

# BMO Guaranteed Investment Funds

SEMI-ANNUAL FINANCIAL STATEMENTS

June 30, 2017

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

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

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

# Table of Contents

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BMO Money Market GIF .....	1
BMO Canadian Balanced Growth GIF .....	8
BMO Canadian Income Strategy GIF .....	14
BMO U.S. Balanced Growth GIF .....	21
BMO North American Income Strategy GIF .....	27
BMO Fixed Income ETF Portfolio GIF .....	34
BMO Income ETF Portfolio GIF .....	40
BMO Conservative ETF Portfolio GIF .....	46
BMO Balanced ETF Portfolio GIF .....	53
BMO Growth ETF Portfolio GIF .....	60
BMO Equity Growth ETF Portfolio GIF .....	66
BMO Low Volatility U.S. Equity ETF GIF .....	72
BMO Low Volatility Canadian Equity ETF GIF .....	78
BMO Monthly Income GIF .....	84
Notes to the Financial Statements .....	91

**STATEMENT OF FINANCIAL POSITION**

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

As at	June 30 2017	December 31 2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	639	320
Investments		
Non-derivative financial assets	5,792	5,431
Subscriptions receivable	161	0
Distribution receivable from investment trusts	5	4
<b>Total assets</b>	<b>6,597</b>	<b>5,755</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Redemptions payable	7	37
Accrued expenses	13	11
<b>Total liabilities</b>	<b>20</b>	<b>48</b>
<b>Net assets held for the benefit of policyowners</b>	<b>6,577</b>	<b>5,707</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	1,322	541
75/100 Class A Units	1,660	1,294
100/100 Class A Units	3,595	3,872
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 10.01	\$ 10.00
75/100 Class A Units	\$ 10.01	\$ 10.00
100/100 Class A Units	\$ 10.04	\$ 10.04

**STATEMENT OF COMPREHENSIVE INCOME**

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

For the periods ended	June 30 2017	June 30 2016
<b>INCOME</b>		
Interest income	—	6
Distribution from investment trusts	27	17
Net gain in fair value of investments and derivatives	27	23
<b>Total income</b>	<b>27</b>	<b>23</b>
<b>EXPENSES</b>		
Management fees (note 8)	34	26
Fixed administration fees (note 8)	8	6
Interest charges	0	—
Operating expenses absorbed by the Manager	(17)	(15)
<b>Total expenses</b>	<b>25</b>	<b>17</b>
Increase in net assets held for the benefit of policyowners	2	6
<b>Increase in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	0	0
75/100 Class A Units	1	0
100/100 Class A Units	1	1
Holding Money Market Units	—	5
<b>Increase in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	0.00	0.00
75/100 Class A Units	0.00	0.00
100/100 Class A Units	0.00	0.00
Holding Money Market Units	—	0.02

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	<b>June 30 2017</b>	<b>June 30 2016</b>
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	541	—
Increase in net assets held for the benefit of policyowners	0	0
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,134	50
Withdrawal of withdrawable units	(353)	—
Net increase from withdrawable unit transactions	781	50
Net increase in net assets held for the benefit of policyowners	781	50
<b>Net assets held for the benefit of policyowners</b>	<b>1,322</b>	<b>50</b>
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	1,294	—
Increase in net assets held for the benefit of policyowners	1	0
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,235	50
Withdrawal of withdrawable units	(870)	—
Net increase from withdrawable unit transactions	365	50
Net increase in net assets held for the benefit of policyowners	366	50
<b>Net assets held for the benefit of policyowners</b>	<b>1,660</b>	<b>50</b>

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	<b>June 30 2017</b>	<b>June 30 2016</b>
<b>100/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	3,872	2,760
Increase in net assets held for the benefit of policyowners	1	1
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	2,035	3,043
Withdrawal of withdrawable units	(2,313)	(1,409)
Net (decrease) increase from withdrawable unit transactions	(278)	1,634
Net (decrease) increase in net assets held for the benefit of policyowners	(277)	1,635
<b>Net assets held for the benefit of policyowners</b>	<b>3,595</b>	<b>4,395</b>
<b>Holding Money Market Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	—	3,891
Increase in net assets held for the benefit of policyowners	—	5
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	—	17,820
Withdrawal of withdrawable units	—	(21,716)
Net decrease from withdrawable unit transactions	—	(3,896)
Net decrease in net assets held for the benefit of policyowners	—	(3,891)
<b>Net assets held for the benefit of policyowners</b>	<b>—</b>	<b>—</b>

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

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

<i>For the periods ended</i>	<b>June 30 2017</b>	<b>June 30 2016</b>
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	5,707	6,651
Increase in net assets held for the benefit of policyowners	2	6
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	4,404	20,963
Withdrawal of withdrawable units	(3,536)	(23,125)
Net increase (decrease) from withdrawable unit transactions	868	(2,162)
Net increase (decrease) in net assets held for the benefit of policyowners	870	(2,156)
<b>Net assets held for the benefit of policyowners</b>	<b>6,577</b>	<b>4,495</b>

**STATEMENT OF CASH FLOWS**

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	<b>June 30 2017</b>	<b>June 30 2016</b>
<b>Cash flows from operating activities</b>		
Increase in net assets held for the benefit of policyowners	2	6
Adjustments for:		
Increase in distribution receivable from investment trusts	(1)	(2)
Decrease in accrued interest on money market investments	—	1
Increase in accrued expenses	2	4
Purchases of investments	(626)	(19,000)
Proceeds from sale and maturity of investments	265	20,880
Net cash from operating activities	(358)	1,889
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	4,243	21,267
Amounts paid on withdrawal of withdrawable units	(3,566)	(23,125)
Net cash from financing activities	677	(1,858)
Net increase in cash	319	31
Cash at beginning of period	320	111
<b>Cash at end of period</b>	<b>639</b>	<b>142</b>
<b>Supplementary Information:</b>		
Interest received, net of withholding taxes*	—	7
Distribution received from investment trusts*	26	15
Interest expense paid*	0	—

\*These items are from operating activities

**SCHEDULE OF INVESTMENT PORTFOLIO**

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

As at June 30, 2017	Number of Units	Cost (\$)	Fair Value (\$)
<b>Holdings in Investment Fund — 88.1%</b>			
<b>Money Market Fund — 88.1%</b>			
BMO Money Market Fund, Series I	5,792	5,792	5,792
<b>Total Investment Portfolio — 88.1%</b>		<b>5,792</b>	<b>5,792</b>
Other Assets Less Liabilities — 11.9%			785
<b>NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0%</b>			<b>6,577</b>

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

## Notes to the Financial Statements (unaudited)

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

### Fund and Class information

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

Class	Launch Date
75/75 Class A Units	June 21, 2016
75/100 Class A Units	June 21, 2016
100/100 Class A Units	December 2, 2013
Holding Money Market Units	December 2, 2013

### Change in units

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

For the periods ended (in thousands of units)	June 30, 2017	June 30, 2016
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	54	—
Issued for cash	113	5
Withdrawn during the period	(35)	—
Units issued and outstanding, end of period	132	5
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	129	—
Issued for cash	124	5
Withdrawn during the period	(87)	—
Units issued and outstanding, end of period	166	5
<b>100/100 Class A Units</b>		
Units issued and outstanding, beginning of period	385	274
Issued for cash	203	304
Withdrawn during the period	(230)	(140)
Units issued and outstanding, end of period	358	438
<b>Holding Money Market Units</b>		
Units issued and outstanding, beginning of period	—	384
Issued for cash	—	1,755
Withdrawn during the period	—	(2,139)
Units issued and outstanding, end of period	—	—

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2016 Class	Number of Units	Value of Units (\$)
75/75 Class A Units	5,000	50
75/100 Class A Units	5,000	50
100/100 Class A Units	55,000	552

There were no units held by the Company as at June 30, 2017.

### Financial instrument risk

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

### Financial instrument risk of the underlying fund

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

### Fair value hierarchy

As at June 30, 2017 Financial assets	Level 1	Level 2	Level 3	Total
Investment fund	5,792	—	—	5,792

  

As at December 31, 2016 Financial assets	Level 1	Level 2	Level 3	Total
Investment fund	5,431	—	—	5,431

### Transfers between levels

There were no transfers between the levels during the 2017 period (2016 — \$ nil).

### Unconsolidated structured entities

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

Carrying amount	As at June 30, 2017	As at December 31, 2016
BMO Money Market Fund, Series I	5,792	5,431
<b>Total</b>	<b>5,792</b>	<b>5,431</b>

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

BMO Money Market Fund, Series I	1.10%	0.99%
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## Notes to the Financial Statements (unaudited) (cont'd)

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

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

The increase (decrease) in net assets held for the benefit of policyowners for the periods ended June 30, 2017 and June 30, 2016 is calculated as follows:

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>75/75 Class A Units</b>		
Increase in net assets held for the benefit of policyowners	0	0
Weighted average units outstanding during the period	62	5
Increase in net assets held for the benefit of policyowners per unit	0.00	0.00
<b>75/100 Class A Units</b>		
Increase in net assets held for the benefit of policyowners	1	0
Weighted average units outstanding during the period	148	5
Increase in net assets held for the benefit of policyowners per unit	0.00	0.00
<b>100/100 Class A Units</b>		
Increase in net assets held for the benefit of policyowners	1	1
Weighted average units outstanding during the period	402	402
Increase in net assets held for the benefit of policyowners per unit	0.00	0.00
<b>Holding Money Market Units</b>		
Increase in net assets held for the benefit of policyowners	—	5
Weighted average units outstanding during the period	—	289
Increase in net assets held for the benefit of policyowners per unit	—	0.02

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended June 30, 2017 and June 30, 2016.

### Concentration risk

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

<i>As at</i>	June 30, 2017	December 31, 2016
<b>Investment Fund</b>		
Money Market Fund	88.1%	95.2%
<b>Other Assets less Liabilities</b>	11.9%	4.8%
	<b>100.0%</b>	<b>100.0%</b>

### Financial assets and financial liabilities

#### Categories of financial assets and financial liabilities

The table below shows the categories of financial assets and financial liabilities except cash.

<i>As at</i>	June 30, 2017	December 31, 2016
Financial assets designated at FVTPL	5,792	5,431
Loans and receivables	166	4
Financial liabilities measured at amortized cost	20	48

### Net gains and losses on financial assets and financial liabilities

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>Net realized gains on financial assets</b>		
Designated at FVTPL	27	23
<b>Total net realized gains on financial assets and financial liabilities</b>	27	23

### Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2017 and December 31, 2016.

### Financial Highlights (unaudited)

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

	Six months ended June 30, 2017	Year ended December 31, 2016 <sup>(4)</sup>
<b>75/75 Class A Units</b>		
Net assets (\$000's) <sup>(1)</sup>	1,322	541
Net asset value per unit (\$) <sup>(1)</sup>	10.01	10.00
Units issued and outstanding (000's) <sup>(1)</sup>	132	54
Management fees (%)	1.00	1.00
Management expense ratio (%) <sup>(2)</sup>	0.83	0.74
Management expense ratio before waivers (%)	1.37	1.37

	Six months ended June 30, 2017	Year ended December 31, 2016 <sup>(4)</sup>
<b>75/100 Class A Units</b>		
Net assets (\$000's) <sup>(1)</sup>	1,660	1,294
Net asset value per unit (\$) <sup>(1)</sup>	10.01	10.00
Units issued and outstanding (000's) <sup>(1)</sup>	166	129
Management fees (%)	1.00	1.00
Management expense ratio (%) <sup>(2)</sup>	0.83	0.80
Management expense ratio before waivers (%)	1.41	1.41

	Six months ended June 30, 2017	Years ended December 31,			
		2016	2015	2014	2013 <sup>(3)</sup>
<b>100/100 Class A Units</b>					
Net assets (\$000's) <sup>(1)</sup>	3,595	3,872	2,760	1,187	550
Net asset value per unit (\$) <sup>(1)</sup>	10.04	10.04	10.04	10.01	10.00
Units issued and outstanding (000's) <sup>(1)</sup>	358	385	274	118	55
Management fees (%)	1.00	1.00	1.00	1.00	1.00
Management expense ratio (%) <sup>(2)</sup>	0.83	0.73	0.56	0.85	0.81
Management expense ratio before waivers (%)	1.41	1.39	1.37	1.39	1.41

	Six months ended June 30, 2017	Years ended December 31,			
		2016 <sup>(5)</sup>	2015	2014	2013 <sup>(3)</sup>
<b>Holding Money Market Units</b>					
Net assets (\$000's) <sup>(1)</sup>	—	—	3,891	3,743	1,180
Net asset value per unit (\$) <sup>(1)</sup>	—	—	10.14	10.07	10.01
Units issued and outstanding (000's) <sup>(1)</sup>	—	—	384	372	108
Management fees (%)	—	0.27	0.27	0.26	0.27
Management expense ratio (%) <sup>(2)</sup>	—	0.28	0.28	0.26	0.27
Management expense ratio before waivers (%)	—	0.30	0.30	0.30	0.29

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

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

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

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

<sup>(5)</sup> This series was not offered for distribution and was terminated as at the close of business on June 20, 2016.

**STATEMENT OF FINANCIAL POSITION**

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

As at	June 30 2017	December 31 2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	220	251
Investments		
Non-derivative financial assets	21,033	22,736
Subscriptions receivable	0	581
Distribution receivable from investment trusts	90	103
<b>Total assets</b>	<b>21,343</b>	<b>23,671</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Payable for investments purchased	28	37
Redemptions payable	6	477
Accrued expenses	153	158
<b>Total liabilities</b>	<b>187</b>	<b>672</b>
<b>Net assets held for the benefit of policyowners</b>	<b>21,156</b>	<b>22,999</b>
<b>Net assets held for the benefit of policyowners</b>		
100/100 Class A Units	11,777	17,529
100/100 Prestige Class Units	9,379	5,470
<b>Net assets held for the benefit of policyowners per unit</b>		
100/100 Class A Units	\$ 10.27	\$ 10.26
100/100 Prestige Class Units	\$ 9.75	\$ 9.75

**STATEMENT OF COMPREHENSIVE INCOME**

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

For the periods ended	June 30 2017	June 30 2016
<b>INCOME</b>		
Distribution from investment trusts	273	280
Other changes in fair value of investments and derivatives		
Net realized gain (loss)	184	(482)
Change in unrealized (depreciation) appreciation	(123)	924
<b>Net gain in fair value of investments and derivatives</b>	<b>334</b>	<b>722</b>
<b>Total income</b>	<b>334</b>	<b>722</b>
<b>EXPENSES</b>		
Management fees (note 8)	154	136
Fixed administration fees (note 8)	30	27
Insurance fees (note 8)	124	112
Commissions and other portfolio transaction costs (note 8)	4	8
<b>Total expenses</b>	<b>312</b>	<b>283</b>
<b>Increase in net assets held for the benefit of policyowners</b>	<b>22</b>	<b>439</b>
<b>Increase in net assets held for the benefit of policyowners</b>		
100/100 Class A Units	18	347
100/100 Prestige Class Units	4	92
<b>Increase in net assets held for the benefit of policyowners per unit (note 3)</b>		
100/100 Class A Units	0.01	0.21
100/100 Prestige Class Units	0.01	0.22

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

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	<b>June 30 2017</b>	<b>June 30 2016</b>
<b>100/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	17,529	14,895
Increase in net assets held for the benefit of policyowners	18	347
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,900	2,888
Withdrawal of withdrawable units	(7,670)	(688)
Net (decrease) increase from withdrawable unit transactions	(5,770)	2,200
Net (decrease) increase in net assets held for the benefit of policyowners	(5,752)	2,547
<b>Net assets held for the benefit of policyowners</b>	11,777	17,442
<b>100/100 Prestige Class Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	5,470	3,631
Increase in net assets held for the benefit of policyowners	4	92
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	5,828	405
Withdrawal of withdrawable units	(1,923)	(11)
Net increase from withdrawable unit transactions	3,905	394
Net increase in net assets held for the benefit of policyowners	3,909	486
<b>Net assets held for the benefit of policyowners</b>	9,379	4,117

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	<b>June 30 2017</b>	<b>June 30 2016</b>
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	22,999	18,526
Increase in net assets held for the benefit of policyowners	22	439
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	7,728	3,293
Withdrawal of withdrawable units	(9,593)	(699)
Net (decrease) increase from withdrawable unit transactions	(1,865)	2,594
Net (decrease) increase in net assets held for the benefit of policyowners	(1,843)	3,033
<b>Net assets held for the benefit of policyowners</b>	21,156	21,559

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

**STATEMENT OF CASH FLOWS**

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>Cash flows from operating activities</b>		
Increase in net assets held for the benefit of policyowners	22	439
Adjustments for:		
Net realized (gain) loss on sale of investments and derivatives	(184)	482
Change in unrealized depreciation (appreciation) of investments and derivatives	123	(924)
Decrease in distribution receivable from investment trusts	13	6
(Decrease) increase in accrued expenses	(5)	13
Purchases of investments	(3,048)	(8,278)
Proceeds from sale and maturity of investments	4,803	5,872
Cash outflows on derivatives	—	(19)
Net cash from operating activities	1,724	(2,409)
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	2,651	3,139
Amounts paid on withdrawal of withdrawable units	(4,406)	(548)
Net cash from financing activities	(1,755)	2,591
Net (decrease) increase in cash	(31)	182
Cash at beginning of period	251	180
<b>Cash at end of period</b>	<b>220</b>	<b>362</b>

**Supplementary Information:**

Distribution received from investment trusts*	286	286
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\*These items are from operating activities

**SCHEDULE OF INVESTMENT PORTFOLIO**

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

<i>As at June 30, 2017</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUNDS — 99.4%</b>			
<b>Canadian Equity Fund — 38.4%</b>			
BMO S&P/TSX Capped Composite Index ETF	397,410	7,834	8,130
<b>Fixed Income Funds — 51.4%</b>			
BMO Mid Corporate Bond Index ETF	216,420	3,568	3,543
BMO Mid Federal Bond Index ETF	397,630	6,680	6,523
BMO Mid-Term US IG Corporate Bond Index ETF	43,360	860	809
		<b>11,108</b>	<b>10,875</b>
<b>International Equity Fund — 3.8%</b>			
BMO MSCI EAFE Index ETF	45,250	737	811
<b>U.S. Equity Fund — 5.8%</b>			
BMO S&P 500 Index ETF	35,210	1,074	1,217
<b>Total Investment Portfolio — 99.4%</b>		<b>20,753</b>	<b>21,033</b>
Other Assets Less Liabilities — 0.6%			123
<b>NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0%</b>			<b>21,156</b>

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

## Notes to the Financial Statements (unaudited)

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

### Fund and Class information

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

Class	Launch Date
100/100 Class A Units	December 2, 2013
100/100 Prestige Class Units	October 1, 2014

### Change in units

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

For the periods ended (in thousands of units)	June 30, 2017	June 30, 2016
<b>100/100 Class A Units</b>		
Units issued and outstanding, beginning of period	1,708	1,500
Issued for cash	183	292
Withdrawn during the period	(745)	(69)
Units issued and outstanding, end of period	1,146	1,723
<b>100/100 Prestige Class Units</b>		
Units issued and outstanding, beginning of period	562	387
Issued for cash	595	43
Withdrawn during the period	(195)	(1)
Units issued and outstanding, end of period	962	429

### Revision of comparative information

The adjustment to exclude non-cash subscriptions and redemptions arising from switches between series within a Fund in the Statement of Cash Flows in the prior period amounted to \$150.

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2016 Class	Number of Units	Value of Units (\$)
100/100 Class A Units	10,000	103
100/100 Prestige Class Units	5,000	49

There were no units held by the Company as at June 30, 2017.

### Financial instrument risk

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

### Financial instrument risk of the underlying funds

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

### Fair value hierarchy

As at June 30, 2017 Financial assets	Level 1	Level 2	Level 3	Total
Investment funds	21,033	—	—	21,033

As at December 31, 2016 Financial assets	Level 1	Level 2	Level 3	Total
Investment funds	22,736	—	—	22,736

### Transfers between levels

There were no transfers between the levels during the 2017 period (2016 — \$ nil).

### Unconsolidated structured entities

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

Carrying amount	As at June 30, 2017	As at December 31, 2016
BMO Mid Corporate Bond Index ETF	3,543	3,769
BMO Mid Federal Bond Index ETF	6,523	6,962
BMO Mid-Term US IG Corporate Bond Index ETF	809	875
BMO MSCI EAFE Index ETF	811	1,337
BMO S&P 500 Index ETF	1,217	1,320
BMO S&P/TSX Capped Composite Index ETF	8,130	8,473
<b>Total</b>	<b>21,033</b>	<b>22,736</b>

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

BMO Mid Corporate Bond Index ETF	0.24%	0.32%
BMO Mid Federal Bond Index ETF	1.39%	1.41%
BMO Mid-Term US IG Corporate Bond Index ETF	0.06%	0.07%
BMO MSCI EAFE Index ETF	0.05%	0.12%
BMO S&P 500 Index ETF	0.03%	0.04%
BMO S&P/TSX Capped Composite Index ETF	0.33%	0.49%

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

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

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

The increase (decrease) in net assets held for the benefit of policyowners for the periods ended June 30, 2017 and June 30, 2016 is calculated as follows:

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>100/100 Class A Units</b>		
Increase in net assets held for the benefit of policyowners	18	347
Weighted average units outstanding during the period	1,682	1,615
Increase in net assets held for the benefit of policyowners per unit	0.01	0.21
<b>100/100 Prestige Class Units</b>		
Increase in net assets held for the benefit of policyowners	4	92
Weighted average units outstanding during the period	457	414
Increase in net assets held for the benefit of policyowners per unit	0.01	0.22

### Brokerage commissions

<i>For the periods ended</i>	June 30, 2017 (\$)	June 30, 2016 (\$)
Total brokerage amounts paid	4	8
Total brokerage amounts paid to related parties	1	8

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

### Concentration risk

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

<i>As at</i>	June 30, 2017	December 31, 2016
<b>Investment Funds</b>		
Canadian Equity Fund	38.4%	36.9%
Fixed Income Funds	51.4%	50.5%
International Equity Fund	3.8%	5.8%
U.S. Equity Fund	5.8%	5.7%
<b>Other Assets less Liabilities</b>	0.6%	1.1%
	<b>100.0%</b>	<b>100.0%</b>

### Financial assets and financial liabilities

#### Categories of financial assets and financial liabilities

The table below shows the categories of financial assets and financial liabilities except cash.

<i>As at</i>	June 30, 2017	December 31, 2016
Financial assets designated at FVTPL	21,033	22,736
Loans and receivables	90	684
Financial liabilities measured at amortized cost	187	672

#### Net gains and losses on financial assets and financial liabilities

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>Net realized gains (losses) on financial assets</b>		
Designated at FVTPL	457	(183)
<b>Net realized losses on financial liabilities</b>		
Held for trading	—	(19)
<b>Total net realized gains (losses) on financial assets and financial liabilities</b>	457	(202)
<b>Change in unrealized (losses) gains on financial assets</b>		
Designated at FVTPL	(123)	913
Held for trading	—	11
	(123)	924
<b>Total change in unrealized (losses) gains on financial assets and financial liabilities</b>	(123)	924

#### Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2017 and December 31, 2016.

## Supplementary Information

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

### Financial Highlights (unaudited)

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

100/100 Class A Units	Six months ended	Years ended December 31,			
	June 30, 2017	2016	2015	2014	2013 <sup>(4)</sup>
Net assets (\$000's) <sup>(1)</sup>	11,777	17,529	14,895	9,589	104
Net asset value per unit (\$) <sup>(1)</sup>	10.27	10.26	9.93	10.47	9.98
Units issued and outstanding (000's) <sup>(1)</sup>	1,146	1,708	1,500	916	10
Management fees (%)	1.50	1.50	1.50 <sup>†</sup>	1.55	1.55
Management expense ratio (%) <sup>(2)</sup>	3.07	3.06	3.19	3.41	3.45
Management expense ratio before waivers (%)	3.07	3.06	3.19	3.41	3.45
Portfolio turnover ratio (%) <sup>(3)</sup>	13.94	52.00	52.01	13.98	—

100/100 Prestige Class Units	Six months ended	Years ended December 31,			
	June 30, 2017	2016	2015	2014 <sup>(5)</sup>	2013
Net assets (\$000's) <sup>(1)</sup>	9,379	5,470	3,631	1,111	—
Net asset value per unit (\$) <sup>(1)</sup>	9.75	9.75	9.39	9.86	—
Units issued and outstanding (000's) <sup>(1)</sup>	962	562	387	113	—
Management fees (%)	1.15	1.15	1.15 <sup>**</sup>	1.20	—
Management expense ratio (%) <sup>(2)</sup>	2.67	2.66	2.68	3.05	—
Management expense ratio before waivers (%)	2.67	2.66	2.68	3.05	—
Portfolio turnover ratio (%) <sup>(3)</sup>	13.94	52.00	52.01	13.98	—

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

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

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

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

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

<sup>†</sup> Effective May 1, 2015, the management fee rate was reduced from 1.55% to 1.50%.

<sup>\*\*</sup> Effective May 1, 2015, the management fee rate was reduced from 1.20% to 1.15%.

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

## STATEMENT OF FINANCIAL POSITION

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

As at	June 30 2017	December 31 2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	61	86
Investments		
Non-derivative financial assets	8,041	8,962
Subscriptions receivable	1	31
Distribution receivable from investment trusts	27	36
<b>Total assets</b>	<b>8,130</b>	<b>9,115</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Payable for investments purchased	—	11
Redemptions payable	28	2
Accrued expenses	56	60
<b>Total liabilities</b>	<b>84</b>	<b>73</b>
<b>Net assets held for the benefit of policyowners</b>	<b>8,046</b>	<b>9,042</b>
<b>Net assets held for the benefit of policyowners</b>		
100/100 Class A Units	5,377	6,904
100/100 Prestige Class Units	2,669	2,138
<b>Net assets held for the benefit of policyowners per unit</b>		
100/100 Class A Units	\$ 9.97	\$ 9.83
100/100 Prestige Class Units	\$ 9.61	\$ 9.47

## STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	June 30 2017	June 30 2016
<b>INCOME</b>		
Distribution from investment trusts	110	128
Other changes in fair value of investments and derivatives		
Net realized gain (loss)	70	(490)
Change in unrealized appreciation	70	546
Net gain in fair value of investments and derivatives	250	184
<b>Total income</b>	<b>250</b>	<b>184</b>
<b>EXPENSES</b>		
Management fees (note 8)	65	65
Fixed administration fees (note 8)	12	12
Insurance fees (note 8)	37	37
Interest charges	0	0
Commissions and other portfolio transaction costs (note 8)	2	5
<b>Total expenses</b>	<b>116</b>	<b>119</b>
Increase in net assets held for the benefit of policyowners	134	65
<b>Increase in net assets held for the benefit of policyowners</b>		
100/100 Class A Units	101	49
100/100 Prestige Class Units	33	16
<b>Increase in net assets held for the benefit of policyowners per unit (note 3)</b>		
100/100 Class A Units	0.16	0.07
100/100 Prestige Class Units	0.15	0.09

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

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	<b>June 30 2017</b>	<b>June 30 2016</b>
<b>100/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	6,904	6,826
Increase in net assets held for the benefit of policyowners	101	49
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	928	1,098
Withdrawal of withdrawable units	(2,556)	(498)
Net (decrease) increase from withdrawable unit transactions	(1,628)	600
Net (decrease) increase in net assets held for the benefit of policyowners	(1,527)	649
<b>Net assets held for the benefit of policyowners</b>	<b>5,377</b>	<b>7,475</b>
<b>100/100 Prestige Class Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	2,138	1,666
Increase in net assets held for the benefit of policyowners	33	16
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	842	575
Withdrawal of withdrawable units	(344)	(310)
Net increase from withdrawable unit transactions	498	265
Net increase in net assets held for the benefit of policyowners	531	281
<b>Net assets held for the benefit of policyowners</b>	<b>2,669</b>	<b>1,947</b>

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	<b>June 30 2017</b>	<b>June 30 2016</b>
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	9,042	8,492
Increase in net assets held for the benefit of policyowners	134	65
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,770	1,673
Withdrawal of withdrawable units	(2,900)	(808)
Net (decrease) increase from withdrawable unit transactions	(1,130)	865
Net (decrease) increase in net assets held for the benefit of policyowners	(996)	930
<b>Net assets held for the benefit of policyowners</b>	<b>8,046</b>	<b>9,422</b>

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

## STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>Cash flows from operating activities</b>		
Increase in net assets held for the benefit of policyowners	134	65
Adjustments for:		
Net realized (gain) loss on sale of investments and derivatives	(70)	490
Change in unrealized appreciation of investments and derivatives	(70)	(546)
Decrease (increase) in distribution receivable from investment trusts	9	(2)
(Decrease) increase in accrued expenses	(4)	5
Purchases of investments	(1,276)	(4,776)
Proceeds from sale and maturity of investments	2,326	3,954
Cash outflows on derivatives	—	(13)
Net cash from operating activities	1,049	(823)
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	1,049	1,521
Amounts paid on withdrawal of withdrawable units	(2,123)	(660)
Net cash from financing activities	(1,074)	861
Net (decrease) increase in cash	(25)	38
Cash at beginning of period	86	86
<b>Cash at end of period</b>	61	124
<b>Supplementary Information:</b>		
Distribution received from investment trusts*	119	126
Interest expense paid*	0	0

\*These items are from operating activities

## SCHEDULE OF INVESTMENT PORTFOLIO

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

<i>As at June 30, 2017</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUNDS — 99.9%</b>			
<b>Canadian Equity Funds — 26.5%</b>			
BMO Canadian Dividend ETF	23,850	405	410
BMO Equal Weight REITs Index ETF	9,480	184	190
BMO Equal Weight Utilities Index ETF	10,595	168	193
BMO Low Volatility Canadian Equity ETF	13,730	382	407
BMO S&P/TSX Capped Composite Index ETF	33,430	650	684
BMO S&P/TSX Equal Weight Banks Index ETF	9,045	220	244
		<b>2,009</b>	<b>2,128</b>
<b>Fixed Income Funds — 56.5%</b>			
BMO Laddered Preferred Share Index ETF	18,335	214	210
BMO Mid Corporate Bond Index ETF	86,400	1,426	1,415
BMO Mid Federal Bond Index ETF	158,650	2,662	2,602
BMO Mid-Term US IG Corporate Bond Index ETF	17,270	343	322
		<b>4,645</b>	<b>4,549</b>
<b>International Equity Fund — 6.8%</b>			
BMO MSCI EAFE Index ETF	30,550	498	547
<b>U.S. Equity Fund — 10.1%</b>			
BMO S&P 500 Index ETF	23,630	728	817
<b>Total Investment Portfolio — 99.9%</b>		<b>7,880</b>	<b>8,041</b>
Other Assets Less Liabilities — 0.1%			5
<b>NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0%</b>			<b>8,046</b>

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

## Notes to the Financial Statements (unaudited)

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

### Fund and Class information

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

Class	Launch Date
100/100 Class A Units	December 2, 2013
100/100 Prestige Class Units	October 1, 2014

### Change in units

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

For the periods ended (in thousands of units)	June 30, 2017	June 30, 2016
<b>100/100 Class A Units</b>		
Units issued and outstanding, beginning of period	702	703
Issued for cash	93	114
Withdrawn during the period	(256)	(52)
Units issued and outstanding, end of period	539	765
<b>100/100 Prestige Class Units</b>		
Units issued and outstanding, beginning of period	226	179
Issued for cash	88	62
Withdrawn during the period	(36)	(34)
Units issued and outstanding, end of period	278	207

### Revision of comparative information

The adjustment to exclude non-cash subscriptions and redemptions arising from switches between series within a Fund in the Statement of Cash Flows in the prior period amounted to \$148.

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2016 Class	Number of Units	Value of Units (\$)
100/100 Class A Units	10,000	98
100/100 Prestige Class Units	5,000	47

There were no units held by the Company as at June 30, 2017.

### Financial instrument risk

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

### Financial instrument risk of the underlying funds

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

### Fair value hierarchy

As at June 30, 2017 Financial assets	Level 1	Level 2	Level 3	Total
Investment funds	8,041	—	—	8,041

  

As at December 31, 2016 Financial assets	Level 1	Level 2	Level 3	Total
Investment funds	8,962	—	—	8,962

### Transfers between levels

There were no transfers between the levels during the 2017 period (2016 — \$ nil).

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

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

### Unconsolidated structured entities

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

Carrying amount	As at June 30, 2017	As at December 31, 2016
BMO Canadian Dividend ETF	410	438
BMO Equal Weight REITs Index ETF	190	203
BMO Equal Weight Utilities Index ETF	193	202
BMO Laddered Preferred Share Index ETF	210	222
BMO Low Volatility Canadian Equity ETF	407	438
BMO Mid Corporate Bond Index ETF	1,415	1,621
BMO Mid Federal Bond Index ETF	2,602	2,994
BMO Mid-Term US IG Corporate Bond Index ETF	322	373
BMO MSCI EAFE Index ETF	547	894
BMO S&P 500 Index ETF	817	883
BMO S&P/TSX Capped Composite Index ETF	684	439
BMO S&P/TSX Equal Weight Banks Index ETF	244	255
<b>Total</b>	<b>8,041</b>	<b>8,962</b>

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

BMO Canadian Dividend ETF	0.05%	0.06%
BMO Equal Weight REITs Index ETF	0.04%	0.05%
BMO Equal Weight Utilities Index ETF	0.09%	0.10%
BMO Laddered Preferred Share Index ETF	0.01%	0.01%
BMO Low Volatility Canadian Equity ETF	0.04%	0.03%
BMO Mid Corporate Bond Index ETF	0.10%	0.14%
BMO Mid Federal Bond Index ETF	0.55%	0.60%
BMO Mid-Term US IG Corporate Bond Index ETF	0.02%	0.03%
BMO MSCI EAFE Index ETF	0.03%	0.08%
BMO S&P 500 Index ETF	0.02%	0.03%
BMO S&P/TSX Capped Composite Index ETF	0.03%	0.03%
BMO S&P/TSX Equal Weight Banks Index ETF	0.02%	0.03%

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

The increase (decrease) in net assets held for the benefit of the policyowners for the periods ended June 30, 2017 and June 30, 2016 is calculated as follows:

For the periods ended	June 30, 2017	June 30, 2016
<b>100/100 Class A Units</b>		
Increase in net assets attributable to holders of redeemable units	101	49
Weighted average units outstanding during the period	651	719
Increase in net assets attributable to holders of redeemable units per unit	0.16	0.07
<b>100/100 Prestige Class Units</b>		
Increase in net assets attributable to holders of redeemable units	33	16
Weighted average units outstanding during the period	211	182
Increase in net assets attributable to holders of redeemable units per unit	0.15	0.09

### Brokerage commissions

For the periods ended	June 30, 2017 (\$)	June 30, 2016 (\$)
Total brokerage amounts paid	2	5
Total brokerage amounts paid to related parties	1	5

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

### Concentration risk

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

As at	June 30, 2017	December 31, 2016
<b>Investment Funds</b>		
Canadian Equity Funds	26.5%	24.3%
Fixed Income Funds	56.5%	55.1%
International Equity Fund	6.8%	9.9%
U.S. Equity Fund	10.1%	9.8%
<b>Other Assets Less Liabilities</b>	<b>0.1%</b>	<b>0.9%</b>
	<b>100.0%</b>	<b>100.0%</b>

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

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

### Financial assets and financial liabilities

#### Categories of financial assets and financial liabilities

The table below shows the categories of financial assets and financial liabilities except cash.

<i>As at</i>	<b>June 30, 2017</b>	<b>December 31, 2016</b>
Financial assets designated at FVTPL	8,041	8,962
Loans and receivables	28	67
Financial liabilities measured at amortized cost	84	73

#### Net gains and losses on financial assets and financial liabilities

<i>For the periods ended</i>	<b>June 30, 2017</b>	<b>June 30, 2016</b>
<b>Net realized gains (losses) on financial assets</b>		
Designated at FVTPL	180	(349)
<b>Net realized losses on financial liabilities</b>		
Held for trading	—	(13)
<b>Total net realized gains (losses) on financial assets and financial liabilities</b>	180	(362)
<b>Change in unrealized gains on financial assets</b>		
Designated at FVTPL	70	539
Held for trading	—	7
<b>Total change in unrealized gains on financial assets and financial liabilities</b>	70	546

#### Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2017 and December 31, 2016.

## Supplementary Information

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

### Financial Highlights (unaudited)

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

100/100 Class A Units	Six months ended	Years ended December 31,			
	June 30, 2017	2016	2015	2014 <sup>(4)</sup>	2013 <sup>(4)</sup>
Net assets (\$000's) <sup>(1)</sup>	5,377	6,904	6,826	4,444	109
Net asset value per unit (\$) <sup>(1)</sup>	9.97	9.83	9.71	10.34	9.99
Units issued and outstanding (000's) <sup>(1)</sup>	539	702	703	430	11
Management fees (%)	1.70	1.70	1.70	1.70	1.70
Management expense ratio (%) <sup>(2)</sup>	3.04	3.04	3.04	3.03	3.08
Management expense ratio before waivers (%)	3.04	3.04	3.04	3.03	3.08
Portfolio turnover ratio (%) <sup>(3)</sup>	14.94	73.64	38.96	20.59	—

100/100 Prestige Class Units	Six months ended	Years ended December 31,			
	June 30, 2017	2016	2015	2014 <sup>(5)</sup>	2013
Net assets (\$000's) <sup>(1)</sup>	2,669	2,138	1,666	1,183	—
Net asset value per unit (\$) <sup>(1)</sup>	9.61	9.47	9.30	9.86	—
Units issued and outstanding (000's) <sup>(1)</sup>	278	226	179	120	—
Management fees (%)	1.35	1.35	1.35	1.35	—
Management expense ratio (%) <sup>(2)</sup>	2.65	2.63	2.61	2.69	—
Management expense ratio before waivers (%)	2.65	2.63	2.61	2.69	—
Portfolio turnover ratio (%) <sup>(3)</sup>	14.94	73.64	38.96	20.59	—

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

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

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

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

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

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

# BMO U.S. Balanced Growth GIF

(unaudited)

## STATEMENT OF FINANCIAL POSITION

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

As at	June 30 2017	December 31 2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	209	422
Investments		
Non-derivative financial assets	30,970	36,729
Receivable for investments sold	97	—
Subscriptions receivable	0	125
Distribution receivable from investment trusts	99	167
<b>Total assets</b>	<b>31,375</b>	<b>37,443</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Payable for investments purchased	—	44
Redemptions payable	8	67
Accrued expenses	228	263
<b>Total liabilities</b>	<b>236</b>	<b>374</b>
<b>Net assets held for the benefit of policyowners</b>	<b>31,139</b>	<b>37,069</b>
<b>Net assets held for the benefit of policyowners</b>		
100/100 Class A Units	21,057	26,936
100/100 Prestige Class Units	10,082	10,133
<b>Net assets held for the benefit of policyowners per unit</b>		
100/100 Class A Units	\$ 10.59	\$ 10.41
100/100 Prestige Class Units	\$ 10.20	\$ 10.02

## STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	June 30 2017	June 30 2016
<b>INCOME</b>		
Distribution from investment trusts	336	426
Other changes in fair value of investments and derivatives		
Net realized gain (loss)	682	(1,932)
Change in unrealized appreciation	120	1,188
<b>Net gain (loss) in fair value of investments and derivatives</b>	<b>1,138</b>	<b>(318)</b>
<b>Total income (loss)</b>	<b>1,138</b>	<b>(318)</b>
<b>EXPENSES</b>		
Management fees (note 8)	234	250
Fixed administration fees (note 8)	47	51
Insurance fees (note 8)	192	208
Commissions and other portfolio transaction costs (note 8)	6	22
<b>Total expenses</b>	<b>479</b>	<b>531</b>
Increase (decrease) in net assets held for the benefit of policyowners	659	(849)
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
100/100 Class A Units	434	(683)
100/100 Prestige Class Units	225	(166)
<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
100/100 Class A Units	0.19	(0.25)
100/100 Prestige Class Units	0.26	(0.18)

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

# BMO U.S. Balanced Growth GIF

(unaudited) (cont'd)

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>100/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	26,936	26,745
Increase (decrease) in net assets held for the benefit of policyowners	434	(683)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3,171	6,432
Withdrawal of withdrawable units	(9,484)	(3,118)
Net (decrease) increase from withdrawable unit transactions	(6,313)	3,314
Net (decrease) increase in net assets held for the benefit of policyowners	(5,879)	2,631
<b>Net assets held for the benefit of policyowners</b>	21,057	29,376
<b>100/100 Prestige Class Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	10,133	7,727
Increase (decrease) in net assets held for the benefit of policyowners	225	(166)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	4,449	2,758
Withdrawal of withdrawable units	(4,725)	(194)
Net (decrease) increase from withdrawable unit transactions	(276)	2,564
Net (decrease) increase in net assets held for the benefit of policyowners	(51)	2,398
<b>Net assets held for the benefit of policyowners</b>	10,082	10,125

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	37,069	34,472
Increase (decrease) in net assets held for the benefit of policyowners	659	(849)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	7,620	9,190
Withdrawal of withdrawable units	(14,209)	(3,312)
Net (decrease) increase from withdrawable unit transactions	(6,589)	5,878
Net (decrease) increase in net assets held for the benefit of policyowners	(5,930)	5,029
<b>Net assets held for the benefit of policyowners</b>	31,139	39,501

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

# BMO U.S. Balanced Growth GIF

(unaudited) (cont'd)

## STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets held for the benefit of policyowners	659	(849)
Adjustments for:		
Net realized (gain) loss on sale of investments and derivatives	(682)	1,932
Change in unrealized appreciation of investments and derivatives	(120)	(1,188)
Decrease (increase) in distribution receivable from investment trusts	68	(1)
(Decrease) increase in accrued expenses	(35)	41
Purchases of investments	(4,828)	(34,512)
Proceeds from sale and maturity of investments	11,248	28,963
Cash outflows on derivatives	—	(259)
Net cash from operating activities	6,310	(5,873)
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	3,873	7,822
Amounts paid on withdrawal of withdrawable units	(10,396)	(1,933)
Net cash from financing activities	(6,523)	5,889
Net (decrease) increase in cash	(213)	16
Cash at beginning of period	422	330
<b>Cash at end of period</b>	<b>209</b>	<b>346</b>

### Supplementary Information:

Distribution received from investment trusts*	404	425
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\* These items are from operating activities

## SCHEDULE OF INVESTMENT PORTFOLIO

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

<i>As at June 30, 2017</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUNDS — 99.5%</b>			
<b>Fixed Income Funds — 46.2%</b>			
BMO Mid Corporate Bond Index ETF	288,270	4,737	4,719
BMO Mid Federal Bond Index ETF	523,770	8,905	8,592
BMO Mid-Term US IG Corporate Bond Index ETF	57,390	1,139	1,071
		<b>14,781</b>	<b>14,382</b>
<b>U.S. Equity Fund — 53.3%</b>			
BMO S&P 500 Index ETF	479,840	14,618	16,588
<b>Total Investment Portfolio — 99.5%</b>		<b>29,399</b>	<b>30,970</b>
Other Assets Less Liabilities — 0.5%			169
<b>NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0%</b>			<b>31,139</b>

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

# BMO U.S. Balanced Growth GIF

## Notes to the Financial Statements (unaudited)

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

### Fund and Class information

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

Class	Launch Date
100/100 Class A Units	December 2, 2013
100/100 Prestige Class Units	October 1, 2014

### Change in units

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

For the periods ended (in thousands of units)	June 30, 2017	June 30, 2016
<b>100/100 Class A Units</b>		
Units issued and outstanding, beginning of period	2,586	2,548
Issued for cash	297	635
Withdrawn during the period	(895)	(308)
Units issued and outstanding, end of period	1,988	2,875
<b>100/100 Prestige Class Units</b>		
Units issued and outstanding, beginning of period	1,012	769
Issued for cash	437	284
Withdrawn during the period	(461)	(20)
Units issued and outstanding, end of period	988	1,033

### Revision of comparative information

The adjustment to exclude non-cash subscriptions and redemptions arising from switches between series within a Fund in the Statement of Cash Flows in the prior period amounted to \$1,344.

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2016 Class	Number of Units	Value of Units (\$)
100/100 Class A Units	10,000	104
100/100 Prestige Class Units	5,000	50

There were no units held by the Company as at June 30, 2017.

### Financial instrument risk

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

### Financial instrument risk of the underlying funds

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

### Fair value hierarchy

As at June 30, 2017 Financial assets	Level 1	Level 2	Level 3	Total
Investment funds	30,970	—	—	30,970

  

As at December 31, 2016 Financial assets	Level 1	Level 2	Level 3	Total
Investment funds	36,729	—	—	36,729

### Transfers between levels

There were no transfers between the levels during the 2017 period (2016 — \$ nil).

### Unconsolidated structured entities

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

Carrying amount	As at June 30, 2017	As at December 31, 2016
BMO Mid Corporate Bond Index ETF	4,719	5,793
BMO Mid Federal Bond Index ETF	8,592	10,696
BMO Mid-Term US IG Corporate Bond Index ETF	1,071	1,345
BMO S&P 500 Index ETF	16,588	18,895
<b>Total</b>	<b>30,970</b>	<b>36,729</b>

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

BMO Mid Corporate Bond Index ETF	0.32%	0.49%
BMO Mid Federal Bond Index ETF	1.83%	2.16%
BMO Mid-Term US IG Corporate Bond Index ETF	0.08%	0.11%
BMO S&P 500 Index ETF	0.44%	0.61%

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

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

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

The increase (decrease) in net assets held for the benefit of the policyowners for the periods ended June 30, 2017 and June 30, 2016 is calculated as follows:

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>100/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	434	(683)
Weighted average units outstanding during the period	2,336	2,777
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.19	(0.25)
<b>100/100 Prestige Class Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	225	(166)
Weighted average units outstanding during the period	871	902
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.26	(0.18)

### Brokerage commissions

<i>For the periods ended</i>	June 30, 2017 (\$)	June 30, 2016 (\$)
Total brokerage amounts paid	6	22
Total brokerage amounts paid to related parties	3	22

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

### Concentration risk

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

<i>As at</i>	June 30, 2017	December 31, 2016
<b>Investment Funds</b>		
Fixed Income Funds	46.2%	48.1%
US Equity Fund	53.3%	51.0%
<b>Other Assets less Liabilities</b>	0.5%	0.9%
	<b>100.0%</b>	<b>100.0%</b>

### Financial assets and financial liabilities

#### Categories of financial assets and financial liabilities

The table below shows the categories of financial assets and financial liabilities except cash.

<i>As at</i>	June 30, 2017	December 31, 2016
Financial assets designated at FVTPL	30,970	36,729
Loans and receivables	196	292
Financial liabilities measured at amortized cost	236	374

#### Net gains and losses on financial assets and financial liabilities

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>Net realized gains (losses) on financial assets</b>		
Designated at FVTPL	1,018	(1,247)
<b>Net realized losses on financial liabilities</b>		
Held for trading	—	(259)
<b>Total net realized gains (losses) on financial assets</b>	1,018	(1,506)
<b>Change in unrealized gains on financial assets</b>		
Designated at FVTPL	120	1,118
Held for trading	—	70
<b>Total change in unrealized gains on financial assets and financial liabilities</b>	120	1,188

#### Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2017 and December 31, 2016.

## Supplementary Information

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

### Financial Highlights (unaudited)

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

100/100 Class A Units	Six months ended	Years ended December 31,			
	June 30, 2017	2016	2015	2014 <sup>(4)</sup>	2013 <sup>(4)</sup>
Net assets (\$000's) <sup>(1)</sup>	21,057	26,936	26,745	6,214	210
Net asset value per unit (\$) <sup>(1)</sup>	10.59	10.41	10.50	10.72	9.98
Units issued and outstanding (000's) <sup>(1)</sup>	1,988	2,586	2,548	580	21
Management fees (%)	1.50	1.50	1.50 <sup>†</sup>	1.55	1.55
Management expense ratio (%) <sup>(2)</sup>	3.09	3.09	3.12	3.26	3.27
Management expense ratio before waivers (%)	3.09	3.09	3.12	3.26	3.27
Portfolio turnover ratio (%) <sup>(3)</sup>	14.14	101.48	51.12	22.35	—

100/100 Prestige Class Units	Six months ended	Years ended December 31,			
	June 30, 2017	2016	2015	2014 <sup>(5)</sup>	2013
Net assets (\$000's) <sup>(1)</sup>	10,082	10,133	7,727	1,870	—
Net asset value per unit (\$) <sup>(1)</sup>	10.20	10.02	10.05	10.23	—
Units issued and outstanding (000's) <sup>(1)</sup>	988	1,012	769	183	—
Management fees (%)	1.15	1.15	1.15 <sup>**</sup>	1.20	—
Management expense ratio (%) <sup>(2)</sup>	2.64	2.64	2.68	2.94	—
Management expense ratio before waivers (%)	2.64	2.64	2.68	2.94	—
Portfolio turnover ratio (%) <sup>(3)</sup>	14.14	101.48	51.12	22.35	—

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

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

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

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

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

<sup>†</sup> Effective May 1, 2015, the management fee rate was reduced from 1.55% to 1.50%.

<sup>\*\*</sup> Effective May 1, 2015, the management fee rate was reduced from 1.20% to 1.15%.

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

**STATEMENT OF FINANCIAL POSITION**

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

As at	June 30 2017	December 31 2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	1,058	696
Investments		
Non-derivative financial assets	55,510	61,975
Subscriptions receivable	1,189	87
Distribution receivable from investment trusts	206	265
<b>Total assets</b>	<b>57,963</b>	<b>63,023</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Payable for investments purchased	497	55
Redemptions payable	852	71
Accrued expenses	373	396
<b>Total liabilities</b>	<b>1,722</b>	<b>522</b>
<b>Net assets held for the benefit of policyowners</b>	<b>56,241</b>	<b>62,501</b>
<b>Net assets held for the benefit of policyowners</b>		
100/100 Class A Units	35,896	46,371
100/100 Prestige Class Units	20,345	16,130
<b>Net assets held for the benefit of policyowners per unit</b>		
100/100 Class A Units	\$ 10.71	\$ 10.55
100/100 Prestige Class Units	\$ 10.23	\$ 10.07

**STATEMENT OF COMPREHENSIVE INCOME**

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

For the periods ended	June 30 2017	June 30 2016
<b>INCOME</b>		
Distribution from investment trusts	752	797
Other changes in fair value of investments and derivatives		
Net realized gain (loss)	547	(1,898)
Change in unrealized appreciation	444	2,956
<b>Net gain in fair value of investments and derivatives</b>	<b>1,743</b>	<b>1,855</b>
<b>Total income</b>	<b>1,743</b>	<b>1,855</b>
<b>EXPENSES</b>		
Management fees (note 8)	445	408
Fixed administration fees (note 8)	81	75
Insurance fees (note 8)	237	218
Interest charges	0	0
Commissions and other portfolio transaction costs (note 8)	11	24
<b>Total expenses</b>	<b>774</b>	<b>725</b>
<b>Increase in net assets held for the benefit of policyowners</b>	<b>969</b>	<b>1,130</b>
<b>Increase in net assets held for the benefit of policyowners</b>		
100/100 Class A Units	705	861
100/100 Prestige Class Units	264	269
<b>Increase in net assets held for the benefit of policyowners per unit (note 3)</b>		
100/100 Class A Units	0.17	0.21
100/100 Prestige Class Units	0.19	0.21

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>100/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	46,371	40,293
Increase in net assets held for the benefit of policyowners	705	861
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	5,091	8,096
Withdrawal of withdrawable units	(16,271)	(2,787)
Net (decrease) increase from withdrawable unit transactions	(11,180)	5,309
Net (decrease) increase in net assets held for the benefit of policyowners	(10,475)	6,170
<b>Net assets held for the benefit of policyowners</b>	35,896	46,463
<b>100/100 Prestige Class Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	16,130	11,609
Increase in net assets held for the benefit of policyowners	264	269
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	9,714	1,441
Withdrawal of withdrawable units	(5,763)	(325)
Net increase from withdrawable unit transactions	3,951	1,116
Net increase in net assets held for the benefit of policyowners	4,215	1,385
<b>Net assets held for the benefit of policyowners</b>	20,345	12,994

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	62,501	51,902
Increase in net assets held for the benefit of policyowners	969	1,130
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	14,805	9,537
Withdrawal of withdrawable units	(22,034)	(3,112)
Net (decrease) increase from withdrawable unit transactions	(7,229)	6,425
Net (decrease) increase in net assets held for the benefit of policyowners	(6,260)	7,555
<b>Net assets held for the benefit of policyowners</b>	56,241	59,457

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

## STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>Cash flows from operating activities</b>		
Increase in net assets held for the benefit of policyowners	969	1,130
Adjustments for:		
Net realized (gain) loss on sale of investments and derivatives	(547)	1,898
Change in unrealized appreciation of investments and derivatives	(444)	(2,956)
Decrease (increase) in distribution receivable from investment trusts	59	(18)
(Decrease) increase in accrued expenses	(23)	51
Purchases of investments	(6,677)	(26,570)
Proceeds from sale and maturity of investments	14,575	20,150
Cash inflows on derivatives	—	64
Net cash from operating activities	7,912	(6,251)
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	5,169	9,363
Amounts paid on withdrawal of withdrawable units	(12,719)	(2,960)
Net cash from financing activities	(7,550)	6,403
Net increase in cash	362	152
Cash at beginning of period	696	513
<b>Cash at end of period</b>	1,058	665
<b>Supplementary Information:</b>		
Distribution received from investment trusts*	811	779
Interest expense paid*	0	0

\* These items are from operating activities

## SCHEDULE OF INVESTMENT PORTFOLIO

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

<i>As at June 30, 2017</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUNDS — 98.7%</b>			
<b>Canadian Equity Funds — 22.8%</b>			
BMO Canadian Dividend ETF	207,850	3,520	3,575
BMO Equal Weight REITs Index ETF	60,025	1,168	1,205
BMO Low Volatility Canadian Equity ETF	102,080	2,829	3,028
BMO S&P/TSX Capped Composite Index ETF	243,500	4,634	4,982
		<b>12,151</b>	<b>12,790</b>
<b>Fixed Income Funds — 48.4%</b>			
BMO Laddered Preferred Share Index ETF	137,010	1,562	1,567
BMO Mid Corporate Bond Index ETF	510,200	8,421	8,353
BMO Mid Federal Bond Index ETF	938,640	15,829	15,398
BMO Mid-Term US IG Corporate Bond Index ETF	103,050	2,047	1,922
		<b>27,859</b>	<b>27,240</b>
<b>Global Equity Fund — 4.2%</b>			
BMO Global Infrastructure Index ETF	65,820	2,271	2,355
<b>International Equity Fund — 7.0%</b>			
BMO MSCI EAFE Index ETF	221,140	3,605	3,962
<b>U.S. Equity Funds — 16.3%</b>			
BMO Low Volatility US Equity ETF	146,270	4,267	4,403
BMO S&P 500 Index ETF	137,700	4,192	4,760
		<b>8,459</b>	<b>9,163</b>
<b>Total Investment Portfolio — 98.7%</b>		<b>54,345</b>	<b>55,510</b>
Other Assets Less Liabilities — 1.3%			731
<b>NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0%</b>			<b>56,241</b>

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

## Notes to the Financial Statements (unaudited)

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

### Fund and Class information

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

Class	Launch Date
100/100 Class A Units	December 2, 2013
100/100 Prestige Class Units	October 1, 2014

### Change in units

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

For the periods ended (in thousands of units)	June 30, 2017	June 30, 2016
<b>100/100 Class A Units</b>		
Units issued and outstanding, beginning of period	4,394	3,911
Issued for cash	474	789
Withdrawn during the period	(1,516)	(271)
Units issued and outstanding, end of period	3,352	4,429
<b>100/100 Prestige Class Units</b>		
Units issued and outstanding, beginning of period	1,602	1,186
Issued for cash	948	148
Withdrawn during the period	(561)	(33)
Units issued and outstanding, end of period	1,989	1,301

### Revision of comparative information

The adjustment to exclude non-cash subscriptions and redemptions arising from switches between series within a Fund in the Statement of Cash Flows in the prior period amounted to \$152.

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2016 Class	Number of Units	Value of Units (\$)
100/100 Class A Units	10,000	106
100/100 Prestige Class Units	5,000	50

There were no units held by the Company as at June 30, 2017.

### Financial instrument risk

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

### Financial instrument risk of the underlying funds

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

### Fair value hierarchy

As at June 30, 2017 Financial assets	Level 1	Level 2	Level 3	Total
Investment funds	55,510	—	—	55,510

As at December 31, 2016 Financial assets	Level 1	Level 2	Level 3	Total
Investment funds	61,975	—	—	61,975

### Transfers between levels

There were no transfers between the levels during the 2017 period (2016 — \$ nil).

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

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

### Unconsolidated structured entities

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

Carrying amount	As at June 30, 2017	As at December 31, 2016
BMO Canadian Dividend ETF	3,575	3,881
BMO Equal Weight REITs Index ETF	1,205	1,308
BMO Global Infrastructure Index ETF	2,355	2,589
BMO Laddered Preferred Share Index ETF	1,567	1,653
BMO Low Volatility Canadian Equity ETF	3,028	3,221
BMO Low Volatility US Equity ETF	4,403	4,838
BMO Mid Corporate Bond Index ETF	8,353	9,641
BMO Mid Federal Bond Index ETF	15,398	17,836
BMO Mid-Term US IG Corporate Bond Index ETF	1,922	2,243
BMO MSCI EAFE Index ETF	3,962	6,422
BMO S&P 500 Index ETF	4,760	5,117
BMO S&P/TSX Capped Composite Index ETF	4,982	3,226
<b>Total</b>	<b>55,510</b>	<b>61,975</b>

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

BMO Canadian Dividend ETF	0.41%	0.55%
BMO Equal Weight REITs Index ETF	0.25%	0.32%
BMO Global Infrastructure Index ETF	0.73%	0.91%
BMO Laddered Preferred Share Index ETF	0.07%	0.10%
BMO Low Volatility Canadian Equity ETF	0.27%	0.25%
BMO Low Volatility US Equity ETF	0.52%	0.59%
BMO Mid Corporate Bond Index ETF	0.57%	0.82%
BMO Mid Federal Bond Index ETF	3.28%	3.60%
BMO Mid-Term US IG Corporate Bond Index ETF	0.14%	0.64%
BMO MSCI EAFE Index ETF	0.23%	0.57%
BMO S&P 500 Index ETF	0.12%	0.16%
BMO S&P/TSX Capped Composite Index ETF	0.20%	0.19%

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

The increase (decrease) in net assets held for the benefit of policyowners for the periods end June 30, 2017 and June 30, 2016 is calculated as follows:

For the periods ended	June 30, 2017	June 30, 2016
<b>100/100 Class A Units</b>		
Increase in net assets held for the benefit of policyowners	705	861
Weighted average units outstanding during the period	4,193	4,162
Increase in net assets held for the benefit of policyowners per unit	0.17	0.21
<b>100/100 Prestige Class Units</b>		
Increase in net assets held for the benefit of policyowners	264	269
Weighted average units outstanding during the period	1,372	1,252
Increase in net assets held for the benefit of policyowners per unit	0.19	0.21

### Brokerage commissions

For the periods ended	June 30, 2017 (\$)	June 30, 2016 (\$)
Total brokerage amounts paid	11	24
Total brokerage amounts paid to related parties	4	24

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

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

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

### Concentration risk

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

As at	June 30, 2017	December 31, 2016
<b>Investment Funds</b>		
Canadian Equity Funds	22.8%	21.3%
Fixed Income Funds	48.4%	47.6%
Global Equity Fund	4.2%	4.1%
International Equity Fund	7.0%	10.3%
U.S. Equity Funds	16.3%	15.9%
<b>Other Assets less Liabilities</b>	1.3%	0.8%
	<b>100.0%</b>	<b>100.0%</b>

### Financial assets and financial liabilities

#### Categories of financial assets and financial liabilities

The table below shows the categories of financial assets and financial liabilities except cash.

As at	June 30, 2017	December 31, 2016
Financial assets designated at FVTPL	55,510	61,975
Loans and receivables	1,395	352
Financial liabilities measured at amortized cost	1,722	522

#### Net gains and losses on financial assets and financial liabilities

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>Net realized gains (losses) on financial assets</b>		
Designated at FVTPL	1,299	(1,165)
Held for trading	—	64
<b>Total net realized gains (losses) on financial assets and financial liabilities</b>	1,299	(1,101)
<b>Change in unrealized gains on financial assets</b>		
Designated at FVTPL	444	2,899
Held for trading	—	57
<b>Total change in unrealized gains on financial assets and financial liabilities</b>	444	2,956

#### Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2017 and December 31, 2016.

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

## Supplementary Information

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

### Financial Highlights (unaudited)

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

100/100 Class A Units	Six months ended	Years ended December 31,			
	June 30, 2017	2016	2015	2014	2013 <sup>(4)</sup>
Net assets (\$000's) <sup>(1)</sup>	35,896	46,371	40,293	14,314	179
Net asset value per unit (\$) <sup>(1)</sup>	10.71	10.55	10.30	10.71	9.99
Units issued and outstanding (000's) <sup>(1)</sup>	3,352	4,394	3,911	1,337	18
Management fees (%)	1.70	1.70	1.70	1.70	1.70
Management expense ratio (%) <sup>(2)</sup>	2.97	2.96	2.95	2.94	3.03
Management expense ratio before waivers (%)	2.97	2.96	2.95	2.94	3.03
Portfolio turnover ratio (%) <sup>(3)</sup>	12.08	49.19	34.95	15.57	—

100/100 Prestige Class Units	Six months ended	Years ended December 31,			
	June 30, 2017	2016	2015	2014 <sup>(5)</sup>	2013
Net assets (\$000's) <sup>(1)</sup>	20,345	16,130	11,609	4,665	—
Net asset value per unit (\$) <sup>(1)</sup>	10.23	10.07	9.79	10.13	—
Units issued and outstanding (000's) <sup>(1)</sup>	1,989	1,602	1,186	460	—
Management fees (%)	1.35	1.35	1.35	1.35	—
Management expense ratio (%) <sup>(2)</sup>	2.53	2.52	2.51	2.63	—
Management expense ratio before waivers (%)	2.53	2.52	2.51	2.63	—
Portfolio turnover ratio (%) <sup>(3)</sup>	12.08	49.19	34.95	15.57	—

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

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

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

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

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

# BMO Fixed Income ETF Portfolio GIF (unaudited)

## STATEMENT OF FINANCIAL POSITION

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

As at	June 30 2017	December 31 2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	59	51
Investments		
Non-derivative financial assets	1,793	1,787
Subscriptions receivable	0	—
<b>Total assets</b>	<b>1,852</b>	<b>1,838</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accrued expenses	9	6
<b>Total liabilities</b>	<b>9</b>	<b>6</b>
<b>Net assets held for the benefit of policyowners</b>	<b>1,843</b>	<b>1,832</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	1,253	708
75/100 Class A Units	590	1,124
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 9.96	\$ 9.90
75/100 Class A Units	\$ 9.95	\$ 9.89

## STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	June 30 2017	June 30 2016
<b>INCOME</b>		
Distribution from investment trusts	26	—
Other changes in fair value of investments and derivatives		
Net realized loss	(5)	—
Change in unrealized appreciation	0	1
<b>Net gain in fair value of investments and derivatives</b>	<b>21</b>	<b>1</b>
<b>Total income</b>	<b>21</b>	<b>1</b>
<b>EXPENSES</b>		
Management fees (note 8)	13	0
Fixed administration fees (note 8)	2	0
Insurance fees (note 8)	3	0
Interest charges	0	—
<b>Total expenses</b>	<b>18</b>	<b>0</b>
Increase in net assets held for the benefit of policyowners	3	1
<b>(Decrease) increase in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	(1)	1
75/100 Class A Units	4	0
<b>(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	(0.01)	0.05
75/100 Class A Units	0.06	0.05

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

# BMO Fixed Income ETF Portfolio GIF

(unaudited) (cont'd)

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	708	—
(Decrease) increase in net assets held for the benefit of policyowners	(1)	1
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	615	50
Withdrawal of withdrawable units	(69)	—
Net increase from withdrawable unit transactions	546	50
Net increase in net assets held for the benefit of policyowners	545	51
<b>Net assets held for the benefit of policyowners</b>	1,253	51
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	1,124	—
Increase in net assets held for the benefit of policyowners	4	0
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	217	50
Withdrawal of withdrawable units	(755)	—
Net (decrease) increase from withdrawable unit transactions	(538)	50
Net (decrease) increase in net assets held for the benefit of policyowners	(534)	50
<b>Net assets held for the benefit of policyowners</b>	590	50

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	1,832	—
Increase in net assets held for the benefit of policyowners	3	1
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	832	100
Withdrawal of withdrawable units	(824)	—
Net increase from withdrawable unit transactions	8	100
Net increase in net assets held for the benefit of policyowners	11	101
<b>Net assets held for the benefit of policyowners</b>	1,843	101

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

# BMO Fixed Income ETF Portfolio GIF

(unaudited) (cont'd)

## STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>Cash flows from operating activities</b>		
Increase in net assets held for the benefit of policyowners	3	1
Adjustments for:		
Net realized loss on sale of investments and derivatives	5	—
Change in unrealized appreciation of investments and derivatives	(0)	(1)
Increase in accrued expenses	3	0
Non-cash distributions from investment trusts	(26)	—
Purchases of investments	(760)	(100)
Proceeds from sale and maturity of investments	775	—
Net cash from operating activities	0	(100)
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	832	100
Amounts paid on withdrawal of withdrawable units	(824)	—
Net cash from financing activities	8	100
Net increase in cash	8	—
Cash at beginning of period	51	—
<b>Cash at end of period</b>	59	—

### Supplementary Information:

Interest expense paid*	0	—
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\* These items are from operating activities

## SCHEDULE OF INVESTMENT PORTFOLIO

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

<i>As at June 30, 2017</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUND — 97.3%</b>			
<b>Fixed Income Fund — 97.3%</b>			
BMO Fixed Income ETF Portfolio, Series I	176,671	1,821	1,793
<b>Total Investment Portfolio — 97.3%</b>		<b>1,821</b>	<b>1,793</b>
Other Assets Less Liabilities — 2.7%			50
<b>NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0%</b>			<b>1,843</b>

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

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

## Notes to the Financial Statements (unaudited)

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

### Fund and Class information

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

Class	Launch Date
75/75 Class A Units	June 21, 2016
75/100 Class A Units	June 21, 2016

### Change in units

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

For the periods ended (in thousands of units)	June 30, 2017	June 30, 2016
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	72	—
Issued for cash	61	5
Withdrawn during the period	(7)	—
Units issued and outstanding, end of period	126	5
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	114	—
Issued for cash	21	5
Withdrawn during the period	(76)	—
Units issued and outstanding, end of period	59	5

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2016 Class	Number of Units	Value of Units (\$)
75/75 Class A Units	5,000	49
75/100 Class A Units	5,000	49

There were no units held by the Company as at June 30, 2017.

### Financial instrument risk

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

### Financial instrument risk of the underlying fund

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

### Fair value hierarchy

As at June 30, 2017 Financial assets	Level 1	Level 2	Level 3	Total
Investment fund	1,793	—	—	1,793

As at December 31, 2016 Financial assets	Level 1	Level 2	Level 3	Total
Investment fund	1,787	—	—	1,787

### Transfers between levels

There were no transfers between the levels during the 2017 period (2016 — \$ nil).

### Unconsolidated structured entities

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

Carrying amount	As at June 30, 2017	As at December 31, 2016
BMO Fixed Income ETF Portfolio, Series I	1,793	1,787
<b>Total</b>	<b>1,793</b>	<b>1,787</b>

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

BMO Fixed Income ETF Portfolio, Series I	2.12%	2.35%
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## Notes to the Financial Statements (unaudited) (cont'd)

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

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

The increase (decrease) in net assets held for the benefit of policyowners for the periods ended June 30, 2017 and June 30, 2016 is calculated as follows:

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>75/75 Class A Units</b>		
(Decrease) increase in net assets held for the benefit of policyowners	(1)	1
Weighted average units outstanding during the period	97	5
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.01)	0.05
<b>75/100 Class A Units</b>		
Increase in net assets held for the benefit of policyowners	4	0
Weighted average units outstanding during the period	79	5
Increase in net assets held for the benefit of policyowners per unit	0.06	0.05

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended June 30, 2017 and June 30, 2016.

### Concentration risk

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

<i>As at</i>	June 30, 2017	December 31, 2016
<b>Holdings in Investment Funds</b>		
Fixed Income Funds	97.3%	97.5%
<b>Other Assets less Liabilities</b>	2.7%	2.5%
	<b>100.0%</b>	<b>100.0%</b>

### Financial assets and financial liabilities

#### Categories of financial assets and financial liabilities

The table below shows the categories of financial assets and financial liabilities except cash.

<i>As at</i>	June 30, 2017	December 31, 2016
Financial assets designated at FVTPL	1,793	1,787
Loans and receivables	0	—
Financial liabilities measured at amortized cost	9	6

#### Net gains and losses on financial assets and financial liabilities

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>Net realized gains on financial assets</b>		
Designated at FVTPL	21	—
<b>Total net realized gains on financial assets and financial liabilities</b>	21	—
<b>Change in unrealized gains on financial assets</b>		
Designated at FVTPL	0	1
<b>Total change in unrealized gains on financial assets and financial liabilities</b>	0	1

#### Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2017 and December 31, 2016.

# BMO Fixed Income ETF Portfolio GIF

## Supplementary Information

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

### Financial Highlights (unaudited)

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

75/75 Class A Units	Six months ended June 30, 2017	Year ended December 31, 2016 <sup>(4)</sup>
Net assets (\$000's) <sup>(1)</sup>	1,253	708
Net asset value per unit (\$) <sup>(1)</sup>	9.96	9.90
Units issued and outstanding (000's) <sup>(1)</sup>	126	72
Management fees (%)	1.30	1.30
Management expense ratio (%) <sup>(2)</sup>	2.01	2.00
Management expense ratio before waivers (%)	2.01	2.00
Portfolio turnover ratio (%) <sup>(3)</sup>	44.49	27.63

75/100 Class A Units	Six months ended June 30, 2017	Year ended December 31, 2016 <sup>(4)</sup>
Net assets (\$000's) <sup>(1)</sup>	590	1,124
Net asset value per unit (\$) <sup>(1)</sup>	9.95	9.89
Units issued and outstanding (000's) <sup>(1)</sup>	59	114
Management fees (%)	1.30	1.30
Management expense ratio (%) <sup>(2)</sup>	2.12	2.11
Management expense ratio before waivers (%)	2.12	2.11
Portfolio turnover ratio (%) <sup>(3)</sup>	44.49	27.63

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

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

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

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

# BMO Income ETF Portfolio GIF

(unaudited)

## STATEMENT OF FINANCIAL POSITION

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

As at	June 30 2017	December 31 2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	163	278
Investments		
Non-derivative financial assets	6,971	3,745
Subscriptions receivable	12	30
<b>Total assets</b>	<b>7,146</b>	<b>4,053</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Payable for investments purchased	100	200
Redemptions payable	8	21
Accrued expenses	40	13
<b>Total liabilities</b>	<b>148</b>	<b>234</b>
<b>Net assets held for the benefit of policyowners</b>	<b>6,998</b>	<b>3,819</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	3,389	1,359
75/100 Class A Units	3,609	2,460
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 10.25	\$ 10.12
75/100 Class A Units	\$ 10.23	\$ 10.11

## STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	June 30 2017	June 30 2016
<b>INCOME</b>		
Distribution from investment trusts	90	—
Other changes in fair value of investments and derivatives		
Net realized gain	4	—
Change in unrealized appreciation	32	0
<b>Net gain in fair value of investments and derivatives</b>	<b>126</b>	<b>0</b>
<b>Total income</b>	<b>126</b>	<b>0</b>
<b>EXPENSES</b>		
Management fees (note 8)	46	0
Fixed administration fees (note 8)	8	0
Insurance fees (note 8)	14	0
<b>Total expenses</b>	<b>68</b>	<b>0</b>
<b>Increase in net assets held for the benefit of policyowners</b>	<b>58</b>	<b>0</b>
<b>Increase in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	27	0
75/100 Class A Units	31	0
<b>Increase in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	0.10	0.01
75/100 Class A Units	0.10	0.01

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

# BMO Income ETF Portfolio GIF

(unaudited) (cont'd)

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	1,359	—
Increase in net assets held for the benefit of policyowners	27	0
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	2,337	50
Withdrawal of withdrawable units	(334)	—
Net increase from withdrawable unit transactions	2,003	50
Net increase in net assets held for the benefit of policyowners	2,030	50
<b>Net assets held for the benefit of policyowners</b>	3,389	50
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	2,460	—
Increase in net assets held for the benefit of policyowners	31	0
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,339	50
Withdrawal of withdrawable units	(221)	—
Net increase from withdrawable unit transactions	1,118	50
Net increase in net assets held for the benefit of policyowners	1,149	50
<b>Net assets held for the benefit of policyowners</b>	3,609	50

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	3,819	—
Increase in net assets held for the benefit of policyowners	58	0
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3,676	100
Withdrawal of withdrawable units	(555)	—
Net increase from withdrawable unit transactions	3,121	100
Net increase in net assets held for the benefit of policyowners	3,179	100
<b>Net assets held for the benefit of policyowners</b>	6,998	100

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

# BMO Income ETF Portfolio GIF

(unaudited) (cont'd)

## STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>Cash flows from operating activities</b>		
Increase in net assets held for the benefit of policyowners	58	0
Adjustments for:		
Net realized gain on sale of investments and derivatives	(4)	—
Change in unrealized appreciation of investments and derivatives	(32)	(0)
Increase in accrued expenses	27	0
Non-cash distributions from investment trusts	(90)	—
Purchases of investments	(3,715)	(100)
Proceeds from sale and maturity of investments	515	—
Net cash from operating activities	(3,241)	(100)
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	3,694	100
Amounts paid on withdrawal of withdrawable units	(568)	—
Net cash from financing activities	3,126	100
Net decrease in cash	(115)	—
Cash at beginning of period	278	—
<b>Cash at end of period</b>	<b>163</b>	<b>—</b>

## SCHEDULE OF INVESTMENT PORTFOLIO

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

<i>As at June 30, 2017</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUND — 99.6%</b>			
<b>Fixed Income Fund — 99.6%</b>			
BMO Income ETF Portfolio, Series I	632,541	6,969	6,971
<b>Total Investment Portfolio — 99.6%</b>		<b>6,969</b>	<b>6,971</b>
Other Assets Less Liabilities — 0.4%			27
<b>NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0%</b>			<b>6,998</b>

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

# BMO Income ETF Portfolio GIF

## Notes to the Financial Statements (unaudited)

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

### Fund and Class information

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

Class	Launch Date
75/75 Class A Units	June 21, 2016
75/100 Class A Units	June 21, 2016

### Change in units

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

For the periods ended (in thousands of units)	June 30, 2017	June 30, 2016
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	134	—
Issued for cash	229	5
Withdrawn during the period	(32)	—
Units issued and outstanding, end of period	331	5
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	243	—
Issued for cash	131	5
Withdrawn during the period	(21)	—
Units issued and outstanding, end of period	353	5

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2016 Class	Number of Units	Value of Units (\$)
75/75 Class A Units	5,000	51
75/100 Class A Units	5,000	51

There were no units held by the Company as at June 30, 2017.

### Financial instrument risk

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

### Financial instrument risk of the underlying fund

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

### Fair value hierarchy

As at June 30, 2017 Financial assets	Level 1	Level 2	Level 3	Total
Investment fund	6,971	—	—	6,971

As at December 31, 2016 Financial assets	Level 1	Level 2	Level 3	Total
Investment fund	3,745	—	—	3,745

### Transfers between levels

There were no transfers between the levels during the 2017 period (2016 — \$ nil).

### Unconsolidated structured entities

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

Carrying amount	As at June 30, 2017	As at December 31, 2016
BMO Income ETF Portfolio, Series I	6,971	3,745
<b>Total</b>	<b>6,971</b>	<b>3,745</b>

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

BMO Income ETF Portfolio, Series I	0.94%	0.74%
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## Notes to the Financial Statements (unaudited) (cont'd)

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

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

The increase (decrease) in net assets held for the benefit of policyowners for the periods ended June 30, 2017 and June 30, 2016 is calculated as follows:

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>75/75 Class A Units</b>		
Increase in net assets held for the benefit of policyowners	27	0
Weighted average units outstanding during the period	267	5
Increase in net assets held for the benefit of policyowners per unit	0.10	0.01
<b>75/100 Class A Units</b>		
Increase in net assets held for the benefit of policyowners	31	0
Weighted average units outstanding during the period	313	5
Increase in net assets held for the benefit of policyowners per unit	0.10	0.01

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended June 30, 2017 and June 30, 2016.

### Concentration risk

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

<i>As at</i>	June 30, 2017	December 31, 2016
<b>Holdings in Investment Funds</b>		
Fixed Income Funds	73.2%	72.3%
Canadian Equity Funds	9.8%	9.6%
U.S. Equity Funds	7.4%	7.6%
International Equity Funds	7.4%	6.7%
<b>Other Assets less Liabilities</b>	2.2%	3.8%
	<b>100.0%</b>	<b>100.0%</b>

### Financial assets and financial liabilities

#### Categories of financial assets and financial liabilities

The table below shows the categories of financial assets and financial liabilities except cash.

<i>As at</i>	June 30, 2017	December 31, 2016
Financial assets designated at FVTPL	6,971	3,745
Loans and receivables	12	30
Financial liabilities measured at amortized cost	148	234

#### Net gains and losses on financial assets and financial liabilities

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>Net realized gains on financial assets</b>		
Designated at FVTPL	94	—
<b>Total net realized gains on financial assets and financial liabilities</b>	94	—
<b>Change in unrealized gains on financial assets</b>		
Designated at FVTPL	32	0
<b>Total change in unrealized gains on financial assets and financial liabilities</b>	32	0

#### Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2017 and December 31, 2016.

## Supplementary Information

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

### Financial Highlights (unaudited)

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

75/75 Class A Units	Six months ended June 30, 2017	Year ended December 31, 2016 <sup>(4)</sup>
Net assets (\$000's) <sup>(1)</sup>	3,389	1,359
Net asset value per unit (\$) <sup>(1)</sup>	10.25	10.12
Units issued and outstanding (000's) <sup>(1)</sup>	331	134
Management fees (%)	1.40	1.40
Management expense ratio (%) <sup>(2)</sup>	2.22	2.22
Management expense ratio before waivers (%)	2.22	2.22
Portfolio turnover ratio (%) <sup>(3)</sup>	9.03	7.21

75/100 Class A Units	Six months ended June 30, 2017	Year ended December 31, 2016 <sup>(4)</sup>
Net assets (\$000's) <sup>(1)</sup>	3,609	2,460
Net asset value per unit (\$) <sup>(1)</sup>	10.23	10.11
Units issued and outstanding (000's) <sup>(1)</sup>	353	243
Management fees (%)	1.40	1.40
Management expense ratio (%) <sup>(2)</sup>	2.43	2.43
Management expense ratio before waivers (%)	2.43	2.43
Portfolio turnover ratio (%) <sup>(3)</sup>	9.03	7.21

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

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

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

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

# BMO Conservative ETF Portfolio GIF (unaudited)

## STATEMENT OF FINANCIAL POSITION

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

As at	June 30 2017	December 31 2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	294	—
Investments		
Non-derivative financial assets	17,528	5,292
Receivable for investments sold	—	400
Subscriptions receivable	26	58
<b>Total assets</b>	<b>17,848</b>	<b>5,750</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Bank indebtedness	—	255
Payable for investments purchased	150	—
Redemptions payable	8	—
Accrued expenses	91	19
<b>Total liabilities</b>	<b>249</b>	<b>274</b>
<b>Net assets held for the benefit of policyowners</b>	<b>17,599</b>	<b>5,476</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	3,242	1,278
75/100 Class A Units	10,617	4,198
100/100 Class A Units	2,828	—
100/100 Prestige Class Units	912	—
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 10.47	\$ 10.30
75/100 Class A Units	\$ 10.44	\$ 10.29
100/100 Class A Units	\$ 10.08	\$ —
100/100 Prestige Class Units	\$ 10.10	\$ —

## STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	June 30 2017	June 30 2016
<b>INCOME</b>		
Distribution from investment trusts	187	—
Other changes in fair value of investments and derivatives		
Net realized gain	4	—
Change in unrealized (depreciation) appreciation	(39)	0
<b>Net gain in fair value of investments and derivatives</b>	<b>152</b>	<b>0</b>
<b>Total income</b>	<b>152</b>	<b>0</b>
<b>EXPENSES</b>		
Management fees (note 8)	87	0
Fixed administration fees (note 8)	16	0
Insurance fees (note 8)	35	0
<b>Total expenses</b>	<b>138</b>	<b>0</b>
<b>Increase in net assets held for the benefit of policyowners</b>	<b>14</b>	<b>0</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	9	0
75/100 Class A Units	34	0
100/100 Class A Units	(30)	—
100/100 Prestige Class Units	1	—
<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	0.04	0.02
75/100 Class A Units	0.05	0.02
100/100 Class A Units	(0.20)	—
100/100 Prestige Class Units	0.05	—

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

# BMO Conservative ETF Portfolio GIF

(unaudited) (cont'd)

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	1,278	—
Increase in net assets held for the benefit of policyowners	9	0
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	2,073	50
Withdrawal of withdrawable units	(118)	—
Net increase from withdrawable unit transactions	1,955	50
Net increase in net assets held for the benefit of policyowners	1,964	50
<b>Net assets held for the benefit of policyowners</b>	3,242	50
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	4,198	—
Increase in net assets held for the benefit of policyowners	34	0
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	6,752	50
Withdrawal of withdrawable units	(367)	—
Net increase from withdrawable unit transactions	6,385	50
Net increase in net assets held for the benefit of policyowners	6,419	50
<b>Net assets held for the benefit of policyowners</b>	10,617	50

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>100/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	—	—
Decrease in net assets held for the benefit of policyowners	(30)	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3,640	—
Withdrawal of withdrawable units	(782)	—
Net increase from withdrawable unit transactions	2,858	—
Net increase in net assets held for the benefit of policyowners	2,828	—
<b>Net assets held for the benefit of policyowners</b>	2,828	—
<b>100/100 Prestige Class Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	—	—
Increase in net assets held for the benefit of policyowners	1	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	963	—
Withdrawal of withdrawable units	(52)	—
Net increase from withdrawable unit transactions	911	—
Net increase in net assets held for the benefit of policyowners	912	—
<b>Net assets held for the benefit of policyowners</b>	912	—

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

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	<b>June 30 2017</b>	<b>June 30 2016</b>
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	5,476	—
Increase in net assets held for the benefit of policyowners	14	0
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	13,428	100
Withdrawal of withdrawable units	(1,319)	—
Net increase from withdrawable unit transactions	12,109	100
Net increase in net assets held for the benefit of policyowners	12,123	100
<b>Net assets held for the benefit of policyowners</b>	<b>17,599</b>	<b>100</b>

**STATEMENT OF CASH FLOWS**

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	<b>June 30 2017</b>	<b>June 30 2016</b>
<b>Cash flows from operating activities</b>		
Increase in net assets held for the benefit of policyowners	14	0
Adjustments for:		
Net realized gain on sale of investments and derivatives	(4)	—
Change in unrealized depreciation (appreciation) of investments and derivatives	39	(0)
Increase in accrued expenses	72	0
Non-cash distributions from investment trusts	(187)	—
Purchases of investments	(12,149)	(100)
Proceeds from sale and maturity of investments	615	—
Net cash from operating activities	(11,600)	(100)
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	13,460	100
Amounts paid on withdrawal of withdrawable units	(1,311)	—
Net cash from financing activities	12,149	100
Net increase in cash	549	—
Bank indebtedness at beginning of period	(255)	—
<b>Cash at end of period</b>	<b>294</b>	<b>—</b>

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

# BMO Conservative ETF Portfolio GIF

(unaudited) (cont'd)

## SCHEDULE OF INVESTMENT PORTFOLIO

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

As at June 30, 2017	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUND — 99.6%</b>			
<b>Fixed Income Fund — 99.6%</b>			
BMO Conservative ETF			
Portfolio, Series I	1,515,333	17,551	17,528
<b>Total Investment Portfolio — 99.6%</b>		<b>17,551</b>	<b>17,528</b>
Other Assets Less Liabilities — 0.4%			71
<b>NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0%</b>			<b>17,599</b>

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

## Notes to the Financial Statements (unaudited)

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

### Fund and Class information

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

Class	Launch Date
75/75 Class A Units	June 21, 2016
75/100 Class A Units	June 21, 2016
100/100 Class A Units	January 9, 2017
100/100 Prestige Class Units	January 9, 2017

### Change in units

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

For the periods ended (in thousands of units)	June 30, 2017	June 30, 2016
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	124	—
Issued for cash	197	5
Withdrawn during the period	(11)	—
Units issued and outstanding, end of period	310	5
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	408	—
Issued for cash	644	5
Withdrawn during the period	(35)	—
Units issued and outstanding, end of period	1,017	5
<b>100/100 Class A Units</b>		
Units issued and outstanding, beginning of period	—	—
Issued for cash	358	—
Withdrawn during the period	(77)	—
Units issued and outstanding, end of period	281	—
<b>100/100 Prestige Class Units</b>		
Units issued and outstanding, beginning of period	—	—
Issued for cash	95	—
Withdrawn during the period	(5)	—
Units issued and outstanding, end of period	90	—

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2016 Class	Number of Units	Value of Units (\$)
75/75 Class A Units	5,000	52
75/100 Class A Units	5,000	51

There were no units held by the Company as at June 30, 2017.

### Financial instrument risk

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

### Financial instrument risk of the underlying funds

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

### Fair value hierarchy

As at June 30, 2017 Financial assets	Level 1	Level 2	Level 3	Total
Investment fund	17,528	—	—	17,528

As at December 31, 2016 Financial assets	Level 1	Level 2	Level 3	Total
Investment fund	5,292	—	—	5,292

### Transfers between levels

There were no transfers between the levels during the 2017 period (2016 — \$ nil).

### Unconsolidated structured entities

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

Carrying amount	At at June 30, 2017	As at December 31, 2016
BMO Conservative ETF Portfolio, Series I	17,528	5,292
<b>Total</b>	<b>17,528</b>	<b>5,292</b>

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

BMO Conservative ETF Portfolio, Series I	2.86%	1.87%
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The accompanying notes are an integral part of these financial statements.

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

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

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

The increase (decrease) in net assets held for the benefit of policyowners for the periods ended June 30, 2017 and June 30, 2016 is calculated as follows:

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>75/75 Class A Units</b>		
Increase in net assets held for the benefit of policyowners	9	0
Weighted average units outstanding during the period	200	5
Increase in net assets held for the benefit of policyowners per unit	0.04	0.02
<b>75/100 Class A Units</b>		
Increase in net assets held for the benefit of policyowners	34	0
Weighted average units outstanding during the period	725	5
Increase in net assets held for the benefit of policyowners per unit	0.05	0.02
<b>100/100 Class A Units</b>		
Decrease in net assets held for the benefit of policyowners	(30)	—
Weighted average units outstanding during the period	151	—
Decrease in net assets held for the benefit of policyowners per unit	(0.20)	—
<b>100/100 Prestige Class Units</b>		
Increase in net assets held for the benefit of policyowners	1	—
Weighted average units outstanding during the period	26	—
Increase in net assets held for the benefit of policyowners per unit	0.05	—

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended June 30, 2017 and June 30, 2016.

### Concentration risk

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

<i>As at</i>	June 30, 2017	December 31, 2016
<b>Holdings in Investment Funds</b>		
Fixed Income Funds	58.4%	56.8%
Canadian Equity Funds	15.8%	17.1%
U.S. Equity Funds	11.6%	12.3%
International Equity Fund	11.7%	8.6%
<b>Other Assets less Liabilities</b>	<b>2.5%</b>	<b>5.2%</b>
	<b>100.0%</b>	<b>100.0%</b>

### Financial assets and financial liabilities

#### Categories of financial assets and financial liabilities

The table below shows the categories of financial assets and financial liabilities except cash.

<i>As at</i>	June 30, 2017	December 31, 2016
Financial assets designated at FVTPL	17,528	5,292
Loans and receivables	26	458
Financial liabilities measured at amortized cost	249	19

### Net gains and losses on financial assets and financial liabilities

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>Net realized gains on financial assets</b>		
Designated at FVTPL	191	—
<b>Total net realized gains on financial assets and financial liabilities</b>	<b>191</b>	<b>—</b>
<b>Change in unrealized (losses) gains on financial assets</b>		
Designated at FVTPL	(39)	0
<b>Total change in unrealized (losses) gains on financial assets and financial liabilities</b>	<b>(39)</b>	<b>0</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2017 and December 31, 2016.

## Supplementary Information

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

### Financial Highlights (unaudited)

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

75/75 Class A Units	Six months ended June 30, 2017	Year ended December 31, 2016 <sup>(4)</sup>
Net assets (\$000's) <sup>(1)</sup>	3,242	1,278
Net asset value per unit (\$) <sup>(1)</sup>	10.47	10.30
Units issued and outstanding (000's) <sup>(1)</sup>	310	124
Management fees (%)	1.40	1.40
Management expense ratio (%) <sup>(2)</sup>	2.24	2.25
Management expense ratio before waivers (%)	2.24	2.25
Portfolio turnover ratio (%) <sup>(3)</sup>	1.98	23.27

75/100 Class A Units	Six months ended June 30, 2017	Year ended December 31, 2016 <sup>(4)</sup>
Net assets (\$000's) <sup>(1)</sup>	10,617	4,198
Net asset value per unit (\$) <sup>(1)</sup>	10.44	10.29
Units issued and outstanding (000's) <sup>(1)</sup>	1,017	408
Management fees (%)	1.40	1.40
Management expense ratio (%) <sup>(2)</sup>	2.45	2.45
Management expense ratio before waivers (%)	2.45	2.45
Portfolio turnover ratio (%) <sup>(3)</sup>	1.98	23.27

100/100 Class A Units	January 6, 2017 to June 30, 2017
Net assets (\$000's) <sup>(1)</sup>	2,828
Net asset value per unit (\$) <sup>(1)</sup>	10.08
Units issued and outstanding (000's) <sup>(1)</sup>	281
Management fees (%)	1.40
Management expense ratio (%) <sup>(2)</sup>	2.88
Management expense ratio before waivers (%)	2.88
Portfolio turnover ratio (%) <sup>(3)</sup>	1.98

100/100 Prestige Class Units	January 6, 2017 to June 30, 2017
Net assets (\$000's) <sup>(1)</sup>	912
Net asset value per unit (\$) <sup>(1)</sup>	10.10
Units issued and outstanding (000's) <sup>(1)</sup>	90
Management fees (%)	1.05
Management expense ratio (%) <sup>(2)</sup>	2.50
Management expense ratio before waivers (%)	2.50
Portfolio turnover ratio (%) <sup>(3)</sup>	1.98

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

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

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

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

# BMO Balanced ETF Portfolio GIF (unaudited)

## STATEMENT OF FINANCIAL POSITION

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

As at	June 30 2017	December 31 2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	1,022	364
Investments		
Non-derivative financial assets	53,591	9,141
Subscriptions receivable	363	132
<b>Total assets</b>	<b>54,976</b>	<b>9,637</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Payable for investments purchased	600	—
Redemptions payable	20	5
Accrued expenses	291	38
<b>Total liabilities</b>	<b>911</b>	<b>43</b>
<b>Net assets held for the benefit of policyowners</b>	<b>54,065</b>	<b>9,594</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	9,105	846
75/100 Class A Units	24,887	8,748
100/100 Class A Units	12,510	—
100/100 Prestige Class Units	7,563	—
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 10.75	\$ 10.47
75/100 Class A Units	\$ 10.71	\$ 10.46
100/100 Class A Units	\$ 10.16	\$ —
100/100 Prestige Class Units	\$ 10.19	\$ —

## STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	June 30 2017	June 30 2016
<b>INCOME</b>		
Other changes in fair value of investments and derivatives		
Net realized loss	(1)	—
Change in unrealized appreciation	560	0
<b>Net gain in fair value of investments and derivatives</b>	<b>559</b>	<b>0</b>
<b>Total income</b>	<b>559</b>	<b>0</b>
<b>EXPENSES</b>		
Management fees (note 8)	246	0
Fixed administration fees (note 8)	43	0
Insurance fees (note 8)	124	0
<b>Total expenses</b>	<b>413</b>	<b>0</b>
Increase in net assets held for the benefit of policyowners	146	0
<b>(Decrease) increase in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	(21)	0
75/100 Class A Units	202	(0)
100/100 Class A Units	(41)	—
100/100 Prestige Class Units	6	—
<b>(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	(0.05)	0.06
75/100 Class A Units	0.13	(0.01)
100/100 Class A Units	(0.06)	—
100/100 Prestige Class Units	0.02	—

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

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	<b>June 30 2017</b>	<b>June 30 2016</b>
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	846	—
(Decrease) increase in net assets held for the benefit of policyowners	(21)	0
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	8,498	90
Withdrawal of withdrawable units	(218)	—
Net increase from withdrawable unit transactions	8,280	90
Net increase in net assets held for the benefit of policyowners	8,259	90
<b>Net assets held for the benefit of policyowners</b>	9,105	90
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	8,748	—
Increase (decrease) in net assets held for the benefit of policyowners	202	(0)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	16,530	50
Withdrawal of withdrawable units	(593)	—
Net increase from withdrawable unit transactions	15,937	50
Net increase in net assets held for the benefit of policyowners	16,139	50
<b>Net assets held for the benefit of policyowners</b>	24,887	50

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	<b>June 30 2017</b>	<b>June 30 2016</b>
<b>100/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	—	—
Decrease in net assets held for the benefit of policyowners	(41)	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	14,485	—
Withdrawal of withdrawable units	(1,934)	—
Net increase from withdrawable unit transactions	12,551	—
Net increase in net assets held for the benefit of policyowners	12,510	—
<b>Net assets held for the benefit of policyowners</b>	12,510	—
<b>100/100 Prestige Class Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	—	—
Increase in net assets held for the benefit of policyowners	6	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	7,610	—
Withdrawal of withdrawable units	(53)	—
Net increase from withdrawable unit transactions	7,557	—
Net increase in net assets held for the benefit of policyowners	7,563	—
<b>Net assets held for the benefit of policyowners</b>	7,563	—

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

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	<b>June 30 2017</b>	<b>June 30 2016</b>
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	9,594	—
Increase in net assets held for the benefit of policyowners	146	0
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	47,123	140
Withdrawal of withdrawable units	(2,798)	—
Net increase from withdrawable unit transactions	44,325	140
Net increase in net assets held for the benefit of policyowners	44,471	140
<b>Net assets held for the benefit of policyowners</b>	<b>54,065</b>	<b>140</b>

**STATEMENT OF CASH FLOWS**

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	<b>June 30 2017</b>	<b>June 30 2016</b>
<b>Cash flows from operating activities</b>		
Increase in net assets held for the benefit of policyowners	146	0
Adjustments for:		
Net realized loss on sale of investments and derivatives	1	—
Change in unrealized appreciation of investments and derivatives	(560)	(0)
Increase in accrued expenses	253	—
Purchases of investments	(43,425)	(100)
Proceeds from sale and maturity of investments	134	—
Net cash from operating activities	(43,451)	(100)
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	46,892	140
Amounts paid on withdrawal of withdrawable units	(2,783)	—
Net cash from financing activities	44,109	140
Net increase in cash	658	40
Cash at beginning of period	364	—
<b>Cash at end of period</b>	<b>1,022</b>	<b>40</b>

# BMO Balanced ETF Portfolio GIF

(unaudited) (cont'd)

## SCHEDULE OF INVESTMENT PORTFOLIO

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

As at June 30, 2017	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUND — 99.1%</b>			
<b>Global Equity Fund — 99.1%</b>			
BMO Balanced ETF Portfolio, Series I	4,305,187	53,129	53,591
<b>Total Investment Portfolio — 99.1%</b>		<b>53,129</b>	<b>53,591</b>
Other Assets Less Liabilities — 0.9%			474
<b>NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0%</b>			<b>54,065</b>

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

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

# BMO Balanced ETF Portfolio GIF

## Notes to the Financial Statements (unaudited)

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

### Fund and Class information

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

Class	Launch Date
75/75 Class A Units	June 21, 2016
75/100 Class A Units	June 21, 2016
100/100 Class A Units	January 9, 2017
100/100 Prestige Class Units	January 9, 2017

### Change in units

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

For the periods ended (in thousands of units)	June 30, 2017	June 30, 2016
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	81	—
Issued for cash	786	9
Withdrawn during the period	(20)	—
Units issued and outstanding, end of period	847	9
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	837	—
Issued for cash	1,541	5
Withdrawn during the period	(55)	—
Units issued and outstanding, end of period	2,323	5
<b>100/100 Class A Units</b>		
Units issued and outstanding, beginning of period	—	—
Issued for cash	1,421	—
Withdrawn during the period	(190)	—
Units issued and outstanding, end of period	1,231	—
<b>100/100 Prestige Class Units</b>		
Units issued and outstanding, beginning of period	—	—
Issued for cash	748	—
Withdrawn during the period	(5)	—
Units issued and outstanding, end of period	743	—

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2016 Class	Number of Units	Value of Units (\$)
75/75 Class A Units	5,000	51
75/100 Class A Units	5,000	52

There were no units held by the Company as at June 30, 2017.

### Financial instrument risk

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

### Financial instrument risk of the underlying fund

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

### Fair value hierarchy

As at June 30, 2017 Financial assets	Level 1	Level 2	Level 3	Total
Investment fund	53,591	—	—	53,591

As at December 31, 2016 Financial assets	Level 1	Level 2	Level 3	Total
Investment fund	9,141	—	—	9,141

### Transfers between levels

There were no transfers between the levels during the 2017 period (2016 — \$ nil).

### Unconsolidated structured entities

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

Carrying amount	As at June 30, 2017	As at December 31, 2016
BMO Balanced ETF Portfolio, Series I	53,591	9,141
<b>Total</b>	<b>53,591</b>	<b>9,141</b>

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

BMO Balanced ETF Portfolio, Series I	3.15%	0.94%
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## Notes to the Financial Statements (unaudited) (cont'd)

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

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

The increase (decrease) in net assets held for the benefit of policyowners for the periods ended June 30, 2017 and June 30, 2016 is calculated as follows:

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>75/75 Class A Units</b>		
(Decrease) increase in net assets held for the benefit of policyowners	(21)	0
Weighted average units outstanding during the period	426	6
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.05)	0.06
<b>75/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	202	(0)
Weighted average units outstanding during the period	1,609	5
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.13	(0.01)
<b>100/100 Class A Units</b>		
Decrease in net assets held for the benefit of policyowners	(41)	—
Weighted average units outstanding during the period	720	—
Decrease in net assets held for the benefit of policyowners per unit	(0.06)	—
<b>100/100 Prestige Class Units</b>		
Increase in net assets held for the benefit of policyowners	6	—
Weighted average units outstanding during the period	334	—
Increase in net assets held for the benefit of policyowners per unit	0.02	—

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended June 30, 2017 and June 30, 2016.

### Concentration risk

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

<i>As at</i>	June 30, 2017	December 31, 2016
<b>Holdings in Investment Funds</b>		
Fixed Income Funds	39.0%	37.4%
Canadian Equity Funds	23.5%	23.4%
U.S. Equity Funds	15.1%	15.7%
International Equity Funds	15.0%	12.6%
Emerging Markets Equity Funds	4.4%	4.3%
<b>Other Assets less Liabilities</b>	3.0%	6.6%
	<b>100.0%</b>	<b>100.0%</b>

### Financial assets and financial liabilities

#### Categories of financial assets and financial liabilities

The table below shows the categories of financial assets and financial liabilities except cash.

<i>As at</i>	June 30, 2017	December 31, 2016
Financial assets designated at FVTPL	53,591	9,141
Loans and receivables	363	132
Financial liabilities measured at amortized cost	911	43

### Net gains and losses on financial assets and financial liabilities

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>Net realized losses on financial assets</b>		
Designated at FVTPL	(1)	—
<b>Total net realized losses on financial assets and financial liabilities</b>	(1)	—
<b>Unrealized gains on financial assets</b>		
Designated at FVTPL	560	0
<b>Total unrealized gains on financial assets and financial liabilities</b>	560	0

### Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2017 and December 31, 2016.

## Supplementary Information

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

### Financial Highlights (unaudited)

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

75/75 Class A Units	Six months ended June 30, 2017	Year ended December 31, 2016 <sup>(4)</sup>
Net assets (\$000's) <sup>(1)</sup>	9,105	846
Net asset value per unit (\$) <sup>(1)</sup>	10.75	10.47
Units issued and outstanding (000's) <sup>(1)</sup>	847	81
Management fees (%)	1.45	1.45
Management expense ratio (%) <sup>(2)</sup>	2.26	2.27
Management expense ratio before waivers (%)	2.26	2.27
Portfolio turnover ratio (%) <sup>(3)</sup>	0.45	0.02

75/100 Class A Units	Six months ended June 30, 2017	Year ended December 31, 2016 <sup>(4)</sup>
Net assets (\$000's) <sup>(1)</sup>	24,887	8,748
Net asset value per unit (\$) <sup>(1)</sup>	10.71	10.46
Units issued and outstanding (000's) <sup>(1)</sup>	2,323	837
Management fees (%)	1.45	1.45
Management expense ratio (%) <sup>(2)</sup>	2.56	2.56
Management expense ratio before waivers (%)	2.56	2.56
Portfolio turnover ratio (%) <sup>(3)</sup>	0.45	0.02

100/100 Class A Units	January 6, 2017 to June 30, 2017
Net assets (\$000's) <sup>(1)</sup>	12,510
Net asset value per unit (\$) <sup>(1)</sup>	10.16
Units issued and outstanding (000's) <sup>(1)</sup>	1,231
Management fees (%)	1.45
Management expense ratio (%) <sup>(2)</sup>	3.02
Management expense ratio before waivers (%)	3.02
Portfolio turnover ratio (%) <sup>(3)</sup>	0.45

100/100 Prestige Class Units	January 6, 2017 to June 30, 2017
Net assets (\$000's) <sup>(1)</sup>	7,563
Net asset value per unit (\$) <sup>(1)</sup>	10.19
Units issued and outstanding (000's) <sup>(1)</sup>	743
Management fees (%)	1.10
Management expense ratio (%) <sup>(2)</sup>	2.58
Management expense ratio before waivers (%)	2.58
Portfolio turnover ratio (%) <sup>(3)</sup>	0.45

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

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

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

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

**STATEMENT OF FINANCIAL POSITION**

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

As at	June 30 2017	December 31 2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	270	94
Investments		
Non-derivative financial assets	7,567	2,024
Subscriptions receivable	300	—
<b>Total assets</b>	<b>8,137</b>	<b>2,118</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Payable for investments purchased	200	—
Redemptions payable	1	—
Accrued expenses	39	7
<b>Total liabilities</b>	<b>240</b>	<b>7</b>
<b>Net assets held for the benefit of policyowners</b>	<b>7,897</b>	<b>2,111</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	3,097	1,168
75/100 Class A Units	4,800	943
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 11.05	\$ 10.70
75/100 Class A Units	\$ 11.01	\$ 10.69

**STATEMENT OF COMPREHENSIVE INCOME**

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

For the periods ended	June 30 2017	June 30 2016
<b>INCOME</b>		
Other changes in fair value of investments and derivatives		
Change in unrealized appreciation	106	0
Net gain in fair value of investments and derivatives	106	0
<b>Total income</b>	<b>106</b>	<b>0</b>
<b>EXPENSES</b>		
Management fees (note 8)	37	0
Fixed administration fees (note 8)	6	0
Insurance fees (note 8)	16	0
<b>Total expenses</b>	<b>59</b>	<b>0</b>
Increase (decrease) in net assets held for the benefit of policyowners	47	(0)
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	21	(0)
75/100 Class A Units	26	(0)
<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	0.13	(0.01)
75/100 Class A Units	0.10	(0.01)

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

# BMO Growth ETF Portfolio GIF

(unaudited) (cont'd)

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	1,168	—
Increase (decrease) in net assets held for the benefit of policyowners	21	(0)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,980	50
Withdrawal of withdrawable units	(72)	—
Net increase from withdrawable unit transactions	1,908	50
Net increase in net assets held for the benefit of policyowners	1,929	50
<b>Net assets held for the benefit of policyowners</b>	3,097	50
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	943	—
Increase (decrease) in net assets held for the benefit of policyowners	26	(0)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	4,004	50
Withdrawal of withdrawable units	(173)	—
Net increase from withdrawable unit transactions	3,831	50
Net increase in net assets held for the benefit of policyowners	3,857	50
<b>Net assets held for the benefit of policyowners</b>	4,800	50

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	2,111	—
Increase (decrease) in net assets held for the benefit of policyowners	47	(0)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	5,984	100
Withdrawal of withdrawable units	(245)	—
Net increase from withdrawable unit transactions	5,739	100
Net increase in net assets held for the benefit of policyowners	5,786	100
<b>Net assets held for the benefit of policyowners</b>	7,897	100

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

# BMO Growth ETF Portfolio GIF

(unaudited) (cont'd)



## STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets held for the benefit of policyowners	47	(0)
Adjustments for:		
Change in unrealized appreciation of investments and derivatives	(106)	(0)
Increase in accrued expenses	32	0
Purchases of investments	(5,237)	(100)
Net cash from operating activities	(5,264)	(100)
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	5,684	100
Amounts paid on withdrawal of withdrawable units	(244)	—
Net cash from financing activities	5,440	100
Net increase in cash	176	—
Cash at beginning of period	94	—
<b>Cash at end of period</b>	<b>270</b>	<b>—</b>

## SCHEDULE OF INVESTMENT PORTFOLIO

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

<i>As at June 30, 2017</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUND — 95.8%</b>			
<b>Global Equity Fund — 95.8%</b>			
BMO Growth ETF Portfolio, Series I	589,811	7,449	7,567
<b>Total Investment Portfolio — 95.8%</b>		<b>7,449</b>	<b>7,567</b>
Other Assets Less Liabilities — 4.2%			330
<b>NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0%</b>			<b>7,897</b>

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

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

# BMO Growth ETF Portfolio GIF

## Notes to the Financial Statements (unaudited)

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

### Fund and Class information

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

Class	Launch Date
75/75 Class A Units	June 21, 2016
75/100 Class A Units	June 21, 2016

### Change in units

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

For the periods ended (in thousands of units)	June 30, 2017	June 30, 2016
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	109	—
Issued for cash	178	5
Withdrawn during the period	(7)	—
Units issued and outstanding, end of period	280	5
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	88	—
Issued for cash	363	5
Withdrawn during the period	(15)	—
Units issued and outstanding, end of period	436	5

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2016 Class	Number of Units	Value of Units (\$)
75/75 Class A Units	5,000	54
75/100 Class A Units	5,000	53

There were no units held by the Company as at June 30, 2017.

### Financial instrument risk

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

### Financial instrument risk of the underlying fund

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

### Fair value hierarchy

As at June 30, 2017 Financial assets	Level 1	Level 2	Level 3	Total
Investment fund	7,567	—	—	7,567

As at December 31, 2016 Financial assets	Level 1	Level 2	Level 3	Total
Investment fund	2,024	—	—	2,024

### Transfers between levels

There were no transfers between the levels during the 2017 period (2016 — \$ nil).

### Unconsolidated structured entities

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

Carrying amount	As at June 30, 2017	As at December 31, 2016
BMO Growth ETF Portfolio, Series I	7,567	2,024
<b>Total</b>	<b>7,567</b>	<b>2,024</b>

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

BMO Growth ETF Portfolio, Series I	1.49%	0.72%
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## Notes to the Financial Statements (unaudited) (cont'd)

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

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

The increase (decrease) in net assets held for the benefit of policyowners for the periods ended June 30, 2017 and June 30, 2016 is calculated as follows:

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>75/75 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	21	(0)
Weighted average units outstanding during the period	160	5
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.13	(0.01)
<b>75/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	26	(0)
Weighted average units outstanding during the period	260	5
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.10	(0.01)

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended June 30, 2017 and June 30, 2016.

### Concentration risk

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

<i>As at</i>	June 30, 2017	December 31, 2016
<b>Holdings in Investment Funds</b>		
Canadian Equity Funds	30.4%	29.1%
Fixed Income Funds	19.5%	19.0%
International Equity Funds	18.8%	17.8%
U.S. Equity Funds	18.8%	21.5%
Emerging Markets Equity Funds	6.1%	6.3%
<b>Other Assets less Liabilities</b>	6.4%	6.3%
	<b>100.0%</b>	<b>100.0%</b>

### Financial assets and financial liabilities

#### Categories of financial assets and financial liabilities

The table below shows the categories of financial assets and financial liabilities except cash.

<i>As at</i>	June 30, 2017	December 31, 2016
Financial assets designated at FVTPL	7,567	2,024
Loans and receivables	300	—
Financial liabilities measured at amortized cost	240	7

#### Net gains and losses on financial assets and financial liabilities

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>Change in unrealized gains on financial assets</b>		
Designated at FVTPL	106	0
	106	0
<b>Total change in unrealized gains on financial assets and financial liabilities</b>	106	0

#### Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2017 and December 31, 2016.

## Supplementary Information

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

### Financial Highlights (unaudited)

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

75/75 Class A Units	Six months ended June 30, 2017	Year ended December 31, 2016 <sup>(4)</sup>
Net assets (\$000's) <sup>(1)</sup>	3,097	1,168
Net asset value per unit (\$) <sup>(1)</sup>	11.05	10.70
Units issued and outstanding (000's) <sup>(1)</sup>	280	109
Management fees (%)	1.45	1.45
Management expense ratio (%) <sup>(2)</sup>	2.41	2.42
Management expense ratio before waivers (%)	2.41	2.42
Portfolio turnover ratio (%) <sup>(3)</sup>	—	0.07

75/100 Class A Units	Six months ended June 30, 2017	Year ended December 31, 2016 <sup>(4)</sup>
Net assets (\$000's) <sup>(1)</sup>	4,800	943
Net asset value per unit (\$) <sup>(1)</sup>	11.01	10.69
Units issued and outstanding (000's) <sup>(1)</sup>	436	88
Management fees (%)	1.45	1.45
Management expense ratio (%) <sup>(2)</sup>	2.71	2.71
Management expense ratio before waivers (%)	2.71	2.71
Portfolio turnover ratio (%) <sup>(3)</sup>	—	0.07

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

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

<sup>(3)</sup> The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover ratio in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover ratio and the performance of the fund. For the financial period ended June 30, 2017, no sales of portfolio securities were made in the Fund. As a result, the portfolio turnover ratio for this period was zero.

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

**STATEMENT OF FINANCIAL POSITION**

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

As at	June 30 2017	December 31 2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	168	73
Investments		
Non-derivative financial assets	6,170	1,236
Subscriptions receivable	63	—
<b>Total assets</b>	<b>6,401</b>	<b>1,309</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Payable for investments purchased	110	—
Accrued expenses	35	5
<b>Total liabilities</b>	<b>145</b>	<b>5</b>
<b>Net assets held for the benefit of policyowners</b>	<b>6,256</b>	<b>1,304</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	1,876	116
75/100 Class A Units	4,380	1,188
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 11.37	\$ 10.83
75/100 Class A Units	\$ 11.33	\$ 10.81

**STATEMENT OF COMPREHENSIVE INCOME**

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

For the periods ended	June 30 2017	June 30 2016
<b>INCOME</b>		
Other changes in fair value of investments and derivatives		
Change in unrealized appreciation (depreciation)	137	(0)
Net gain (loss) in fair value of investments and derivatives	137	(0)
<b>Total income (loss)</b>	<b>137</b>	<b>(0)</b>
<b>EXPENSES</b>		
Management fees (note 8)	33	0
Fixed administration fees (note 8)	5	0
Insurance fees (note 8)	16	0
<b>Total expenses</b>	<b>54</b>	<b>0</b>
Increase (decrease) in net assets held for the benefit of policyowners	83	(0)
<b>(Decrease) increase in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	(24)	(0)
75/100 Class A Units	107	(0)
<b>(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	(0.43)	(0.02)
75/100 Class A Units	0.36	(0.02)

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

# BMO Equity Growth ETF Portfolio GIF

(unaudited) (cont'd)

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	116	—
Decrease in net assets held for the benefit of policyowners	(24)	(0)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,850	50
Withdrawal of withdrawable units	(66)	—
Net increase from withdrawable unit transactions	1,784	50
Net increase in net assets held for the benefit of policyowners	1,760	50
<b>Net assets held for the benefit of policyowners</b>	1,876	50
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	1,188	—
Increase (decrease) in net assets held for the benefit of policyowners	107	(0)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3,183	50
Withdrawal of withdrawable units	(98)	—
Net increase from withdrawable unit transactions	3,085	50
Net increase in net assets held for the benefit of policyowners	3,192	50
<b>Net assets held for the benefit of policyowners</b>	4,380	50

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	1,304	—
Increase (decrease) in net assets held for the benefit of policyowners	83	(0)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	5,033	100
Withdrawal of withdrawable units	(164)	—
Net increase from withdrawable unit transactions	4,869	100
Net increase in net assets held for the benefit of policyowners	4,952	100
<b>Net assets held for the benefit of policyowners</b>	6,256	100

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

# BMO Equity Growth ETF Portfolio GIF

(unaudited) (cont'd)

## STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets held for the benefit of policyowners	83	(0)
Adjustments for:		
Change in unrealized (appreciation) depreciation of investments and derivatives	(137)	0
Increase in accrued expenses	30	0
Purchases of investments	(4,687)	(100)
Net cash from operating activities	(4,711)	(100)
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	4,970	100
Amounts paid on withdrawal of withdrawable units	(164)	—
Net cash from financing activities	4,806	100
Net increase in cash	95	—
Cash at beginning of period	73	—
<b>Cash at end of period</b>	<b>168</b>	<b>—</b>

## SCHEDULE OF INVESTMENT PORTFOLIO

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

<i>As at June 30, 2017</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUND — 98.6%</b>			
<b>Global Equity Fund — 98.6%</b>			
BMO Equity Growth ETF Portfolio, Series I	451,226	6,019	6,170
<b>Total Investment Portfolio — 98.6%</b>		<b>6,019</b>	<b>6,170</b>
Other Assets Less Liabilities — 1.4%			86
<b>NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0%</b>			<b>6,256</b>

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

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

## Notes to the Financial Statements (unaudited)

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

### Fund and Class information

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

Class	Launch Date
75/75 Class A Units	June 21, 2016
75/100 Class A Units	June 21, 2016

### Change in units

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

For the periods ended (in thousands of units)	June 30, 2017	June 30, 2016
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	11	—
Issued for cash	160	5
Withdrawn during the period	(6)	—
Units issued and outstanding, end of period	165	5
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	110	—
Issued for cash	285	5
Withdrawn during the period	(8)	—
Units issued and outstanding, end of period	387	5

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2016 Class	Number of Units	Value of Units (\$)
75/75 Class A Units	5,000	54
75/100 Class A Units	5,000	54

There were no units held by the Company as at June 30, 2017.

### Financial instrument risk

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

### Financial instrument risk of the underlying fund

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

### Fair value hierarchy

As at June 30, 2017 Financial assets	Level 1	Level 2	Level 3	Total
Investment fund	6,170	—	—	6,170

As at December 31, 2016 Financial assets	Level 1	Level 2	Level 3	Total
Investment fund	1,236	—	—	1,236

### Transfers between levels

There were no transfers between the levels during the 2017 period (2016 — \$ nil).

### Unconsolidated structured entities

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

Carrying amount	As at June 30, 2017	As at December 31, 2016
BMO Equity Growth ETF Portfolio, Series I	6,170	1,236
<b>Total</b>	<b>6,170</b>	<b>1,236</b>

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

BMO Equity Growth ETF Portfolio, Series I	4.07%	1.54%
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## Notes to the Financial Statements (unaudited) (cont'd)

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

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

The increase (decrease) in net assets held for the benefit of policyowners for the periods ended June 30, 2017 and June 30, 2016 is calculated as follows:

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>75/75 Class A Units</b>		
Decrease in net assets held for the benefit of policyowners	(24)	(0)
Weighted average units outstanding during the period	56	5
Decrease in net assets held for the benefit of policyowners per unit	(0.43)	(0.02)
<b>75/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	107	(0)
Weighted average units outstanding during the period	296	5
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.36	(0.02)

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended June 30, 2017 and June 30, 2016.

### Concentration risk

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

<i>As at</i>	June 30, 2017	December 31, 2016
<b>Holdings in Investment Funds</b>		
Canadian Equity Funds	27.3%	29.7%
U.S. Equity Funds	30.2%	28.7%
International Equity Funds	30.8%	26.8%
Emerging Markets Equity Funds	7.8%	7.5%
<b>Other Assets less Liabilities</b>	3.9%	7.3%
	<b>100.0%</b>	<b>100.0%</b>

### Financial assets and financial liabilities

#### Categories of financial assets and financial liabilities

The table below shows the categories of financial assets and financial liabilities except cash.

<i>As at</i>	June 30, 2017	December 31, 2016
Financial assets designated at FVTPL	6,170	1,236
Loans and receivables	63	—
Financial liabilities measured at amortized cost	145	5

#### Net gains and losses on financial assets and financial liabilities

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>Change in unrealized gains (losses) on financial assets</b>		
Designated at FVTPL	137	(0)
<b>Total change in unrealized gains (losses) on financial assets and financial liabilities</b>	137	(0)

### Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2017 and December 31, 2016.

# BMO Equity Growth ETF Portfolio GIF

## Supplementary Information

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

### Financial Highlights (unaudited)

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

75/75 Class A Units	Six months ended June 30, 2017	Year ended December 31, 2016 <sup>(4)</sup>
Net assets (\$000's) <sup>(1)</sup>	1,876	116
Net asset value per unit (\$) <sup>(1)</sup>	11.37	10.83
Units issued and outstanding (000's) <sup>(1)</sup>	165	11
Management fees (%)	1.50	1.50
Management expense ratio (%) <sup>(2)</sup>	2.49	2.49
Management expense ratio before waivers (%)	2.49	2.49
Portfolio turnover ratio (%) <sup>(3)</sup>	—	0.12

75/100 Class A Units	Six months ended June 30, 2017	Year ended December 31, 2016 <sup>(4)</sup>
Net assets (\$000's) <sup>(1)</sup>	4,380	1,188
Net asset value per unit (\$) <sup>(1)</sup>	11.33	10.81
Units issued and outstanding (000's) <sup>(1)</sup>	387	110
Management fees (%)	1.50	1.50
Management expense ratio (%) <sup>(2)</sup>	2.83	2.83
Management expense ratio before waivers (%)	2.83	2.83
Portfolio turnover ratio (%) <sup>(3)</sup>	—	0.12

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

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

<sup>(3)</sup> The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover ratio in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover ratio and the performance of the fund. For the financial period ended June 30, 2017, no sales of portfolio securities were made in the Fund. As a result, the portfolio turnover ratio was zero.

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

# BMO Low Volatility U.S. Equity ETF GIF

(unaudited)

## STATEMENT OF FINANCIAL POSITION

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

As at	June 30 2017	December 31 2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	265	110
Investments		
Non-derivative financial assets	8,967	3,471
Subscriptions receivable	53	20
Distribution receivable from investment trusts	44	16
<b>Total assets</b>	<b>9,329</b>	<b>3,617</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Payable for investments purchased	175	81
Redemptions payable	1	—
Accrued expenses	50	16
<b>Total liabilities</b>	<b>226</b>	<b>97</b>
<b>Net assets held for the benefit of policyowners</b>	<b>9,103</b>	<b>3,520</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	2,918	866
75/100 Class A Units	6,185	2,654
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 10.32	\$ 10.27
75/100 Class A Units	\$ 10.29	\$ 10.25

## STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	June 30 2017	June 30 2016
<b>INCOME</b>		
Distribution from investment trusts	73	1
Other changes in fair value of investments and derivatives		
Net realized gain	7	—
Change in unrealized (depreciation) appreciation	(117)	4
Net (loss) gain in fair value of investments and derivatives	(37)	5
<b>Total (loss) income</b>	<b>(37)</b>	<b>5</b>
<b>EXPENSES</b>		
Management fees (note 8)	43	0
Fixed administration fees (note 8)	9	0
Insurance fees (note 8)	27	0
Commissions and other portfolio transaction costs (note 8)	2	0
<b>Total expenses</b>	<b>81</b>	<b>0</b>
(Decrease) increase in net assets held for the benefit of policyowners	(118)	5
<b>(Decrease) increase in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	(43)	3
75/100 Class A Units	(75)	2
<b>(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	(0.23)	0.44
75/100 Class A Units	(0.18)	0.40

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

# BMO Low Volatility U.S. Equity ETF GIF

(unaudited) (cont'd)

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	866	—
(Decrease) increase in net assets held for the benefit of policyowners	(43)	3
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	2,236	90
Withdrawal of withdrawable units	(141)	—
Net increase from withdrawable unit transactions	2,095	90
Net increase in net assets held for the benefit of policyowners	2,052	93
<b>Net assets held for the benefit of policyowners</b>	2,918	93
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	2,654	—
(Decrease) increase in net assets held for the benefit of policyowners	(75)	2
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	4,048	50
Withdrawal of withdrawable units	(442)	—
Net increase from withdrawable unit transactions	3,606	50
Net increase in net assets held for the benefit of policyowners	3,531	52
<b>Net assets held for the benefit of policyowners</b>	6,185	52

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	June 30 2017	June 30 2016
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	3,520	—
(Decrease) increase in net assets held for the benefit of policyowners	(118)	5
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	6,284	140
Withdrawal of withdrawable units	(583)	—
Net increase from withdrawable unit transactions	5,701	140
Net increase in net assets held for the benefit of policyowners	5,583	145
<b>Net assets held for the benefit of policyowners</b>	9,103	145

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

# BMO Low Volatility U.S. Equity ETF GIF

(unaudited) (cont'd)

## STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

For the periods ended	June 30 2017	June 30 2016
<b>Cash flows from operating activities</b>		
(Decrease) increase in net assets held for the benefit of policyowners	(118)	5
Adjustments for:		
Net realized gain on sale of investments and derivatives	(7)	—
Change in unrealized depreciation (appreciation) of investments and derivatives	117	(4)
Increase in distribution receivable from investment trusts	(28)	(1)
Increase in accrued expenses	34	0
Purchases of investments	(5,770)	(99)
Proceeds from sale and maturity of investments	258	—
Net cash from operating activities	(5,514)	(99)
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	6,251	140
Amounts paid on withdrawal of withdrawable units	(582)	—
Net cash from financing activities	5,669	140
Net increase in cash	155	41
Cash at beginning of period	110	—
<b>Cash at end of period</b>	<b>265</b>	<b>41</b>

### Supplementary Information:

Distribution received from investment trusts*	45	—
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\*These items are from operating activities

## SCHEDULE OF INVESTMENT PORTFOLIO

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

As at June 30, 2017	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUND — 98.5%</b>			
<b>U.S. Equity Fund — 98.5%</b>			
BMO Low Volatility US Equity ETF	297,870	9,167	8,967
<b>Total Investment Portfolio — 98.5%</b>		<b>9,167</b>	<b>8,967</b>
Other Assets Less Liabilities — 1.5%			136
<b>NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0%</b>			<b>9,103</b>

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

## Notes to the Financial Statements (unaudited)

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

### Fund and Class information

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

Class	Launch Date
75/75 Class A Units	June 21, 2016
75/100 Class A Units	June 21, 2016

### Change in units

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

For the periods ended (in thousands of units)	June 30, 2017	June 30, 2016
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	84	—
Issued for cash	212	9
Withdrawn during the period	(13)	—
Units issued and outstanding, end of period	283	9
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	259	—
Issued for cash	384	5
Withdrawn during the period	(42)	—
Units issued and outstanding, end of period	601	5

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2016 Class	Number of Units	Value of Units (\$)
75/75 Class A Units	5,000	51
75/100 Class A Units	5,000	51

There were no units held by the Company as at June 30, 2017.

### Financial instrument risk

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

### Financial instrument risk of the underlying fund

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

### Fair value hierarchy

As at June 30, 2017 Financial assets	Level 1	Level 2	Level 3	Total
Investment fund	8,967	—	—	8,967

As at December 31, 2016 Financial assets	Level 1	Level 2	Level 3	Total
Investment fund	3,471	—	—	3,471

### Transfers between levels

There were no transfers between the levels during the 2017 period (2016 — \$ nil).

### Unconsolidated structured entities

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

	As at June 30, 2017	As at December 31, 2016
<b>Carrying amount</b>		
BMO Low Volatility US Equity ETF	8,967	3,471
<b>Total</b>	<b>8,967</b>	<b>3,471</b>

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

BMO Low Volatility US Equity ETF	1.06%	0.42%
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## Notes to the Financial Statements (unaudited) (cont'd)

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

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

The increase (decrease) in net assets held for the benefit of policyowners for the periods ended June 30, 2017 and June 30, 2016 is calculated as follows:

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>75/75 Class A Units</b>		
(Decrease) increase in net assets held for the benefit of policyowners	(43)	3
Weighted average units outstanding during the period	186	6
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.23)	0.44
<b>75/100 Class A Units</b>		
(Decrease) increase in net assets held for the benefit of policyowners	(75)	2
Weighted average units outstanding during the period	427	5
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.18)	0.40

### Brokerage commissions

<i>For the periods ended</i>	June 30, 2017 (\$)	June 30, 2016 (\$)
Total brokerage amounts paid	2	0
Total brokerage amounts paid to related parties	0	0

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

### Concentration risk

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

<i>As at</i>	June 30, 2017	December 31, 2016
<b>Equities</b>		
Consumer Discretionary	12.2%	11.6%
Consumer Staples	18.1%	20.3%
Financials	2.6%	2.6%
Health Care	17.5%	16.6%
Industrials	9.9%	9.4%
Information Technology	2.4%	2.5%
Materials	1.3%	1.4%
Real Estate	8.2%	8.8%
Telecommunication Services	4.3%	4.5%
Utilities	21.8%	20.7%
<b>Other Assets less Liabilities</b>	<b>1.7%</b>	<b>1.6%</b>
	<b>100.0%</b>	<b>100.0%</b>

### Financial assets and financial liabilities

#### Categories of financial assets and financial liabilities

The table below shows the categories of financial assets and financial liabilities except cash.

<i>As at</i>	June 30, 2017	December 31, 2016
Financial assets designated at FVTPL	8,967	3,471
Loans and receivables	97	36
Financial liabilities measured at amortized cost	226	97

### Net gains and losses on financial assets and financial liabilities

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>Net realized gains on financial assets</b>		
Designated at FVTPL	80	1
<b>Total net realized gains on financial assets and financial liabilities</b>	<b>80</b>	<b>1</b>
<b>Change in unrealized (losses) gains on financial assets</b>		
Designated at FVTPL	(117)	4
<b>Total change in unrealized (losses) gains on financial assets and financial liabilities</b>	<b>(117)</b>	<b>4</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2017 and December 31, 2016.

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

# BMO Low Volatility U.S. Equity ETF GIF

## Supplementary Information

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

### Financial Highlights (unaudited)

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

75/75 Class A Units	Six months ended June 30, 2017	Year ended December 31, 2016 <sup>(4)</sup>
Net assets (\$000's) <sup>(1)</sup>	2,918	866
Net asset value per unit (\$) <sup>(1)</sup>	10.32	10.27
Units issued and outstanding (000's) <sup>(1)</sup>	283	84
Management fees (%)	1.50	1.50
Management expense ratio (%) <sup>(2)</sup>	2.56	2.57
Management expense ratio before waivers (%)	2.56	2.57
Portfolio turnover ratio (%) <sup>(3)</sup>	4.13	5.93

75/100 Class A Units	Six months ended June 30, 2017	Year ended December 31, 2016 <sup>(4)</sup>
Net assets (\$000's) <sup>(1)</sup>	6,185	2,654
Net asset value per unit (\$) <sup>(1)</sup>	10.29	10.25
Units issued and outstanding (000's) <sup>(1)</sup>	601	259
Management fees (%)	1.50	1.50
Management expense ratio (%) <sup>(2)</sup>	2.91	2.92
Management expense ratio before waivers (%)	2.91	2.92
Portfolio turnover ratio (%) <sup>(3)</sup>	4.13	5.93

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

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

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

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

## STATEMENT OF FINANCIAL POSITION

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

As at	June 30 2017	December 31 2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	207	113
Investments		
Non-derivative financial assets	8,784	3,190
Subscriptions receivable	67	0
Distribution receivable from investment trusts	54	19
<b>Total assets</b>	<b>9,112</b>	<b>3,322</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Payable for investments purchased	118	88
Redemptions payable	2	—
Accrued expenses	48	14
<b>Total liabilities</b>	<b>168</b>	<b>102</b>
<b>Net assets held for the benefit of policyowners</b>	<b>8,944</b>	<b>3,220</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	2,587	772
75/100 Class A Units	6,357	2,448
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 10.85	\$ 10.34
75/100 Class A Units	\$ 10.81	\$ 10.32

## STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	June 30 2017	June 30 2016
<b>INCOME</b>		
Distribution from investment trusts	90	1
Other changes in fair value of investments and derivatives		
Net realized gain	8	—
Change in unrealized appreciation	192	0
<b>Net gain in fair value of investments and derivatives</b>	<b>290</b>	<b>1</b>
<b>Total income</b>	<b>290</b>	<b>1</b>
<b>EXPENSES</b>		
Management fees (note 8)	41	0
Fixed administration fees (note 8)	8	0
Insurance fees (note 8)	25	0
Commissions and other portfolio transaction costs (note 8)	2	0
<b>Total expenses</b>	<b>76</b>	<b>0</b>
<b>Increase in net assets held for the benefit of policyowners</b>	<b>214</b>	<b>1</b>
<b>Increase in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	64	1
75/100 Class A Units	150	0
<b>Increase in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	0.40	0.09
75/100 Class A Units	0.36	0.09

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

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	<b>June 30 2017</b>	<b>June 30 2016</b>
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	772	—
Increase in net assets held for the benefit of policyowners	64	1
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,843	50
Withdrawal of withdrawable units	(92)	—
Net increase from withdrawable unit transactions	1,751	50
Net increase in net assets held for the benefit of policyowners	1,815	51
<b>Net assets held for the benefit of policyowners</b>	<b>2,587</b>	<b>51</b>
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	2,448	—
Increase in net assets held for the benefit of policyowners	150	0
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	4,190	50
Withdrawal of withdrawable units	(431)	—
Net increase from withdrawable unit transactions	3,759	50
Net increase in net assets held for the benefit of policyowners	3,909	50
<b>Net assets held for the benefit of policyowners</b>	<b>6,357</b>	<b>50</b>

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	<b>June 30 2017</b>	<b>June 30 2016</b>
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	3,220	—
Increase in net assets held for the benefit of policyowners	214	1
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	6,033	100
Withdrawal of withdrawable units	(523)	—
Net increase from withdrawable unit transactions	5,510	100
Net increase in net assets held for the benefit of policyowners	5,724	101
<b>Net assets held for the benefit of policyowners</b>	<b>8,944</b>	<b>101</b>

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

# BMO Low Volatility Canadian Equity ETF GIF

(unaudited) (cont'd)

## STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

For the periods ended	June 30 2017	June 30 2016
<b>Cash flows from operating activities</b>		
Increase in net assets held for the benefit of policyowners	214	1
Adjustments for:		
Net realized gain on sale of investments and derivatives	(8)	—
Change in unrealized appreciation of investments and derivatives	(192)	(0)
Increase in distribution receivable from investment trusts	(35)	(1)
Increase in accrued expenses	34	0
Purchases of investments	(5,643)	(99)
Proceeds from sale and maturity of investments	279	—
Net cash from operating activities	(5,351)	(99)
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	5,966	100
Amounts paid on withdrawal of withdrawable units	(521)	—
Net cash from financing activities	5,445	100
Net increase in cash	94	1
Cash at beginning of period	113	—
<b>Cash at end of period</b>	<b>207</b>	<b>1</b>

### Supplementary Information:

Distribution received from investment trusts*	55	—
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\*These items are from operating activities

## SCHEDULE OF INVESTMENT PORTFOLIO

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

As at June 30, 2017	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUND — 98.2%</b>			
<b>Canadian Equity Fund — 98.2%</b>			
BMO Low Volatility Canadian Equity ETF	296,095	8,594	8,784
<b>Total Investment Portfolio — 98.2%</b>		<b>8,594</b>	<b>8,784</b>
Other Assets Less Liabilities — 1.8%			160
<b>NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0%</b>			<b>8,944</b>

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

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

## Notes to the Financial Statements (unaudited)

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

### Fund and Class information

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

Class	Launch Date
75/75 Class A Units	June 21, 2016
75/100 Class A Units	June 21, 2016

### Change in units

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

For the periods ended (in thousands of units)	June 30, 2017	June 30, 2016
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	75	—
Issued for cash	172	5
Withdrawn during the period	(9)	—
Units issued and outstanding, end of period	238	5
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	237	—
Issued for cash	391	5
Withdrawn during the period	(40)	—
Units issued and outstanding, end of period	588	5

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2016 Class	Number of Units	Value of Units (\$)
75/75 Class A Units	5,000	52
75/100 Class A Units	5,000	52

There were no units held by the Company as at June 30, 2017.

### Financial instrument risk

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

### Financial instrument risk of the underlying fund

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

### Fair value hierarchy

As at June 30, 2017 Financial assets	Level 1	Level 2	Level 3	Total
Investment fund	8,784	—	—	8,784

As at December 31, 2016 Financial assets	Level 1	Level 2	Level 3	Total
Investment fund	3,190	—	—	3,190

### Transfers between levels

There were no transfers between the levels during the 2017 period (2016 — \$ nil).

### Unconsolidated structured entities

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

	As at June 30, 2017	As at December 31, 2016
<b>Carrying amount</b>		
BMO Low Volatility Canadian Equity ETF	8,784	3,190
<b>Total</b>	8,784	3,190

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

BMO Low Volatility Canadian Equity ETF	0.77%	0.25%
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## Notes to the Financial Statements (unaudited) (cont'd)

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

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

The increase (decrease) in net assets held for the benefit of policyowners for the periods ended June 30, 2017 and June 30, 2016 is calculated as follows:

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>75/75 Class A Units</b>		
Increase in net assets attributable to holders of redeemable units	64	1
Weighted average units outstanding during the period	159	5
Increase in net assets attributable to holders of redeemable units per unit	0.40	0.09
<b>75/100 Class A Units</b>		
Increase in net assets attributable to holders of redeemable units	150	0
Weighted average units outstanding during the period	412	5
Increase in net assets attributable to holders of redeemable units per unit	0.36	0.09

### Brokerage commissions

<i>For the periods ended</i>	June 30, 2017 (\$)	June 30, 2016 (\$)
Total brokerage amounts paid	2	0
Total brokerage amounts paid to related parties	0	0

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

### Concentration risk

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

<i>As at</i>	June 30, 2017	December 31, 2016
<b>Equities</b>		
Consumer Discretionary	10.2%	9.7%
Consumer Staples	13.7%	14.4%
Energy	2.6%	3.2%
Financials	24.2%	23.0%
Industrials	5.3%	4.8%
Information Technology	5.5%	6.3%
Materials	3.9%	3.9%
Real Estate	11.4%	12.4%
Telecommunication Services	7.0%	7.7%
Utilities	14.4%	13.2%
<b>Other Assets Less Liabilities</b>	1.8%	1.4%
	<b>100.0%</b>	<b>100.0%</b>

### Financial assets and financial liabilities

#### Categories of financial assets and financial liabilities

The table below shows the categories of financial assets and financial liabilities except cash.

<i>As at</i>	June 30, 2017	December 31, 2016
Financial assets designated at FVTPL	8,784	3,190
Loans and receivables	121	19
Financial liabilities measured at amortized cost	168	102

#### Net gains and losses on financial assets and financial liabilities

<i>For the periods ended</i>	June 30, 2017	June 30, 2016
<b>Net realized gains on financial assets</b>		
Designated at FVTPL	98	1
<b>Total net realized gains on financial assets and financial liabilities</b>	98	1
<b>Change in unrealized gains on financial assets</b>		
Designated at FVTPL	192	0
<b>Total change in unrealized gains on financial assets and financial liabilities</b>	192	0

#### Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2017 and December 31, 2016.

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

## Supplementary Information

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

### Financial Highlights (unaudited)

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

75/75 Class A Units	Six months ended June 30, 2017	Year ended December 31, 2016 <sup>(4)</sup>
Net assets (\$000's) <sup>(1)</sup>	2,587	772
Net asset value per unit (\$) <sup>(1)</sup>	10.85	10.34
Units issued and outstanding (000's) <sup>(1)</sup>	238	75
Management fees (%)	1.55	1.55
Management expense ratio (%) <sup>(2)</sup>	2.57	2.57
Management expense ratio before waivers (%)	2.57	2.57
Portfolio turnover ratio (%) <sup>(3)</sup>	4.70	6.84

75/100 Class A Units	Six months ended June 30, 2017	Year ended December 31, 2016 <sup>(4)</sup>
Net assets (\$000's) <sup>(1)</sup>	6,357	2,448
Net asset value per unit (\$) <sup>(1)</sup>	10.81	10.32
Units issued and outstanding (000's) <sup>(1)</sup>	588	237
Management fees (%)	1.55	1.55
Management expense ratio (%) <sup>(2)</sup>	2.97	2.97
Management expense ratio before waivers (%)	2.97	2.97
Portfolio turnover ratio (%) <sup>(3)</sup>	4.70	6.84

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

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

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

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

**STATEMENT OF FINANCIAL POSITION**

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

As at	June 30 2017
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash	215
Investments	
Non-derivative financial assets	18,050
Subscriptions receivable	144
<b>Total assets</b>	<b>18,409</b>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Payable for investments purchased	115
Redemptions payable	3
Accrued expenses	114
<b>Total liabilities</b>	<b>232</b>
<b>Net assets held for the benefit of policyowners</b>	<b>18,177</b>
<b>Net assets held for the benefit of policyowners</b>	
75/75 Class A Units	1,276
75/100 Class A Units	3,359
100/100 Class A Units	7,418
100/100 Prestige Class Units	6,124
<b>Net assets held for the benefit of policyowners per unit</b>	
75/75 Class A Units	\$ 10.24
75/100 Class A Units	\$ 10.23
100/100 Class A Units	\$ 10.21
100/100 Prestige Class Units	\$ 10.23

**STATEMENT OF COMPREHENSIVE INCOME**

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

For the period ended	June 30 2017
<b>INCOME</b>	
Distribution from investment trusts	195
Other changes in fair value of investments and derivatives	
Unrealized appreciation	15
<b>Net gain in fair value of investments and derivatives</b>	<b>210</b>
<b>Total income</b>	<b>210</b>
<b>EXPENSES</b>	
Management fees (note 8)	85
Fixed administration fees (note 8)	14
Insurance fees (note 8)	54
<b>Total expenses</b>	<b>153</b>
Increase in net assets held for the benefit of policyowners	57
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>	
75/75 Class A Units	9
75/100 Class A Units	(9)
100/100 Class A Units	36
100/100 Prestige Class Units	21
<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>	
75/75 Class A Units	0.12
75/100 Class A Units	(0.06)
100/100 Class A Units	0.07
100/100 Prestige Class Units	0.07

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

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

(All amounts in thousands of Canadian dollars)

<i>For the period ended</i>	<b>June 30 2017</b>
<b>75/75 Class A Units</b>	
<b>Net assets held for the benefit of policyowners at beginning of period</b>	—
Increase in net assets held for the benefit of policyowners	9
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	1,339
Withdrawal of withdrawable units	(72)
Net increase from withdrawable unit transactions	1,267
Net increase in net assets held for the benefit of policyowners	1,276
<b>Net assets held for the benefit of policyowners</b>	<b>1,276</b>
<b>75/100 Class A Units</b>	
<b>Net assets held for the benefit of policyowners at beginning of period</b>	—
Decrease in net assets held for the benefit of policyowners	(9)
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	3,455
Withdrawal of withdrawable units	(87)
Net increase from withdrawable unit transactions	3,368
Net increase in net assets held for the benefit of policyowners	3,359
<b>Net assets held for the benefit of policyowners</b>	<b>3,359</b>

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

(All amounts in thousands of Canadian dollars)

<i>For the period ended</i>	<b>June 30 2017</b>
<b>100/100 Class A Units</b>	
<b>Net assets held for the benefit of policyowners at beginning of period</b>	—
Increase in net assets held for the benefit of policyowners	36
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	8,446
Withdrawal of withdrawable units	(1,064)
Net increase from withdrawable unit transactions	7,382
Net increase in net assets held for the benefit of policyowners	7,418
<b>Net assets held for the benefit of policyowners</b>	<b>7,418</b>
<b>100/100 Prestige Class Units</b>	
<b>Net assets held for the benefit of policyowners at beginning of period</b>	—
Increase in net assets held for the benefit of policyowners	21
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	6,167
Withdrawal of withdrawable units	(64)
Net increase from withdrawable unit transactions	6,103
Net increase in net assets held for the benefit of policyowners	6,124
<b>Net assets held for the benefit of policyowners</b>	<b>6,124</b>

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

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

(All amounts in thousands of Canadian dollars)

<i>For the period ended</i>	<b>June 30 2017</b>
<b>Total Fund</b>	
<b>Net assets held for the benefit of policyowners at beginning of period</b>	—
Increase in net assets held for the benefit of policyowners	57
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	19,407
Withdrawal of withdrawable units	(1,287)
Net increase from withdrawable unit transactions	18,120
Net increase in net assets held for the benefit of policyowners	18,177
<b>Net assets held for the benefit of policyowners</b>	<b>18,177</b>

**STATEMENT OF CASH FLOWS**

(All amounts in thousands of Canadian dollars)

<i>For the period ended</i>	<b>June 30 2017</b>
<b>Cash flows from operating activities</b>	
Increase in net assets held for the benefit of policyowners	57
Adjustments for:	
Unrealized appreciation of investments and derivatives	(15)
Increase in accrued expenses	114
Non-cash distributions from investment trusts	(195)
Purchases of investments	(17,725)
Net cash from operating activities	(17,764)
<b>Cash flows from financing activities</b>	
Proceeds from issuances of withdrawable units	18,524
Amounts paid on withdrawal of withdrawable units	(545)
Net cash from financing activities	17,979
Net increase in cash	215
Cash at beginning of period	—
<b>Cash at end of period</b>	<b>215</b>

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

# BMO Monthly Income GIF

(unaudited) (cont'd)

## SCHEDULE OF INVESTMENT PORTFOLIO

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

As at June 30, 2017	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUND — 99.3%</b>			
<b>Canadian Balanced Fund — 99.3%</b>			
BMO Monthly Income Fund, Series I	1,957,709	18,035	18,050
<b>Total Investment Portfolio — 99.3%</b>		<b>18,035</b>	<b>18,050</b>
Other Assets Less Liabilities — 0.7%			127
<b>NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS — 100.0%</b>			<b>18,177</b>

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

## Notes to the Financial Statements (unaudited)

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

### Fund and Class information

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

Class	Launch Date
75/75 Class A Units	January 9, 2017
75/100 Class A Units	January 9, 2017
100/100 Class A Units	January 9, 2017
100/100 Prestige Class Units	January 9, 2017

### Change in units

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

For the period ended (in thousands of units)	June 30, 2017
<b>75/75 Class A Units</b>	
Units issued and outstanding, beginning of period	—
Issued for cash	132
Withdrawn during the period	(7)
Units issued and outstanding, end of period	125
<b>75/100 Class A Units</b>	
Units issued and outstanding, beginning of period	—
Issued for cash	337
Withdrawn during the period	(9)
Units issued and outstanding, end of period	328
<b>100/100 Class A Units</b>	
Units issued and outstanding, beginning of period	—
Issued for cash	831
Withdrawn during the period	(104)
Units issued and outstanding, end of period	727
<b>100/100 Prestige Class Units</b>	
Units issued and outstanding, beginning of period	—
Issued for cash	605
Withdrawn during the period	(6)
Units issued and outstanding, end of period	599

### Units held by the Company

There were no units held by the Company as at June 30, 2017.

### Financial instrument risk

The Fund invests in the BMO Monthly Income Fund, Series I ("underlying fund"). The investment objective of the underlying fund is to provide a fixed monthly distribution and to preserve the value of investments.

The Fund invested primarily in Canadian fixed income securities with higher-than-average yields, issued by the federal government, provincial governments, government agencies and corporations as well as preferred and common shares, real estate investment trusts, royalty trusts and other high-yielding investments.

### Financial instrument risk of the underlying fund

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

### Fair value hierarchy

As at June 30, 2017 Financial assets	Level 1	Level 2	Level 3	Total
Investment fund	18,050	—	—	18,050

### Unconsolidated structured entities

Carrying amount	As at June 30, 2017
BMO Monthly Income Fund, Series I	18,050
<b>Total</b>	<b>18,050</b>

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

BMO Monthly Income Fund, Series I	0.42%
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## Notes to the Financial Statements (unaudited) (cont'd)

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

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

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

<i>For the period ended</i>	<b>June 30, 2017</b>
<b>75/75 Class A Units</b>	
Increase in net assets held for the benefit of policyowners	9
Weighted average units outstanding during the period	76
Increase in net assets held for the benefit of policyowners per unit	0.12
<b>75/100 Class A Units</b>	
Decrease in net assets held for the benefit of policyowners	(9)
Weighted average units outstanding during the period	163
Decrease in net assets held for the benefit of policyowners per unit	(0.06)
<b>100/100 Class A Units</b>	
Increase in net assets held for the benefit of policyowners	36
Weighted average units outstanding during the period	498
Increase in net assets held for the benefit of policyowners per unit	0.07
<b>100/100 Prestige Class Units</b>	
Increase in net assets held for the benefit of policyowners	21
Weighted average units outstanding during the period	319
Increase in net assets held for the benefit of policyowners per unit	0.07

### Brokerage commissions

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

### Concentration risk

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

<i>As at</i>	<b>June 30, 2017</b>
Money Market Investments	1.8%
Bonds and Debentures	40.6%
Canadian Equities	32.7%
International Equities	21.7%
Investment Funds	1.2%
Other Assets less Liabilities	2.0%
	<b>100.0%</b>

### Financial assets and financial liabilities

#### Categories of financial assets and financial liabilities

The table below shows the categories of financial assets and financial liabilities except cash.

<i>As at</i>	<b>June 30, 2017</b>
Financial assets designated at FVTPL	18,050
Loans and receivables	144
Financial liabilities measured at amortized cost	232

### Net gains and losses on financial assets and financial liabilities

<i>For the period ended</i>	<b>June 30, 2017</b>
<b>Net realized gains on financial assets</b>	
Designated at FVTPL	195
<b>Total net realized gains on financial assets and financial liabilities</b>	<b>195</b>
<b>Change in unrealized gains on financial assets</b>	
Designated at FVTPL	15
<b>Total change in unrealized gains on financial assets and financial liabilities</b>	<b>15</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at June 30, 2017.

### Financial Highlights (unaudited)

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

75/75 Class A Units	January 6, 2017 to June 30, 2017
Net assets (\$000's) <sup>(1)</sup>	1,276
Net asset value per unit (\$) <sup>(1)</sup>	10.24
Units issued and outstanding (000's) <sup>(1)</sup>	125
Management fees (%)	1.60
Management expense ratio (%) <sup>(2)</sup>	2.59
Management expense ratio before waivers (%)	2.59
Portfolio turnover ratio (%) <sup>(3)</sup>	—

75/100 Class A Units	January 6, 2017 to June 30, 2017
Net assets (\$000's) <sup>(1)</sup>	3,359
Net asset value per unit (\$) <sup>(1)</sup>	10.23
Units issued and outstanding (000's) <sup>(1)</sup>	328
Management fees (%)	1.60
Management expense ratio (%) <sup>(2)</sup>	2.76
Management expense ratio before waivers (%)	2.76
Portfolio turnover ratio (%) <sup>(3)</sup>	—

100/100 Class A Units	January 6, 2017 to June 30, 2017
Net assets (\$000's) <sup>(1)</sup>	7,418
Net asset value per unit (\$) <sup>(1)</sup>	10.21
Units issued and outstanding (000's) <sup>(1)</sup>	727
Management fees (%)	1.60
Management expense ratio (%) <sup>(2)</sup>	3.20
Management expense ratio before waivers (%)	3.20
Portfolio turnover ratio (%) <sup>(3)</sup>	—

100/100 Prestige Class Units	January 6, 2017 to June 30, 2017
Net assets (\$000's) <sup>(1)</sup>	6,124
Net asset value per unit (\$) <sup>(1)</sup>	10.23
Units issued and outstanding (000's) <sup>(1)</sup>	599
Management fees (%)	1.25
Management expense ratio (%) <sup>(2)</sup>	2.75
Management expense ratio before waivers (%)	2.75
Portfolio turnover ratio (%) <sup>(3)</sup>	—

<sup>(1)</sup> The information is provided as at June 30 of the period shown.

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

<sup>(3)</sup> The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover ratio in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover ratio and the performance of the fund. For the financial period ended June 30, 2017, no sales of portfolio securities were made by the Fund. As a result, the portfolio turnover ratio for this period was zero.

# Notes to the Financial Statements

(All amounts in thousands of Canadian dollars) (unaudited)

June 30, 2017

## 1. The Funds

The BMO Guaranteed Investment Funds (the "Funds") are offered through a variable annuity contract issued by BMO Life Assurance Company (the "Company") under authority of the Insurance Companies Act (Canada) and are regulated by the Canadian Life and Health Insurance Association ("CLHIA"). The Company is the registered owner of the assets of the Funds for the benefit of the policy owners. The address of the Company's registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

<b>Fund</b>	<b>Date Established</b>
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017

The Company is the sole issuer of the individual variable insurance contract providing for investment in each Fund.

Each Fund is established under the authority of the Insurance Companies Act. Each of the Funds invest in direct investments or in underlying exchange traded funds or mutual fund units.

The individual variable insurance contract provides guarantees, which are payable either on maturity or on death.

The Statement of Financial Position and related notes of each of the Funds are as at June 30, 2017 and December 31, 2016. The Statement of Comprehensive Income, Statement of Changes in Net Assets Held for the Benefit of Policyowners, Statement of Cash Flows and related notes are of the periods ended June 30, 2017 and June 30, 2016.

The financial statements were authorized for issuance by the Board of Directors of the Company on September 6, 2017.

These financial statements should be read in conjunction with the annual financial statements for the period ended December 31, 2016 which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

## 2. Basis of preparation and presentation

These unaudited interim financial statements have been prepared in accordance with IFRS and in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB").

## 3. Summary of significant accounting policies Financial instruments

The Funds record financial instruments at fair value. Investment transactions are accounted for on the trade date. The Funds' investments are either designated at fair value through profit or loss ("FVTPL") at inception or classified as held for trading. The changes in the investment fair values and related transaction costs are recorded in the Funds' Statement of Comprehensive Income.

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future, or on initial recognition, are part of a portfolio of identified financial instruments that the Funds manage together and that have a recent actual pattern of short-term profit taking. The Funds classify all derivatives as held for trading. The Funds do not designate any derivatives as hedges in a hedging relationship.

The Funds designate all investments at FVTPL, as they have reliably measurable fair values and are part of a group of financial assets or financial liabilities that are managed and have their performance evaluated on a fair value basis in accordance with the Fund's investment strategy.

The Funds' withdrawable units contain multiple contractual obligations and consequently, do not meet the conditions to be classified as equity. As a result, the Funds' obligations for net assets held for the benefit of policy owners are classified as financial liabilities and presented at the withdrawal amounts.

All other financial assets and financial liabilities are measured at amortized cost. Under this method, financial assets and financial liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate.

The Company has determined that the Funds meet the definition of "investment entity" and as a result, the Funds measure subsidiaries, if any, at FVTPL.

### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis.

### Fair value measurement

Investments are recorded at their fair value with the change between this amount and their average cost being recorded as "Change in unrealized appreciation (depreciation)" in the Statement of Comprehensive Income.

For exchange-traded securities, close prices are considered to be fair value if they fall within the bid-ask spread. In circumstances where the close price is not within the bid-ask spread, the Company determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

June 30, 2017

For bonds, debentures, asset-backed securities and other debt securities, fair value is represented by bid prices provided by independent security pricing services. Short-term investments, if any, are fair valued, and in certain circumstances are held at amortized cost which approximates fair value.

Mutual fund units held as investments are valued at their respective Net Asset Value ("NAV") on each Valuation Date (the "Valuation Date" is each day on which the Toronto Stock Exchange is open for trading), as these values are the most readily and regularly available.

### Derivatives

Derivative instruments are financial contracts that derive their value from changes in the underlying interest rates, foreign exchange rates or other financial or commodity prices or indices.

Derivative instruments are either regulated exchange traded contracts or negotiated over-the-counter contracts. The Funds may use these instruments for trading purposes, as well as to manage the Funds' risk exposures.

Derivatives are measured at fair value. Realized gains and losses are included in "Net realized gains (losses)" on the Statement of Comprehensive Income and unrealized gains and losses are included in "Change in unrealized appreciation (depreciation)" in the Statement of Comprehensive Income.

#### *Forward currency contracts*

A forward currency contract is an agreement between two parties (the Fund and the counterparty) to purchase or sell a currency against another currency at a set price on a future date. The Funds may enter into forward currency contracts for hedging purposes, which can include the economic hedging of all or a portion of the currency exposure of an investment or group of investments, either directly or indirectly.

The Funds may also enter into these contracts for non-hedging purposes, which can include increasing the exposure to a foreign currency, or the shifting of exposure to foreign currency fluctuations from one country to another. The value of forward currency contracts entered into by the Funds is recorded as the difference between the value of the contract on the Valuation Date and the value on the date the contract originated.

### Income recognition

Distributions from underlying funds are recognized on the ex-distribution date.

Interest income from interest bearing investments is recognized in the Statement of Comprehensive Income as it is earned using the effective interest rate. Interest receivable shown in the Statement of Financial Position is accrued based on the interest bearing instruments' stated rates of interest.

### Foreign currency translation

The fair value of investments and other assets and liabilities in foreign currencies are translated into the Funds' functional currency at the rates of exchange prevailing at the period-end date. Purchases and sales of investments, and income and expenses are translated at the rates of exchange prevailing on the respective dates of such transactions. Foreign exchange

gains (losses) on completed transactions are included in "Net realized gain (loss)" and unrealized foreign exchange gains (losses) are included in "Change in unrealized appreciation (depreciation)" in the Statement of Comprehensive Income. Foreign exchange gains (losses) relating to cash, receivables and payables are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

### Cash

Cash is comprised of cash and deposits with banks, which include bankers' acceptances and overnight demand deposits. Cash is recorded at fair value. The carrying amounts of cash approximates its fair value because it is short-term in nature.

### Other assets and liabilities

Distribution receivable from investment trusts, subscriptions receivable and receivable for investments purchased, are initially recorded at fair value and subsequently measured at amortized cost. Similarly, payable for investments purchased, redemptions payable and accrued expenses are measured at amortized cost. Other assets and liabilities are short-term in nature, and are carried at cost or amortized cost.

### Increase or decrease in net assets held for the benefit of policy owners per unit

"Increase (decrease) in net assets held for the benefit of policyowners per unit" of a class in the Statement of Comprehensive Income represents the increase (decrease) in net assets held for the benefit of policyowners attributable to the class, divided by the weighted average number of units of the class outstanding during the period.

### Portfolio turnover ratio

The Funds' portfolio turnover ratio indicates how actively the Funds' portfolio manager manages its portfolio investments.

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

### Income taxes

The Funds are segregated funds under the provisions of the *Income Tax Act (Canada)*. The Funds' net income, including net realized capital gains and losses for the calendar year, is allocated to beneficiaries so that the Funds will not be liable for income taxes. As a result, the Funds have determined that they are in substance not taxable and therefore do not record income taxes in the Statement of Comprehensive Income and/or recognize any deferred tax assets or liabilities in the Statement of Financial Position.

### Investments in subsidiaries, joint ventures and associates

Subsidiaries are entities over which the Funds have control through their exposure or rights to variable returns from their investment, and have the ability to affect those returns through their power over the entity. The Funds have determined that they are an investment entity and as such, they account for

June 30, 2017

subsidiaries, if any, at fair value. Joint ventures are those where the Funds exercise joint control through an agreement with other shareholders, and associates are investments in which the Funds exert significant influence over operating, investing, and financing decisions (such as entities in which the Funds own 20% – 50% of voting shares), all of which, if any, have been designated at FVTPL.

#### **Unconsolidated structured entities**

During the periods, the Funds had no sponsored unconsolidated structured entities. The Company has determined that the underlying funds in which the Funds may invest are unconsolidated structured entities. This determination is based on the fact that decision making about the underlying funds is not governed by the voting right or other similar right held by the Funds. Similarly, investments in securitizations, asset-backed securities and mortgage-backed securities are determined to be interests in unconsolidated structured entities.

The Funds may invest in underlying funds whose investment objectives range from achieving short-term to long-term income and capital growth potential. Underlying funds may use leverage in a manner consistent with their respective investment objectives and as permitted by Canadian securities regulatory authorities. Underlying funds finance their operations by issuing redeemable units which are puttable at the holders' option and entitles the holder to a proportionate stake in the respective fund's Net Assets. The change in fair value of each of the underlying funds during the periods is included in "Change in unrealized appreciation (depreciation)" in the Statement of Comprehensive Income.

Mortgage-related securities are created from pools of residential or commercial mortgage loans, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks and others. Asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans, and student loans.

The Funds do not provide and have not committed to providing any additional significant financial information or other support to the unconsolidated structured entities other than its investment in the unconsolidated structured entities.

#### **Offsetting of financial assets and financial liabilities**

Financial instruments are presented at net or gross amounts in the Statement of Financial Position depending on the existence of intention and legal right to offset opposite positions of such instruments held with the same counterparties. Amounts offset in the Statement of Financial Position are transactions for which the Funds have legally enforceable rights to offset and intend to settle the positions on a net basis. Amounts not offset in the Statement of Financial Position relate to transactions where a master netting arrangement or similar agreement is in place with a right to offset only in the event of default, insolvency or bankruptcy, or where the Funds have no intention of settling on a net basis.

#### **4. Units and unit transactions**

The withdrawable units of the Funds are classified as financial liabilities.

The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets Held for the Benefit of Policy owners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 9, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyholders that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyholders that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policy holders that are pre-retires looking for maximum protection and to lock-in market gains as they get closer to retirement. On June 21, 2016, Class A Units changed their name to 100/100 Class A Units.

100/100 Prestige Class Units are only available to policy owners who meet and maintain a minimum investment of \$250, either individually or collectively with other policy owners who are their family members and reside at the same address.

Holding Money Market Units was designated for holding purposes. Once a month the deposits were switched to the selected funds. At the close of business on June 20, 2016, the Holding Money Market Units were terminated.

## 5. Accounting standards issued but not yet adopted

Below are accounting standards issued or amended but not yet effective and not yet adopted. The Company does not expect the adoption of these standards or amendments to have a significant impact to the Funds' financial statements.

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments, which addresses classification and measurement, impairment and hedge accounting.

The new standard requires assets to be carried at amortized cost, FVTPL or fair value through comprehensive income based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset. The classification and measurement of liabilities remains generally unchanged with the exception of liabilities recorded at FVTPL.

For these liabilities, fair value changes attributable to changes in the entity's own credit risk are to be presented in other comprehensive income unless they affect amounts recorded in income.

The new standard is effective for the Funds for their fiscal year beginning January 1, 2018. The Company is evaluating the impact of this standard on their financial statements.

## 6. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

### Accounting judgements:

#### Functional and presentation currency

The Funds unitholders are mainly Canadian residents, with the subscriptions and redemptions of the redeemable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the investors in Canadian dollars.

The Company considers the Canadian dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Canadian dollars, which is the Funds' functional and presentation currency.

#### Classification and measurement of financial instruments and application of fair value option

In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements about whether or not the business of the Funds is to invest on a total return basis for the purpose of applying the fair value options for financial assets.

### Accounting estimates:

The Funds have established policies and control procedures that are intended to ensure these judgements are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

## 7. Management fees and expenses

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

## 8. Related party transactions

### Management fees

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

### Administration fees

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

### Insurance fees

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

### Brokerage commissions

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

June 30, 2017

## Other related parties

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from a subsidiary or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by a subsidiary or affiliates of the Bank of Montreal, entering into forward contracts with a subsidiary or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

## 9. Financial instrument risk

The Funds may be exposed to a variety of financial risks that are concentrated in their investment holdings. The concentration risk table groups securities by asset type, geographic region and/or market segment. The Funds' risk management practices outline the monitoring of compliance to investment guidelines. The Company manages the potential effects of these financial risks on the Funds' performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Funds' positions, market events and diversify investment portfolios within the constraints of the investment guidelines.

Where a Fund invests in another investment fund or investment funds, they may be indirectly exposed to the financial instrument risk of the underlying fund(s), depending on the investment objectives and the type of securities held by the underlying fund(s). The decision to buy or sell an underlying fund is based on the investment guidelines and positions, rather than the exposure of the underlying funds.

### a) Currency risk

Currency risk is the risk that the value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value.

### b) Interest rate risk

Interest rate risk is the risk that the fair value of the Funds' interest bearing investments will fluctuate due to changes in market interest rates. The Funds' exposure to interest rate risk is concentrated in its investment in debt securities (such as bonds, money market investments, short-term investments and debentures) and interest rate derivative instruments, if any.

Other assets and liabilities are short-term in nature and/or non-interest bearing.

### c) Other market risk

Other market risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market. Other assets and liabilities are monetary items that are short-term in nature, as such they are not subject to other market risk.

### d) Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. Credit risk exposure for over-the-counter derivative instruments is based on the Funds' unrealized gain of the contractual obligations with the counterparty as at the reporting date. The credit exposure of other assets is represented by its carrying amount.

### e) Liquidity risk

The Funds' exposure to liquidity risk is concentrated in the daily cash redemptions of units. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash and cash equivalent positions to maintain liquidity. The Funds may, from time to time, enter into over-the-counter derivative contracts or invest in unlisted securities, which are not traded in an organized market and may be illiquid. The proportion of illiquid securities to NAV of the Fund is monitored by the Company to ensure it does not exceed the regulatory limit and does not significantly affect the liquidity required to meet the Fund's financial obligations.

## 10. Fair value hierarchy

Each Fund classifies its financial instruments into three levels based on the inputs used to value the financial instruments. Level 1 securities are valued based on the quoted prices in active markets for identical securities.

Level 2 securities are valued based on significant observable market inputs, such as quoted prices from similar securities and quoted prices in inactive markets or based on unobservable inputs to models.

Level 3 securities are valued based on significant unobservable inputs that reflect the Company's determination of assumptions that market participants might reasonably use in valuing the securities.

**BMO Insurance**

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