Cash Management Fund and/or U.S. Dollar Cash Management Fund. The underlying holdings of these Funds are short-term money market instruments, which are exposed to some interest rate risk. However, there is minimal sensitivity to changes in interest rates, since securities are usually held to maturity and tend to be short-term in nature. Accordingly, Trimark Select Growth Seg Fund was not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Currency risk is the risk that changes in the fair value or cash flows of a financial instrument will occur due to foreign exchange-rate fluctuations. The underlying Funds subject the Fund to foreign currency risk by investing in securities denominated in a foreign currency. The underlying Funds' exposure to foreign securities will impact Canadian investors indirectly in the case of any currency changes.

The following table summarizes the foreign currencies to which the Fund, through its underlying Fund had exposure as at December 31, 2018 and December 31, 2017, excluding hedged series of the underlying Fund, and adjusting for any currency hedges, if applicable. The figures used in the sensitivity analysis are adjusted values for the Fund based on percentages of the underlying Funds. It also illustrates the impact of a +/- 2.5% move in the Canadian dollar on the Net Asset Value of the Fund as at December 31, 2018 and December 31, 2017.

Currency	Fair value of investments and cash (C$ '000)	Foreign exchange contracts (C$ '000)	Net currency exposure (C$ '000)		Possible impact on Net Asset Value			
			December 31, 2018	December 31, 2017	December 31, 2018		December 31, 2017	
					(C$ '000)	% of Net Asset Value	(C$ '000)	% of Net Asset Value
U.S. dollars	604	-	604	890	15	1.21	22	1.37
Euros	145	-	145	108	4	0.32	3	0.19
British pounds	96	-	96	161	2	0.16	4	0.25

Trimark Select Growth Seg Fund

Financial instrument risk and Fund-specific notes *(see note 2 (b))*

Currency	Fair value of investments and cash (C$ '000)	Foreign exchange contracts (C$ '000)	Net currency exposure (C$ '000) December 31, 2018	Net currency exposure (C$ '000) December 31, 2017	Possible impact on Net Asset Value December 31, 2018 (C$ '000)	Possible impact on Net Asset Value December 31, 2018 % of Net Asset Value	Possible impact on Net Asset Value December 31, 2017 (C$ '000)	Possible impact on Net Asset Value December 31, 2017 % of Net Asset Value
Japanese yen	88	-	88	83	2	0.16	2	0.12
Hong Kong dollars	77	-	77	84	2	0.16	2	0.12
Chinese yuan	60	-	60	50	2	0.16	1	0.06
South Korean won	32	-	32	47	1	0.08	1	0.06
Brazilian reais	28	-	28	31	1	0.08	1	0.06
South African rand	27	-	27	40	1	0.08	1	0.06
Indian rupee	24	-	24	24	1	0.08	1	0.06
Mexican pesos	14	-	14	22	-	-	1	0.06
Danish kroner	13	-	13	24	-	-	1	0.06
Taiwan dollars	2	-	2	2	-	-	-	-
Russian rubles	-	-	-	19	-	-	-	-
Swiss francs	-	-	-	5	-	-	-	-
Total	1,210	-	1,210	1,590	-/+ 31	2.49	-/+ 40	2.47

For all series of the Fund, through its underlying Fund except the hedged series, the Manager currently does not employ currency hedges in order to neutralize the impact of currency fluctuations; however, the Manager may potentially do so in the future if deemed appropriate. In practice, the actual trading results may differ from this sensitivity analysis, and the difference could be material.

Other price risk

Other price risk is the risk that the value of portfolio investments will fluctuate as a result of changes in market prices, other than those arising from interest rate or currency risk, whether caused by factors specific to an individual portfolio investment or all factors affecting all investments traded in a market or market segment. All portfolio investments present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value. Please refer to the *Schedule of portfolio investments* for a breakdown of the Net Asset Value of the underlying Fund by security and geographic allocation.

The underlying Fund's specific benchmark is the MSCI ACWI. However, as the team uses a bottom-up approach to investing, geographic and sector weights are a by-product of security selection and, as such, may be different than those of the benchmark.

Historical beta, a measure of the sensitivity of the underlying Fund's returns to market returns, is derived from comparing 36 months of returns between the specific benchmark and the Fund. As such, beta may inherently include effects previously reflected in the interest rate and currency risks. The following table illustrates the possible impact on the Net Asset Value of the Fund, as at December 31, 2018 and December 31, 2017, assuming a +/- 10% change in the specific benchmark while holding all other variables constant. The figures used below are adjusted values for the Fund based on its proportionate share of the underlying Fund.

Benchmark	Historical beta [1]	Total Net Asset Value ($ '000)	Possible impact on Net Asset Value December 31, 2018 ($ '000)	Possible impact on Net Asset Value December 31, 2018 % of Net Asset Value	Possible impact on Net Asset Value December 31, 2017 ($ '000)	Possible impact on Net Asset Value December 31, 2017 % of Net Asset Value
MSCI ACWI	1.04	1,235	+/- 128	10.4	+/- 163	10.1

[1] For the three-year period ended December 31, 2018.

Beta between the benchmark and the underlying Fund is dynamic and, as such, historical beta may not be representative of future beta. In practice, the actual trading results may differ from this sensitivity analysis, and the difference could be material.

Portfolio concentration risk

Portfolio concentration risk is the risk of loss in the total value of the portfolio investments of the Fund due to an over-concentration of investments in a particular instrument, sector, or country. Including cash, as at December 31, 2018, the underlying Fund holds 66 (December 31, 2017: 65) investments. The following table summarizes the top sector and geographic allocations of the securities held within the underlying Fund as at December 31, 2018 and December 31, 2017.

Trimark Select Growth Seg Fund

Financial instrument risk and Fund-specific notes *(see note 2 (b))*

December 31, 2018		December 31, 2017	
Sector allocation*	**% of Net Asset Value**	**Sector allocation**	**% of Net Asset Value**
Industrials	20.89	Industrials	24.69
Information technology	17.18	Information technology	22.28
Communication services	15.25	Consumer staples	17.05
Consumer staples	13.66	Consumer discretionary	11.19
Financials	10.61	Financials	8.69

* On September 28, 2018, several changes occurred in the MSCI Global Industry Classification Standard (GICS) with the renaming of telecommunication services sector to communication services and the expansion of subindustries within consumer discretionary and information technology (IT). These changes are reflective of the rapid evolution in the way people communicate and access content. The December 31, 2018 figures above are inclusive of these changes.

December 31, 2018		December 31, 2017	
Geographic allocation	**% of Net Asset Value**	**Geographic allocation**	**% of Net Asset Value**
United States	39.36	United States	40.76
China	10.53	United Kingdom	13.49
United Kingdom	9.38	China	9.94
Japan	7.13	Japan	5.12
France	4.61	France	3.32

The teams mitigate this risk through a thorough understanding of each company in the portfolio by a combination of rigorous and fundamental bottom-up analysis of each company, interviews with company management and valuation analysis. They are cognizant of the business risk each company is exposed to and other potential risks that may be caused by common links between the different holdings within the portfolio.

Fair value measurements

The following table shows financial instruments recognized at fair value and tiered based on inputs used to value the investments of Trimark Select Growth Seg Fund as at December 31, 2018 and December 31, 2017. The hierarchy of inputs is as follows:

Level 1 – quoted unadjusted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are based on observable market data for assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices). Investments in cash, if any, meet the criteria for level 2 but are excluded from the following table;

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	December 31, 2018				December 31, 2017			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments in Funds ($ '000)	1,238	–	–	1,238	1,615	–	–	1,615

All fair value measurements above are recurring. During the periods ended December 31, 2018 and December 31, 2017, there were no transfers between Levels 1, 2 and 3.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported on the *Statements of financial position* where, in accordance with IFRS, the Fund has a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. In all other situations they are presented on a gross basis. In the normal course of business, the Fund enters into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the *Statements of financial position* but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts.

As at December 31, 2018 and December 31, 2017, no financial instruments were eligible for offset.

Investments in underlying Funds

Disclosure of some of the key characteristics of the underlying Funds is included in the following table:

Underlying Fund/ETF	Country of domicile	December 31, 2018		December 31, 2017	
		Ownership % in the underlying Fund/ETF	**Fair Value of Fund's Investment in underlying Fund/ETF ($ '000)**	**Ownership % in the underlying Fund/ETF**	**Fair Value of Fund's Investment in underlying Fund/ETF ($ '000)**
Invesco Global Diversified Companies Fund	Canada	0.1	1,238	0.1	1,615

Notes to the financial statements

as at and for the periods ended as disclosed in the financial statements (see note 1 (b))

1. General information

Trimark Interest Seg Fund, Trimark Canadian Bond Seg Fund, Trimark Select Balanced Seg Fund, Trimark Select Canadian Growth Seg Fund and Trimark Select Growth Seg Fund are "Seg Funds."

Invesco Canadian Interest Fund (formerly Trimark Interest Fund), Invesco Canadian Core Plus Bond Fund (formerly Invesco Canadian Bond Fund) Invesco Select Balanced Fund (formerly Trimark Select Balanced Fund), Invesco Select Canadian Equity Fund and Invesco Global Diversified Companies Fund (formerly Trimark Global Fundamental Equity Fund) are the underlying funds, collectively the "underlying Fund(s)."

(a) Terms and definitions

Throughout the financial statements and the notes thereto, the following terms, if applicable, are used and defined as outlined below:

Fund(s): refers to one or more of the Seg Funds listed above;

Manager: Invesco Canada Ltd, doing business as "Invesco", the manager (the "Manager") of the Funds;

Net assets attributable to Securityholders (Net Asset Value): refers to the value of net assets calculated in accordance with International Financial Reporting Standards (IFRS) as presented in the financial statements which is equal to the value of net assets for purposes of Securityholder transactions (i.e., purchases, switches, redemptions);

Securities: refers to the units offered by any of the Funds; and

Securityholder(s): refers to the unitholder(s) of the Fund(s).

(b) Financial reporting dates

The *Statements of financial position* are as at December 31, 2018 and December 31, 2017. The *Statements of comprehensive income, Statements of changes in financial position* and *Statements of cash flows* are for the 12-month periods then ended. These financial statements were authorized by BMO Life Assurance Company for issue on March 26, 2019.

(c) Inception dates

The Seg Funds were established as of June 1, 1998 by AIG Life Insurance Company of Canada under the authority of Section 451 of the *Insurance Companies Act*.

Initial subscribers were issued 1,000 units of each of the Seg Funds (except for Trimark Interest Seg Fund) at an issue price of $5.00 per unit for a total cash consideration of $5,000 per Seg Fund. The initial subscriber to Trimark Interest Seg Fund was issued 500 units at a price of $10.00 per unit for a total cash consideration of $5,000. The Seg Funds commenced active operations on June 23, 1998.

Pursuant to a share purchase agreement dated January 13, 2009 between AIG Inc., BMO Life Insurance Company and the Bank of Montreal, AIG Life Holdings (Canada) ULC, including its 100% interest in AIG Life Insurance Company of Canada, was sold to BMO Life Insurance Company, a wholly owned subsidiary of the Bank of Montreal. The sale closed on April 1, 2009 following receipt of regulatory approval, at which time AIG Life Insurance Company of Canada changed its name to BMO Life Assurance Company.

The acquisition does not in any way alter policyholders' benefits and guarantees in the segregated fund insurance policies.

(d) Transactions affecting the Funds during the year ended December 31, 2018 and during the year ended December 31, 2017

There were no transactions affecting the Funds during these periods.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with IFRS, as issued by the International Accounting Standards Board (IASB).

In applying IFRS, management may make estimates and judgements that affect the reported amounts of assets, liabilities, investment income and expenses during the reporting period. Actual results could differ from these estimates. The following is a summary of significant accounting policies consistently followed by the Seg Funds:

(a) Adoption of new accounting standards

Canadian investment funds are required to adopt IFRS 9 "Financial Instruments" for interim and annual financial statements for fiscal periods beginning on or after January 1, 2018.

IFRS 9 "Financial Instruments" replaces IAS 39 "Financial Instruments: Recognition and Measurement."

Upon transition to IFRS 9, the Funds' portfolio investments previously either designated at fair value through profit and loss (FVPTL) or held-for-trading under IAS39 continued to be categorized as fair value through profit and loss.

Other assets and liabilities previously classified as loans and receivables under IAS 39 are categorized as amortized cost under IFRS 9. There were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9.

(b) Portfolio investment transactions, income recognition and securityholder transactions

Portfolio investments, including equity investments, debt investments, cash and short-term investments are recognized at fair value upon initial recognition. Cash is comprised of deposits with financial institutions. The Funds' portfolio investments are measured at FVTPL based on its business model.

Portfolio investment transactions are accounted for on the business date on which the order to buy or sell is executed. Dividend income is recorded on the ex-dividend date. Realized gains and losses from portfolio investment transactions and unrealized appreciation or depreciation of portfolio investments are calculated with reference to the average cost of the related portfolio investment(s). "Interest for distribution purposes and distributions from underlying fund," in accordance with tax requirements, is calculated based on coupon interest accrued or received by the Fund and includes any distributions received from investments in underlying Funds, if applicable.

Other assets and liabilities are recognized at fair value upon initial recognition. Other assets such as subscriptions receivable, receivables for portfolio investments sold, amounts due from Manager and other receivables are measured at amortized cost. Other liabilities such as payables for portfolio investments purchased, redemptions, distributions and accrued expenses are measured at amortized cost.

(c) Valuation of Seg Fund units

Net Asset Value per unit is determined daily as of the close of business of the Toronto Stock Exchange when open for trading by dividing a Seg Fund's Net Asset Value by the number of units outstanding.

IFRS 13 "Fair Value Measurement" requires a "fair value hierarchy" for disclosure of the inputs used in the valuation of each financial asset and liability reported by a Fund. The hierarchy of inputs is as follows:

a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

b) inputs other than quoted prices included in Level 1 that are based on observable market data for assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and

c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Changes in valuation methods may result in transfers into or out of the assets' or liabilities' assigned levels. The level summary based on the hierarchy of inputs, as at the dates described in note 1 (b), is disclosed in the *Financial instrument risk and Fund-specific notes* section of each Fund. All transfers are deemed to occur at the end of each reporting period.

The Seg Funds' investments in units of the underlying Funds are valued at the Net Asset Value of the units held.

The Canadian dollar is the Seg Funds' functional and reporting currency.

BMO Life Assurance Company establishes and issues individual variable deferred annuity contracts. Deposits and withdrawals under the terms of these contracts provide the capital activity of the Seg Funds. The Seg Funds, with the exception of Trimark Interest Seg Fund, invest exclusively in Series A units of the underlying Funds. Trimark Interest Seg Fund invests exclusively in Series SC units of Invesco Canadian Interest Fund. The value of the contract is based on the performance of these underlying Funds. Guarantees, where applicable, on amounts invested pursuant to these contracts are payable upon maturity of the contract or upon notification of the death of the annuitant.

3. Significant accounting judgements and estimates

The preparation of financial statements requires management to use judgement in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates made in the preparation of the financial statements:

IAS 32 "Financial Instruments: Presentation" requires that Securities of the Funds, which are considered puttable instruments, be classified as either financial liabilities or equity instruments. The Securities of the Funds are typically classified as financial liabilities as the Funds represent a collection of individual contracts between an insurer and its Securityholders, which have limited lives. Coupled with an ongoing redemption option, the Funds do not qualify for equity treatment as more than one obligation exists. The Funds obligation for net assets attributable to holders of redeemable securities is presented at the redemption amount.

In determining whether the Funds exhibit instances of control or significant influence, IFRS 10, "Consolidated Financial Statements" provides an exception to any financial statement consolidation requirements for entities that meet the definition of an "investment entity." Amongst other factors, the Funds generally meet the definition of investment entity as they obtain funds from one or more investors for the purpose of providing those investor(s) with professional investment management services and commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both. The Funds measure and evaluate the performance of substantially all of its investments on a fair value basis.

4. Management fees and operating expenses

As the Seg Funds' assets are invested in underlying Funds, the Seg Funds indirectly pay management fees and operating expenses of the underlying Funds. To avoid duplication of fees and expenses, the Seg Funds are directly charged only for those operating expenses that are specifically related to the operation of the Seg Funds. These expenses include insurance charges for providing maturity and death guarantees, which are paid to BMO Life Assurance Company. There may be other operating expenses that are specifically related to the operation of the Seg Funds such as regular legal, regulatory, and audit costs. These operating expenses related to the operation of the Seg Funds and insurance charges include GST/HST.

At its sole discretion, the Manager may waive a portion of the insurance charges or absorb a portion of the operating expenses of certain Funds. Amounts waived or absorbed by the Manager for a Fund for the periods described in note 1 (b), as appropriate, are reported in the *Statements of comprehensive income*. Such waivers and absorptions can be terminated at any time but can be expected to continue for certain Funds until such time as these Funds are of sufficient size to reasonably absorb all management and advisory fees and expenses incurred in their operation.

Management fees are payable by the underlying Funds to the Manager. For Series SC securities of Invesco Canadian Interest Fund, operating expenses are the responsibility of the Manager. For these fees, the Manager supervises, manages and directs the investment of the assets of the underlying Funds, and makes all investment decisions.

In addition to the management fees, the underlying Funds (except for Invesco Canadian Interest Fund) bear the cost of all fees and expenses relating to their operation and carrying on of their business, including the costs attributable to the administration of the mutual funds such as legal, audit, custodian and transfer agent fees and costs of reports to Securityholders, premises and staff. Fund administration and operating expenses include GST/HST. The underlying Funds also bear the cost of any claims or actions against them, brokerage fees and commissions on the purchase and sale of securities and all taxes directly attributable to the underlying Funds.

All fees are calculated and accrued daily based on the Net Asset Value of each Seg Fund as appropriate.

5. Income taxes

The Seg Funds are deemed to be trusts under the provisions of the *Income Tax Act* (Canada). A Seg Fund is deemed to have allocated its net investment income to the Securityholders on an annual basis. In addition, capital gains and losses of a Seg Fund are deemed to have been realized by the Securityholders. Accordingly, the Seg Funds are not subject to income tax on their net investment income and net realized capital gains. All net investment income and net realized capital gains and losses were allocated to Securityholders during the year.

The 2017 federal budget proposed that Seg Funds be allowed to apply non-capital losses arising in taxation years beginning after 2017 to other taxation years beginning after 2017, subject to normal limitations of non-capital losses under the Act. Any pre-2018 non-capital losses accumulated to date are denied and deemed to be nil for the purposes of computing the Seg Funds' taxable income for taxation years beginning after 2017.

6. Investments in underlying Funds

The units held by the Seg Funds in their respective underlying Funds, and the costs thereof, as at December 31, 2018 and 2017, are as follows:

		December 31, 2018			December 31, 2017		
Seg Fund	**Underlying Fund**	**Number of units held**	**Cost of units held ($)**	**Fair Value of investment ($)**	**Number of units held**	**Cost of units held ($)**	**Fair Value of investment ($)**
Trimark Interest Seg Fund	Invesco Canadian Interest Fund, Series SC	56,611	566,111	566,111	66,924	669,236	669,236
Trimark Canadian Bond Seg Fund	Invesco Canadian Core Plus Bond Fund, Series A	43,292	256,981	261,390	52,323	309,326	327,314
Trimark Select Balanced Seg Fund	Invesco Select Balanced Fund, Series A	37,280	343,951	482,803	47,067	428,553	674,466
Trimark Select Canadian Growth Seg Fund	Invesco Select Canadian Equity Fund, Series A	45,331	480,393	496,241	65,203	690,855	818,799
Trimark Select Growth Seg Fund	Invesco Global Diversified Companies Fund, Series A	47,909	787,108	1,237,848	58,203	935,850	1,615,040

7. Comparative figures

Certain comparative figures may be reclassified to conform to the presentation for the period ended December 31, 2018.

Notes:

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About Invesco Ltd.
Invesco Ltd. is an independent investment management firm dedicated to delivering an investment experience that helps people get more out of life. NYSE: IVZ; **invesco.com**.

BMO Insurance
We're here to help.™

BMO Life Assurance Company issues the individual variable deferred annuity contracts providing for investment in the Trimark Seg Funds. A complete description of the key features of the individual variable deferred annuity contracts is contained in the Trimark Seg Funds Information Folder. SUBJECT TO THE APPLICABLE DEATH AND MATURITY GUARANTEES, ANY PART OF THE PREMIUM OR OTHER AMOUNT THAT IS ALLOCATED TO A TRIMARK SEG FUND IS INVESTED AT THE RISK OF THE CONTRACTHOLDER AND MAY INCREASE OR DECREASE IN VALUE ACCORDING TO THE FLUCTUATIONS IN THE MARKET VALUE OF THE UNDERLYING INVESCO TRIMARK MUTUAL FUND.

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