

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

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KPMG LLP  
Bay Adelaide Centre  
333 Bay Street, Suite 4600  
Toronto ON M5H 2S5  
Canada  
Tel 416-777-8500  
Fax 416-777-8818

## **INDEPENDENT AUDITOR'S REPORT**

To the Contract holders of Individual Variable Insurance Contracts relating to the BMO Guaranteed Investment Funds:

BMO Money Market GIF  
BMO U.S. Balanced Growth GIF  
BMO Canadian Balanced Growth GIF  
BMO North American Income Strategy GIF  
BMO Canadian Income Strategy GIF  
BMO Fixed Income ETF Portfolio GIF  
BMO Income ETF Portfolio GIF  
BMO Conservative ETF Portfolio GIF  
BMO Balanced ETF Portfolio GIF  
BMO Growth ETF Portfolio GIF  
BMO Equity Growth ETF Portfolio GIF  
BMO Low Volatility Canadian Equity ETF GIF  
BMO Low Volatility U.S. Equity ETF GIF  
BMO Monthly Income GIF  
BMO Asset Allocation GIF  
BMO Dividend GIF  
BMO Monthly High Income II GIF  
BMO Tactical Balanced GIF  
BMO Sustainable Global Balanced GIF  
BMO Low Volatility International Equity ETF GIF  
BMO Concentrated Global Balanced GIF  
BMO Concentrated Global Equity GIF  
BMO Sustainable Opportunities Global Equity GIF  
BMO Balanced ESG ETF GIF  
BMO Sustainable Global Multi-Sector Bond GIF  
BMO Canadian Income & Growth GIF  
BMO Global Income & Growth GIF  
BMO Aggregate Bond Index ETF GIF  
BMO Global Innovators GIF  
(Collectively, the "Funds")



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### ***Opinion***

We have audited the financial statements of the Funds, which comprise:

- the statements of financial position as at December 31, 2023 and December 31, 2022
- the statements of comprehensive income for the years then ended
- the statements of changes in net assets held for the benefit of policyowners for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2023 and December 31, 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Financial Reporting Standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

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

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

### ***Other Information***

Management is responsible for the other information. Other information comprises:

- the Supplementary Information - Financial Highlights for each Fund included within the BMO Guaranteed Investment Funds Annual Financial Statements.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge



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obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:



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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

April 18, 2024

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

**BMO Money Market GIF**

## STATEMENT OF FINANCIAL POSITION

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

As at	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	72,552	60,477
Investments		
Non-derivative financial assets	8,591	8,174
Subscriptions receivable	128	1
<b>Total assets</b>	<b>81,271</b>	<b>68,652</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Redemptions payable	63	258
Accrued expenses	264	231
<b>Total liabilities</b>	<b>327</b>	<b>489</b>
<b>Net assets held for the benefit of policyowners</b>	<b>80,944</b>	<b>68,163</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	29,893	21,049
75/100 Class A Units	36,052	31,541
100/100 Class A Units	13,498	15,360
75/75 Class F Units	286	16
75/100 Class F Units	182	187
100/100 Class F Units	1,033	10
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 10.53	\$ 10.18
75/100 Class A Units	\$ 10.53	\$ 10.18
100/100 Class A Units	\$ 10.56	\$ 10.22
75/75 Class F Units	\$ 10.83	\$ 10.32
75/100 Class F Units	\$ 10.75	\$ 10.33
100/100 Class F Units	\$ 10.71	\$ 10.30

## STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	December 31, 2023	December 31, 2022
<b>INCOME</b>		
Interest income	3,037	990
Distributions received from investment trusts	416	167
Net gain in fair value of investments and derivatives	3,453	1,157
<b>Total income</b>	<b>3,453</b>	<b>1,157</b>
<b>EXPENSES</b>		
Management fees (note 7)	810	614
Fixed administration fees (note 7)	204	154
Interest charges	0	—
Operating expenses absorbed by the Manager	(0)	(176)
<b>Total expenses</b>	<b>1,014</b>	<b>592</b>
<b>Increase in net assets held for the benefit of policyowners</b>	<b>2,439</b>	<b>565</b>
<b>Increase in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	854	178
75/100 Class A Units	1,099	261
100/100 Class A Units	441	120
75/75 Class F Units	13	0
75/100 Class F Units	9	6
100/100 Class F Units	23	0
<b>Increase in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	0.35	0.11
75/100 Class A Units	0.35	0.10
100/100 Class A Units	0.34	0.10
75/75 Class F Units	0.41	0.12
75/100 Class F Units	0.42	0.13
100/100 Class F Units	0.43	0.13

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



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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	21,049	14,370
Increase in net assets held for the benefit of policyowners	854	178
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	29,054	26,865
Withdrawal of withdrawable units	(21,064)	(20,364)
<b>Net increase from withdrawable unit transactions</b>	7,990	6,501
<b>Net increase in net assets held for the benefit of policyowners</b>	8,844	6,679
<b>Net assets held for the benefit of policyowners</b>	29,893	21,049
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	31,541	21,314
Increase in net assets held for the benefit of policyowners	1,099	261
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	39,924	46,598
Withdrawal of withdrawable units	(36,512)	(36,632)
<b>Net increase from withdrawable unit transactions</b>	3,412	9,966
<b>Net increase in net assets held for the benefit of policyowners</b>	4,511	10,227
<b>Net assets held for the benefit of policyowners</b>	36,052	31,541

## 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>	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	15,360	9,967
Increase in net assets held for the benefit of policyowners	441	120
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	11,703	11,801
Withdrawal of withdrawable units	(14,006)	(6,528)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(2,303)	5,273
<b>Net (decrease) increase in net assets held for the benefit of policyowners</b>	(1,862)	5,393
<b>Net assets held for the benefit of policyowners</b>	13,498	15,360
<b>75/75 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	16	15
Increase in net assets held for the benefit of policyowners	13	0
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,720	17
Withdrawal of withdrawable units	(1,463)	(16)
<b>Net increase from withdrawable unit transactions</b>	257	1
<b>Net increase in net assets held for the benefit of policyowners</b>	270	1
<b>Net assets held for the benefit of policyowners</b>	286	16

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>	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	187	295
Increase in net assets held for the benefit of policyowners	9	6
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	674	5,328
Withdrawal of withdrawable units	(688)	(5,442)
<b>Net decrease from withdrawable unit transactions</b>	(14)	(114)
<b>Net decrease in net assets held for the benefit of policyowners</b>	(5)	(108)
<b>Net assets held for the benefit of policyowners</b>	182	187
<b>100/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	10	10
Increase in net assets held for the benefit of policyowners	23	0
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,000	—
<b>Net increase from withdrawable unit transactions</b>	1,000	—
<b>Net increase in net assets held for the benefit of policyowners</b>	1,023	0
<b>Net assets held for the benefit of policyowners</b>	1,033	10
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	68,163	45,971
Increase in net assets held for the benefit of policyowners	2,439	565
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	84,075	90,609
Withdrawal of withdrawable units	(73,733)	(68,982)
<b>Net increase from withdrawable unit transactions</b>	10,342	21,627
<b>Net increase in net assets held for the benefit of policyowners</b>	12,781	22,192
<b>Net assets held for the benefit of policyowners</b>	80,944	68,163

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>	December 31, 2023	December 31, 2022
<b>Cash flows from operating activities</b>		
Increase in net assets held for the benefit of policyowners	2,439	565
Adjustments for:		
Increase in accrued expenses	33	212
Non-cash distributions from investment trusts	(416)	(167)
<b>Net cash from operating activities</b>	<b>2,056</b>	<b>610</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	83,947	90,819
Amounts paid on withdrawal of withdrawable units	(73,928)	(68,764)
<b>Net cash from financing activities</b>	<b>10,019</b>	<b>22,055</b>
Net increase in cash	12,075	22,665
Cash at beginning of period	60,477	37,812
<b>Cash at end of period</b>	<b>72,552</b>	<b>60,477</b>
<b>Supplementary Information:</b>		
Interest received, net of withholding taxes*	3,037	990
Interest expense paid*	0	—

\*These items are from operating activities

## SCHEDULE OF INVESTMENT PORTFOLIO

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

<i>As at December 31, 2023</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUND</b>			
<b>Money Market Fund — 10.6%</b>			
BMO Money Market Fund, Series I	8,590,541	8,591	8,591
<b>Total Investment Portfolio — 10.6%</b>		<b>8,591</b>	<b>8,591</b>
Other Assets Less Liabilities — 89.4%			72,353
<b>Net assets held for the benefit of policyowners — 100.0%</b>			<b>80,944</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.

# BMO Money Market GIF

## Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2023

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

**Fair value measurement**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

**Cash**

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

**Other assets and liabilities**

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

**Investments in subsidiaries, joint ventures and associates**

Subsidiaries are entities over which the Funds have control through their exposure or rights to variable returns from their investment, and have the ability to affect those returns through their power over the entity. The Funds have determined that they are an investment entity and as such, they account for subsidiaries, if any, at fair value. Joint ventures are investments 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**

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 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.

**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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

#### **Portfolio turnover ratio**

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

#### **Income taxes**

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

#### **4. Units and unit transactions**

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

#### **5. Critical accounting judgements and estimates**

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

##### **Accounting judgements:**

##### **Functional and presentation currency**

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

**Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

**6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

**7. Related party transactions**

**Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

**Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

**Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

**Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

**Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

**8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

**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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.



# BMO Money Market GIF

## Notes to the Financial Statements

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)  
December 31, 2023

### Fund and Class information

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

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

### Change in units

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

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	2,067	1,424
Issued for cash	2,808	2,657
Withdrawn during the period	(2,036)	(2,014)
Units issued and outstanding, end of period	2,839	2,067
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	3,098	2,112
Issued for cash	3,855	4,609
Withdrawn during the period	(3,528)	(3,623)
Units issued and outstanding, end of period	3,425	3,098
<b>100/100 Class A Units</b>		
Units issued and outstanding, beginning of period	1,502	983
Issued for cash	1,129	1,163
Withdrawn during the period	(1,354)	(644)
Units issued and outstanding, end of period	1,277	1,502
<b>75/75 Class F Units</b>		
Units issued and outstanding, beginning of period	1	1
Issued for cash	164	2
Withdrawn during the period	(139)	(2)
Units issued and outstanding, end of period	26	1
<b>75/100 Class F Units</b>		
Units issued and outstanding, beginning of period	18	29
Issued for cash	64	519
Withdrawn during the period	(65)	(530)
Units issued and outstanding, end of period	17	18

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>100/100 Class F Units</b>		
Units issued and outstanding, beginning of period	1	1
Issued for cash	95	—
Units issued and outstanding, end of period	96	1

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023	Number of Units	Value of Units (\$)
Class		
75/75 Class F Units	1,000	11
75/100 Class F Units	1,000	11
100/100 Class F Units	1,000	11

As at December 31, 2022	Number of Units	Value of Units (\$)
Class		
75/75 Class F Units	1,000	10
75/100 Class F Units	1,000	10
100/100 Class F Units	1,000	10

### Financial instruments risk

The Fund's objective is to preserve the capital invested, provide interest income and a high level of liquidity. The Fund invests primarily in BMO Money Market Fund ("underlying fund") that invests in high-quality money market instruments issued by governments and corporations in Canada.

### Currency risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to currency risk as the underlying fund invested primarily in Canadian securities.

### Interest rate risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to interest rate risk as the underlying fund's interest rate sensitivity was determined based on portfolio weighted duration and it was not significant.

### Other market risk

As at June 30, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to other market risk as the underlying fund was fully invested in fixed income securities.

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

# BMO Money Market GIF

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

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)  
December 31, 2023

### Credit risk

The Fund's exposure, through its investment in the underlying fund, to credit risk, grouped by credit ratings, is summarized in the following table:

Credit Rating	As a % of Net Assets as at	
	December 31, 2023	December 31, 2022
R-1 High	5.8	1.2
R-1 Mid	1.3	1.1
R-1 Low	3.3	8.0
AAA	0.0	—
AA	—	0.4
A	0.1	0.4
<b>Total</b>	<b>10.5</b>	<b>11.1</b>

### Fair value hierarchy

The 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 observable 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.

#### As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	8,591	—	—	8,591

#### As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	8,174	—	—	8,174

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at December 31, 2023	As at December 31, 2022
BMO Money Market Fund, Series I	8,591	8,174

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

BMO Money Market Fund, Series I	0.51%	0.79%
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### Increase or decrease in net assets held for the benefit of policyowners per unit

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

For the periods ended	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Increase in net assets held for the benefit of policyowners	854	178
Weighted average units outstanding during the period (in thousands of units)	2,458	1,660
Increase in net assets held for the benefit of policyowners per unit	0.35	0.11
<b>75/100 Class A Units</b>		
Increase in net assets held for the benefit of policyowners	1,099	261
Weighted average units outstanding during the period (in thousands of units)	3,183	2,584
Increase in net assets held for the benefit of policyowners per unit	0.35	0.10
<b>100/100 Class A Units</b>		
Increase in net assets held for the benefit of policyowners	441	120
Weighted average units outstanding during the period (in thousands of units)	1,285	1,143
Increase in net assets held for the benefit of policyowners per unit	0.34	0.10
<b>75/75 Class F Units</b>		
Increase in net assets held for the benefit of policyowners	13	0
Weighted average units outstanding during the period (in thousands of units)	33	2
Increase in net assets held for the benefit of policyowners per unit	0.41	0.12
<b>75/100 Class F Units</b>		
Increase in net assets held for the benefit of policyowners	9	6
Weighted average units outstanding during the period (in thousands of units)	21	49
Increase in net assets held for the benefit of policyowners per unit	0.42	0.13
<b>100/100 Class F Units</b>		
Increase in net assets held for the benefit of policyowners	23	0
Weighted average units outstanding during the period (in thousands of units)	52	1
Increase in net assets held for the benefit of policyowners per unit	0.43	0.13

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

# BMO Money Market GIF

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

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)  
December 31, 2023

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### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2023 and December 31, 2022.

### Concentration risk

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

As at	December 31, 2023	December 31, 2022
<b>Money Market Investments</b>		
Provincial	0.1%	0.2%
Municipal	0.2%	0.2%
Corporate	10.1%	9.9%
<b>Bonds &amp; Debentures</b>		
Provincial Bonds	—%	0.3%
Corporate Bonds & Debentures	0.1%	0.5%
<b>Other Assets less Liabilities</b>	89.5%	88.9%
	<b>100.0%</b>	<b>100.0%</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

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

# BMO Money Market GIF

## Supplementary Information

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

December 31, 2023

### Financial Highlights

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

Years ended December 31,					
75/75 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 29,893	21,049	14,370	13,185	5,536
Net asset value per unit <sup>(1)</sup>	\$ 10.53	10.18	10.09	10.09	10.07
Units issued and outstanding (000's) <sup>(1)</sup>	2,839	2,067	1,424	1,307	550
Management fees	% 1.00	1.00	1.00	1.00	1.00
Management expense ratio <sup>(2)</sup>	% 1.39	1.07	0.16	0.40	1.40
Management expense ratio before waivers	% 1.39	1.40	1.40	1.40	1.40

Years ended December 31,					
75/100 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 36,052	31,541	21,314	15,191	4,465
Net asset value per unit <sup>(1)</sup>	\$ 10.53	10.18	10.09	10.08	10.07
Units issued and outstanding (000's) <sup>(1)</sup>	3,425	3,098	2,112	1,506	443
Management fees	% 1.00	1.00	1.00	1.00	1.00
Management expense ratio <sup>(2)</sup>	% 1.41	1.08	0.16	0.35	1.40
Management expense ratio before waivers	% 1.41	1.41	1.41	1.41	1.40

Years ended December 31,					
100/100 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 13,498	15,360	9,967	8,413	4,216
Net asset value per unit <sup>(1)</sup>	\$ 10.56	10.22	10.13	10.12	10.11
Units issued and outstanding (000's) <sup>(1)</sup>	1,277	1,502	983	830	416
Management fees	% 1.00	1.00	1.00	1.00	1.00
Management expense ratio <sup>(2)</sup>	% 1.41	1.09	0.16	0.44	1.41
Management expense ratio before waivers	% 1.41	1.42	1.42	1.41	1.41

Years ended December 31,

75/75 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 286	16	15	15	15
Net asset value per unit <sup>(1)</sup>	\$ 10.83	10.32	10.19	10.19	10.16
Units issued and outstanding (000's) <sup>(1)</sup>	26	1	1	1	1
Management fees	% 0.50	0.50	0.50	0.50	0.50
Management expense ratio <sup>(2)</sup>	% 0.84	0.68	0.17	0.32	0.85
Management expense ratio before waivers	% 0.85	0.85	0.85	0.85	0.85

Years ended December 31,

75/100 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 182	187	295	10	10
Net asset value per unit <sup>(1)</sup>	\$ 10.75	10.33	10.18	10.17	10.15
Units issued and outstanding (000's) <sup>(1)</sup>	17	18	29	1	1
Management fees	% 0.50	0.50	0.50	0.50	0.50
Management expense ratio <sup>(2)</sup>	% 0.81	0.69	0.16	0.41	0.85
Management expense ratio before waivers	% 0.81	0.85	0.85	0.85	0.85

Years ended December 31,

100/100 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 1,033	10	10	10	10
Net asset value per unit <sup>(1)</sup>	\$ 10.71	10.30	10.17	10.17	10.15
Units issued and outstanding (000's) <sup>(1)</sup>	96	1	1	1	1
Management fees	% 0.50	0.50	0.50	0.50	0.50
Management expense ratio <sup>(2)</sup>	% 0.85	0.69	0.18	0.41	0.85
Management expense ratio before waivers	% 0.85	0.85	0.85	0.85	0.85

<sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

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

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

**BMO Income ETF Portfolio GIF**

<b>STATEMENT OF FINANCIAL POSITION</b> <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>			<b>STATEMENT OF COMPREHENSIVE INCOME</b> <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		
As at	December 31, 2023	December 31, 2022	For the periods ended	December 31, 2023	December 31, 2022
<b>ASSETS</b>			<b>INCOME</b>		
<b>CURRENT ASSETS</b>			Interest income		
Cash	1,040	654		36	10
Investments			Distributions received from investment trusts		
Non-derivative financial assets	52,843	42,336		1,712	1,254
Subscriptions receivable	53	68	Other changes in fair value of investments and derivatives		
<b>Total assets</b>	<b>53,936</b>	<b>43,058</b>		(401)	(283)
<b>LIABILITIES</b>			Net realized loss		
<b>CURRENT LIABILITIES</b>				3,107	(5,785)
Redemptions payable	18	76	Change in unrealized appreciation (depreciation)		
Accrued expenses	281	219		3,107	(5,785)
<b>Total liabilities</b>	<b>299</b>	<b>295</b>	Net gain (loss) in fair value of investments and derivatives		
<b>Net assets held for the benefit of policyowners</b>				4,454	(4,804)
<b>Net assets held for the benefit of policyowners</b>			<b>Total income (loss)</b>	<b>4,454</b>	<b>(4,804)</b>
75/75 Class A Units	6,045	3,825	<b>EXPENSES</b>		
75/100 Class A Units	10,963	8,321	Management fees (note 7)		
75/75 Class A Prestige Units	11,374	9,077		702	564
75/100 Class A Prestige Units	24,899	21,405	Fixed administration fees (note 7)		
75/75 Class F Units	184	125		137	110
75/100 Class F Units	169	10	Insurance fees (note 7)		
75/75 Class F Prestige Units	3	—		243	193
<b>Net assets held for the benefit of policyowners per unit</b>			Interest charges		
75/75 Class A Units	\$ 10.89	\$ 10.15		2	0
75/100 Class A Units	\$ 10.72	\$ 10.02	<b>Total expenses</b>	<b>1,084</b>	<b>867</b>
75/75 Class A Prestige Units	\$ 10.31	\$ 9.60	<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/100 Class A Prestige Units	\$ 10.24	\$ 9.55		3,370	(5,671)
75/75 Class F Units	\$ 11.34	\$ 10.45	<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/100 Class F Units	\$ 11.20	\$ 10.35		350	(633)
75/75 Class F Prestige Units	\$ 10.43	\$ —		659	(1,037)
				747	(1,340)
				1,597	(2,594)
				11	(17)
				6	(50)
				0	—
			<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
				0.78	(1.56)
				0.66	(1.46)
				0.70	(1.41)
				0.67	(1.39)
				0.89	(1.40)
				1.08	(3.13)
				0.43	—

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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	3,825	4,917
Increase (decrease) in net assets held for the benefit of policyowners	350	(633)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	7,844	2,884
Withdrawal of withdrawable units	(5,974)	(3,343)
<b>Net increase (decrease) from withdrawable unit transactions</b>	1,870	(459)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	2,220	(1,092)
<b>Net assets held for the benefit of policyowners</b>	6,045	3,825
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	8,321	7,983
Increase (decrease) in net assets held for the benefit of policyowners	659	(1,037)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	11,698	11,675
Withdrawal of withdrawable units	(9,715)	(10,300)
<b>Net increase from withdrawable unit transactions</b>	1,983	1,375
<b>Net increase in net assets held for the benefit of policyowners</b>	2,642	338
<b>Net assets held for the benefit of policyowners</b>	10,963	8,321

## 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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	9,077	9,720
Increase (decrease) in net assets held for the benefit of policyowners	747	(1,340)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	4,647	2,093
Withdrawal of withdrawable units	(3,097)	(1,396)
<b>Net increase from withdrawable unit transactions</b>	1,550	697
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	2,297	(643)
<b>Net assets held for the benefit of policyowners</b>	11,374	9,077
<b>75/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	21,405	19,449
Increase (decrease) in net assets held for the benefit of policyowners	1,597	(2,594)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	7,523	8,610
Withdrawal of withdrawable units	(5,626)	(4,060)
<b>Net increase from withdrawable unit transactions</b>	1,897	4,550
<b>Net increase in net assets held for the benefit of policyowners</b>	3,494	1,956
<b>Net assets held for the benefit of policyowners</b>	24,899	21,405
<b>75/75 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	125	142
Increase (decrease) in net assets held for the benefit of policyowners	11	(17)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	48	—
<b>Net increase from withdrawable unit transactions</b>	48	—
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	59	(17)
<b>Net assets held for the benefit of policyowners</b>	184	125

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>	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	10	740
Increase (decrease) in net assets held for the benefit of policyowners	6	(50)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	153	—
Withdrawal of withdrawable units	—	(680)
<b>Net increase (decrease) from withdrawable unit transactions</b>	153	(680)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	159	(730)
<b>Net assets held for the benefit of policyowners</b>	169	10
<b>75/75 Class F Prestige 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	0	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3	—
<b>Net increase from withdrawable unit transactions</b>	3	—
<b>Net increase in net assets held for the benefit of policyowners</b>	3	—
<b>Net assets held for the benefit of policyowners</b>	3	—
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	42,763	42,951
Increase (decrease) in net assets held for the benefit of policyowners	3,370	(5,671)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	31,916	25,262
Withdrawal of withdrawable units	(24,412)	(19,779)
<b>Net increase from withdrawable unit transactions</b>	7,504	5,483
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	10,874	(188)
<b>Net assets held for the benefit of policyowners</b>	53,637	42,763

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>	December 31, 2023	December 31, 2022
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets held for the benefit of policyowners	3,370	(5,671)
Adjustments for:		
Net realized loss on sale of investments and derivatives	401	283
Change in unrealized (appreciation) depreciation of investments and derivatives	(3,107)	5,785
Increase (decrease) in accrued expenses	62	(2)
Non-cash distributions from investment trusts	(1,712)	(1,254)
Purchases of investments	(11,399)	(9,940)
Proceeds from sale and maturity of investments	5,310	5,160
<b>Net cash used in operating activities</b>	<b>(7,075)</b>	<b>(5,639)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	19,036	14,543
Amounts paid on withdrawal of withdrawable units	(11,575)	(9,048)
<b>Net cash from financing activities</b>	<b>7,461</b>	<b>5,495</b>
Net increase (decrease) in cash	386	(144)
Cash at beginning of period	654	798
<b>Cash at end of period</b>	<b>1,040</b>	<b>654</b>
<b>Supplementary Information:</b>		
Interest received, net of withholding taxes*	36	10
Interest expense paid*	2	0

\*These items are from operating activities

## SCHEDULE OF INVESTMENT PORTFOLIO

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

<i>As at December 31, 2023</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUND</b>			
<b>Fixed Income Fund — 98.5%</b>			
BMO Income ETF Portfolio, Series I	4,831,330	53,874	52,843
<b>Total Investment Portfolio — 98.5%</b>		<b>53,874</b>	<b>52,843</b>
Other Assets Less Liabilities — 1.5%			794
<b>Net assets held for the benefit of policyowners — 100.0%</b>			<b>53,637</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 Income ETF Portfolio GIF

## Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2023

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

### Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

### Cash

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

### Other assets and liabilities

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

### Investments in subsidiaries, joint ventures and associates

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

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 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.

### 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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

### Portfolio turnover ratio

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

### Income taxes

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

## 4. Units and unit transactions

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

## 5. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

### Accounting judgements:

#### Functional and presentation currency

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

### **Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

## **6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

## **7. Related party transactions**

### **Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

### **Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

### **Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

### **Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

### **Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

## **8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

### 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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

# BMO Income ETF Portfolio GIF

## Notes to the Financial Statements

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

December 31, 2023



### Fund and Class information

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

Class	Date Established
75/75 Class A Units	June 21, 2016
75/100 Class A Units	June 21, 2016
75/75 Class A Prestige Units	May 6, 2019
75/100 Class A Prestige Units	May 6, 2019
75/75 Class F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
75/75 Class F Prestige Units	November 17, 2023

### 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)	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	377	422
Issued for cash	754	267
Withdrawn during the period	(576)	(312)
Units issued and outstanding, end of period	555	377
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	830	693
Issued for cash	1,140	1,123
Withdrawn during the period	(948)	(986)
Units issued and outstanding, end of period	1,022	830
<b>75/75 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	946	884
Issued for cash	474	205
Withdrawn during the period	(317)	(143)
Units issued and outstanding, end of period	1,103	946
<b>75/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	2,242	1,776
Issued for cash	770	868
Withdrawn during the period	(581)	(402)
Units issued and outstanding, end of period	2,431	2,242
<b>75/75 Class F Units</b>		
Units issued and outstanding, beginning of period	12	12
Issued for cash	4	—
Units issued and outstanding, end of period	16	12

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
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### 75/100 Class F Units

Units issued and outstanding, beginning of period	1	63
Issued for cash	14	—
Withdrawn during the period	—	(62)
Units issued and outstanding, end of period	15	1

### 75/75 Class F Prestige Units

Units issued and outstanding, beginning of period	—	—
Issued for cash	0	—
Units issued and outstanding, end of period	0	—

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023	Number of Units	Value of Units (\$)
Class		
75/75 Class A Prestige Units	1,000	10
75/100 Class A Prestige Units	1,000	10
75/75 Class F Units	1,000	11
75/100 Class F Units	1,000	11
75/75 Class F Prestige Units	250	3
<b>As at December 31, 2022</b>		
Class		
75/75 Class A Prestige Units	1,000	10
75/100 Class A Prestige Units	1,000	10
75/75 Class F Units	1,000	10
75/100 Class F Units	1,000	10

### Financial instruments risk

The Fund invests in the BMO Income ETF Portfolio ("underlying fund"). The investment objective of the underlying fund is to preserve the capital invested 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.

### Currency risk

As at December 31, 2023 and December 31, 2022, the Fund may have been indirectly exposed to currency risk, to the extent that the underlying fund invested in financial instruments that were denominated in a currency other than the functional currency of the Fund.

### Interest rate risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to interest rate risk.

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

# BMO Income ETF Portfolio GIF

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

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

December 31, 2023

### Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invests in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, composed of 75% FTSE Canada Universe Bond Index, 10% S&P/TSX Composite Total Return Index and 15% MSCI World Index (C\$), had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$4,840 (December 31, 2022 — \$4,042). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

### Credit risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to credit risk.

### Fair value hierarchy

The 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 observable 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.

#### As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	52,843	—	—	52,843

#### As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	42,336	—	—	42,336

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at December 31, 2023	As at December 31, 2022
BMO Income ETF Portfolio, Series I	52,843	42,336

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

BMO Income ETF Portfolio, Series I	3.39%	4.05%
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### Increase or decrease in net assets held for the benefit of policyowners per unit

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

For the periods ended	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	350	(633)
Weighted average units outstanding during the period (in thousands of units)	449	405
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.78	(1.56)
<b>75/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	659	(1,037)
Weighted average units outstanding during the period (in thousands of units)	1,003	711
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.66	(1.46)
<b>75/75 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	747	(1,340)
Weighted average units outstanding during the period (in thousands of units)	1,067	952
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.70	(1.41)
<b>75/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,597	(2,594)
Weighted average units outstanding during the period (in thousands of units)	2,402	1,861
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.67	(1.39)
<b>75/75 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	11	(17)
Weighted average units outstanding during the period (in thousands of units)	12	12
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.89	(1.40)
<b>75/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	6	(50)
Weighted average units outstanding during the period (in thousands of units)	6	16
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.08	(3.13)

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



# BMO Income ETF Portfolio GIF

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

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

December 31, 2023

<i>For the periods ended</i>	December 31, 2023	December 31, 2022
<b>75/75 Class F Prestige Units</b>		
Increase in net assets held for the benefit of policyowners	0	—
Weighted average units outstanding during the period (in thousands of units)	0	—
Increase in net assets held for the benefit of policyowners per unit	0.43	—

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2023 and December 31, 2022.

### Concentration risk

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

<i>As at</i>	December 31, 2023	December 31, 2022
<b>Money Market Investments</b>		
Federal	2.7%	6.3%
Provincial	0.7%	0.5%
<b>Holdings in Investment Funds</b>		
Canadian Equity Funds	7.8%	8.6%
Canadian Fixed Income Funds	40.9%	37.6%
Commodity Funds	0.6%	—%
Emerging Markets Equity Funds	1.3%	0.8%
Emerging Markets Fixed Income Funds	5.6%	5.3%
International Equity Funds	7.2%	7.0%
U.S. Equity Funds	7.9%	8.3%
U.S. Fixed Income Funds	23.7%	22.8%
<b>Derivatives</b>		
Written Call Option Contracts	(0.0)%	—%
<b>Other Assets less Liabilities</b>		
	1.6%	2.8%
	<b>100.0%</b>	<b>100.0%</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

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

# BMO Income ETF Portfolio GIF

## Supplementary Information

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

December 31, 2023

### Financial Highlights

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

Years ended December 31,					
75/75 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 6,045	3,825	4,917	4,811	4,358
Net asset value per unit <sup>(1)</sup>	\$ 10.89	10.15	11.65	11.61	10.89
Units issued and outstanding (000's) <sup>(1)</sup>	555	377	422	414	400
Management fees	% 1.40	1.40	1.40	1.40	1.40
Management expense ratio <sup>(2)</sup>	% 2.19	2.19	2.20	2.19	2.20
Management expense ratio before waivers	% 2.19	2.19	2.20	2.19	2.20
Portfolio turnover rate <sup>(3)</sup>	% 10.95	12.99	13.76	14.37	4.37

Years ended December 31,					
75/100 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 10,963	8,321	7,983	8,526	5,668
Net asset value per unit <sup>(1)</sup>	\$ 10.72	10.02	11.53	11.51	10.81
Units issued and outstanding (000's) <sup>(1)</sup>	1,022	830	693	741	524
Management fees	% 1.40	1.40	1.40	1.40	1.40
Management expense ratio <sup>(2)</sup>	% 2.43	2.42	2.42	2.42	2.43
Management expense ratio before waivers	% 2.43	2.42	2.42	2.42	2.43
Portfolio turnover rate <sup>(3)</sup>	% 10.95	12.99	13.76	14.37	4.37

Years ended December 31,					
75/75 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 11,374	9,077	9,720	9,369	5,673
Net asset value per unit <sup>(1)</sup>	\$ 10.31	9.60	10.99	10.95	10.25
Units issued and outstanding (000's) <sup>(1)</sup>	1,103	946	884	856	553
Management fees	% 1.26	1.26	1.26	1.26	1.26
Management expense ratio <sup>(2)</sup>	% 2.05	2.05	2.06	2.06	2.06
Management expense ratio before waivers	% 2.05	2.05	2.06	2.06	2.06
Portfolio turnover rate <sup>(3)</sup>	% 10.95	12.99	13.76	14.37	4.37

Years ended December 31,					
75/100 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 24,899	21,405	19,449	11,054	8,286
Net asset value per unit <sup>(1)</sup>	\$ 10.24	9.55	10.95	10.92	10.24
Units issued and outstanding (000's) <sup>(1)</sup>	2,431	2,242	1,776	1,012	809
Management fees	% 1.22	1.22	1.22	1.22 <sup>†</sup>	1.26
Management expense ratio <sup>(2)</sup>	% 2.19	2.17	2.19	2.19	2.23
Management expense ratio before waivers	% 2.19	2.17	2.19	2.19	2.23
Portfolio turnover rate <sup>(3)</sup>	% 10.95	12.99	13.76	14.37	4.37

Years ended December 31,					
75/75 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 184	125	142	12	11
Net asset value per unit <sup>(1)</sup>	\$ 11.34	10.45	11.85	11.69	10.84
Units issued and outstanding (000's) <sup>(1)</sup>	16	12	12	1	1
Management fees	% 0.40	0.40	0.40	0.40	0.40
Management expense ratio <sup>(2)</sup>	% 1.02	1.03	1.10	1.10	1.10
Management expense ratio before waivers	% 1.02	1.03	1.10	1.10	1.10
Portfolio turnover rate <sup>(3)</sup>	% 10.95	12.99	13.76	14.37	4.37

Years ended December 31,					
75/100 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 169	10	740	114	11
Net asset value per unit <sup>(1)</sup>	\$ 11.20	10.35	11.76	11.63	10.80
Units issued and outstanding (000's) <sup>(1)</sup>	15	1	63	10	1
Management fees	% 0.40	0.40	0.40	0.40	0.40
Management expense ratio <sup>(2)</sup>	% 1.30	1.30	1.30	1.30	1.30
Management expense ratio before waivers	% 1.30	1.30	1.30	1.30	1.30
Portfolio turnover rate <sup>(3)</sup>	% 10.95	12.99	13.76	14.37	4.37

		Period ended December 31, 2023 <sup>(5)</sup>
<b>75/75 Class F Prestige Units</b>		
Net asset (000's) <sup>(1)</sup>	\$	3
Net asset value per unit <sup>(1)</sup>	\$	10.43
Units issued and outstanding (000's) <sup>(1)</sup>		0
Management fees	%	0.31
Management expense ratio <sup>(2)</sup>	%	1.00
Management expense ratio before waivers	%	1.00
Portfolio turnover rate <sup>(3)</sup>	%	10.95

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

# BMO Income ETF Portfolio GIF

## Supplementary Information (cont'd)

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

December 31, 2023

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- <sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.
- <sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund.
- <sup>(4)</sup> The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.
- <sup>(5)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.
- <sup>†</sup> Effective May 11, 2020, the management fee rate was reduced from 1.26% to 1.22%.

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

**BMO Balanced ETF Portfolio GIF**

**STATEMENT OF FINANCIAL POSITION**

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

As at	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	4,186	2,731
Investments		
Non-derivative financial assets	325,221	294,448
Subscriptions receivable	574	687
<b>Total assets</b>	<b>329,981</b>	<b>297,866</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Redemptions payable	572	456
Accrued expenses	1,966	1,857
<b>Total liabilities</b>	<b>2,538</b>	<b>2,313</b>
<b>Net assets held for the benefit of policyowners</b>	<b>327,443</b>	<b>295,553</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	26,411	24,436
75/100 Class A Units	56,377	54,544
100/100 Class A Units	48,068	44,771
75/75 Class A Prestige Units	25,767	25,202
75/100 Class A Prestige Units	93,233	78,551
100/100 Class A Prestige Units	62,686	56,900
75/75 Class F Units	242	1,737
75/100 Class F Units	11,347	7,427
100/100 Class F Units	1,792	1,985
75/75 Class F Prestige Units	1,520	—
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 13.21	\$ 12.06
75/100 Class A Units	\$ 12.92	\$ 11.84
100/100 Class A Units	\$ 11.93	\$ 10.97
75/75 Class A Prestige Units	\$ 11.46	\$ 10.44
75/100 Class A Prestige Units	\$ 11.33	\$ 10.34
100/100 Class A Prestige Units	\$ 12.26	\$ 11.24
75/75 Class F Units	\$ 12.78	\$ 11.54
75/100 Class F Units	\$ 12.52	\$ 11.34
100/100 Class F Units	\$ 12.20	\$ 11.10
75/75 Class F Prestige Units	\$ 10.36	\$ —

**STATEMENT OF COMPREHENSIVE INCOME**

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

For the periods ended	December 31, 2023	December 31, 2022
<b>INCOME</b>		
Interest income	177	59
Distributions received from investment trusts	9,688	8,775
Other changes in fair value of investments and derivatives		
Net realized gain	709	1,226
Change in unrealized appreciation (depreciation)	24,906	(41,913)
Net gain (loss) in fair value of investments and derivatives	35,480	(31,853)
<b>Total income (loss)</b>	<b>35,480</b>	<b>(31,853)</b>
<b>EXPENSES</b>		
Management fees (note 7)	4,400	4,235
Fixed administration fees (note 7)	871	831
Insurance fees (note 7)	2,490	2,366
Interest charges	2	0
<b>Total expenses</b>	<b>7,763</b>	<b>7,432</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>	<b>27,717</b>	<b>(39,285)</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	2,314	(3,407)
75/100 Class A Units	4,882	(7,400)
100/100 Class A Units	3,889	(6,236)
75/75 Class A Prestige Units	2,315	(3,671)
75/100 Class A Prestige Units	7,767	(9,903)
100/100 Class A Prestige Units	5,246	(7,535)
75/75 Class F Units	134	(129)
75/100 Class F Units	947	(767)
100/100 Class F Units	177	(237)
75/75 Class F Prestige Units	46	—
<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	1.14	(1.66)
75/100 Class A Units	1.09	(1.60)
100/100 Class A Units	0.96	(1.57)
75/75 Class A Prestige Units	1.00	(1.45)
75/100 Class A Prestige Units	0.97	(1.35)
100/100 Class A Prestige Units	1.02	(1.54)
75/75 Class F Units	1.03	(1.42)
75/100 Class F Units	1.19	(1.25)
100/100 Class F Units	1.22	(1.42)
75/75 Class F Prestige Units	0.34	—

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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	24,436	28,348
Increase (decrease) in net assets held for the benefit of policyowners	2,314	(3,407)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	6,904	8,947
Withdrawal of withdrawable units	(7,243)	(9,452)
<b>Net decrease from withdrawable unit transactions</b>	(339)	(505)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	1,975	(3,912)
<b>Net assets held for the benefit of policyowners</b>	26,411	24,436
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	54,544	59,041
Increase (decrease) in net assets held for the benefit of policyowners	4,882	(7,400)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	26,736	40,368
Withdrawal of withdrawable units	(29,785)	(37,465)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(3,049)	2,903
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	1,833	(4,497)
<b>Net assets held for the benefit of policyowners</b>	56,377	54,544

## 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>	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	44,771	49,858
Increase (decrease) in net assets held for the benefit of policyowners	3,889	(6,236)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	15,763	18,339
Withdrawal of withdrawable units	(16,355)	(17,190)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(592)	1,149
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	3,297	(5,087)
<b>Net assets held for the benefit of policyowners</b>	48,068	44,771
<b>75/75 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	25,202	29,435
Increase (decrease) in net assets held for the benefit of policyowners	2,315	(3,671)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3,311	5,444
Withdrawal of withdrawable units	(5,061)	(6,006)
<b>Net decrease from withdrawable unit transactions</b>	(1,750)	(562)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	565	(4,233)
<b>Net assets held for the benefit of policyowners</b>	25,767	25,202

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>	December 31, 2023	December 31, 2022
<b>75/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	78,551	77,819
Increase (decrease) in net assets held for the benefit of policyowners	7,767	(9,903)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	18,948	27,730
Withdrawal of withdrawable units	(12,033)	(17,095)
<b>Net increase from withdrawable unit transactions</b>	6,915	10,635
<b>Net increase in net assets held for the benefit of policyowners</b>	14,682	732
<b>Net assets held for the benefit of policyowners</b>	93,233	78,551
<b>100/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	56,900	60,492
Increase (decrease) in net assets held for the benefit of policyowners	5,246	(7,535)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	10,113	11,696
Withdrawal of withdrawable units	(9,573)	(7,753)
<b>Net increase from withdrawable unit transactions</b>	540	3,943
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	5,786	(3,592)
<b>Net assets held for the benefit of policyowners</b>	62,686	56,900

## 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>	December 31, 2023	December 31, 2022
<b>75/75 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	1,737	587
Increase (decrease) in net assets held for the benefit of policyowners	134	(129)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	2	1,285
Withdrawal of withdrawable units	(1,631)	(6)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(1,629)	1,279
<b>Net (decrease) increase in net assets held for the benefit of policyowners</b>	(1,495)	1,150
<b>Net assets held for the benefit of policyowners</b>	242	1,737
<b>75/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	7,427	6,359
Increase (decrease) in net assets held for the benefit of policyowners	947	(767)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3,801	6,129
Withdrawal of withdrawable units	(828)	(4,294)
<b>Net increase from withdrawable unit transactions</b>	2,973	1,835
<b>Net increase in net assets held for the benefit of policyowners</b>	3,920	1,068
<b>Net assets held for the benefit of policyowners</b>	11,347	7,427

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>	December 31, 2023	December 31, 2022
<b>100/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	1,985	1,987
Increase (decrease) in net assets held for the benefit of policyowners	177	(237)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	217	303
Withdrawal of withdrawable units	(587)	(68)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(370)	235
<b>Net decrease in net assets held for the benefit of policyowners</b>	(193)	(2)
<b>Net assets held for the benefit of policyowners</b>	1,792	1,985
<b>75/75 Class F Prestige 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	46	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,474	—
<b>Net increase from withdrawable unit transactions</b>	1,474	—
<b>Net increase in net assets held for the benefit of policyowners</b>	1,520	—
<b>Net assets held for the benefit of policyowners</b>	1,520	—
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	295,553	313,926
Increase (decrease) in net assets held for the benefit of policyowners	27,717	(39,285)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	87,269	120,241
Withdrawal of withdrawable units	(83,096)	(99,329)
<b>Net increase from withdrawable unit transactions</b>	4,173	20,912
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	31,890	(18,373)
<b>Net assets held for the benefit of policyowners</b>	327,443	295,553

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>	December 31, 2023	December 31, 2022
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets held for the benefit of policyowners	27,717	(39,285)
Adjustments for:		
Net realized gain on sale of investments and derivatives	(709)	(1,226)
Change in unrealized (appreciation) depreciation of investments and derivatives	(24,906)	41,913
Increase (decrease) in accrued expenses	109	(34)
Non-cash distributions from investment trusts	(9,688)	(8,775)
Purchases of investments	(12,900)	(45,000)
Proceeds from sale and maturity of investments	17,430	27,500
<b>Net cash used in operating activities</b>	<b>(2,947)</b>	<b>(24,907)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	52,397	75,642
Amounts paid on withdrawal of withdrawable units	(47,995)	(55,142)
<b>Net cash from financing activities</b>	<b>4,402</b>	<b>20,500</b>
Net increase (decrease) in cash	1,455	(4,407)
Cash at beginning of period	2,731	7,138
<b>Cash at end of period</b>	<b>4,186</b>	<b>2,731</b>
<b>Supplementary Information:</b>		
Interest received, net of withholding taxes*	177	59
Interest expense paid*	2	0

\*These items are from operating activities

## SCHEDULE OF INVESTMENT PORTFOLIO

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

<i>As at December 31, 2023</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUND</b>			
<b>Global Balanced Fund — 99.3%</b>			
BMO Balanced ETF Portfolio, Series I	22,192,537	300,744	325,221
<b>Total Investment Portfolio — 99.3%</b>		<b>300,744</b>	<b>325,221</b>
Other Assets Less Liabilities — 0.7%			2,222
<b>Net assets held for the benefit of policyowners — 100.0%</b>			<b>327,443</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 Balanced ETF Portfolio GIF

## Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2023

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

### Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

### Cash

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

### Other assets and liabilities

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

### Investments in subsidiaries, joint ventures and associates

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

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 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.

### 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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

### Portfolio turnover ratio

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

### Income taxes

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

## 4. Units and unit transactions

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

## 5. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

### Accounting judgements:

#### Functional and presentation currency

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

### **Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

## **6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

## **7. Related party transactions**

### **Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

### **Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

### **Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

### **Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

### **Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

## **8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

### 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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

# BMO Balanced ETF Portfolio GIF

## Notes to the Financial Statements

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

December 31, 2023

### Fund and Class information

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

Class	Date Established
75/75 Class A Units	June 21, 2016
75/100 Class A Units	June 21, 2016
100/100 Class A Units	January 9, 2017
75/75 Class A Prestige Units	May 6, 2019
75/100 Class A Prestige Units	May 6, 2019
100/100 Class A Prestige Units	January 9, 2017
75/75 Class F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
100/100 Class F Units	May 14, 2018
75/75 Class F Prestige Units	November 17, 2023

### 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)	December 31, 2023	December 31, 2022
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#### 75/75 Class A Units

Units issued and outstanding, beginning of period	2,026	2,067
Issued for cash	548	710
Withdrawn during the period	(574)	(751)
Units issued and outstanding, end of period	2,000	2,026

#### 75/100 Class A Units

Units issued and outstanding, beginning of period	4,609	4,375
Issued for cash	2,166	3,295
Withdrawn during the period	(2,413)	(3,061)
Units issued and outstanding, end of period	4,362	4,609

#### 100/100 Class A Units

Units issued and outstanding, beginning of period	4,081	3,969
Issued for cash	1,387	1,611
Withdrawn during the period	(1,437)	(1,499)
Units issued and outstanding, end of period	4,031	4,081

#### 75/75 Class A Prestige Units

Units issued and outstanding, beginning of period	2,413	2,485
Issued for cash	302	494
Withdrawn during the period	(466)	(566)
Units issued and outstanding, end of period	2,249	2,413

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
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#### 75/100 Class A Prestige Units

Units issued and outstanding, beginning of period	7,594	6,615
Issued for cash	1,753	2,591
Withdrawn during the period	(1,115)	(1,612)
Units issued and outstanding, end of period	8,232	7,594

#### 100/100 Class A Prestige Units

Units issued and outstanding, beginning of period	5,064	4,720
Issued for cash	868	1,003
Withdrawn during the period	(820)	(659)
Units issued and outstanding, end of period	5,112	5,064

#### 75/75 Class F Units

Units issued and outstanding, beginning of period	150	45
Issued for cash	0	106
Withdrawn during the period	(131)	(1)
Units issued and outstanding, end of period	19	150

#### 75/100 Class F Units

Units issued and outstanding, beginning of period	655	498
Issued for cash	321	526
Withdrawn during the period	(69)	(369)
Units issued and outstanding, end of period	907	655

#### 100/100 Class F Units

Units issued and outstanding, beginning of period	179	158
Issued for cash	19	27
Withdrawn during the period	(51)	(6)
Units issued and outstanding, end of period	147	179

#### 75/75 Class F Prestige Units

Units issued and outstanding, beginning of period	—	—
Issued for cash	147	—
Units issued and outstanding, end of period	147	—

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023	Number of Units	Value of Units (\$)
Class		
75/75 Class A Prestige Units	1,000	11
75/100 Class A Prestige Units	1,000	11
75/75 Class F Units	1,000	13
75/100 Class F Units	1,000	13
100/100 Class F Units	1,000	12
75/75 Class F Prestige Units	250	3

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

# BMO Balanced ETF Portfolio GIF

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

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

December 31, 2023



As at December 31, 2022 Class	Number of Units	Value of Units (\$)
75/75 Class A Prestige Units	1,000	10
75/100 Class A Prestige Units	1,000	10
75/75 Class F Units	1,000	12
75/100 Class F Units	1,000	11
100/100 Class F Units	1,000	11

### Financial instruments risk

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

### Currency risk

As at December 31, 2023 and December 31, 2022, the Fund may have been indirectly exposed to currency risk, to the extent that the underlying fund invested in financial instruments that were denominated in a currency other than the functional currency of the Fund.

### Interest rate risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to interest rate risk.

### Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invests in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, composed of 40% FTSE Canada Universe Bond Index, 20% S&P/TSX Composite Total Return Index and 40% MSCI World Index (C\$), had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$30,917 (December 31, 2022 — \$27,533). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

### Credit risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to credit risk.

### Fair value hierarchy

The 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

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

inputs, such as quoted prices from similar securities and quoted prices in inactive markets or based on observable 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.

### As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	325,221	—	—	325,221

### As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	294,448	—	—	294,448

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at December 31, 2023	As at December 31, 2022
BMO Balanced ETF Portfolio, Series I	325,221	294,448

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

BMO Balanced ETF Portfolio, Series I	3.98%	4.70%
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### Increase or decrease in net assets held for the benefit of policyowners per unit

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

For the periods ended	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	2,314	(3,407)
Weighted average units outstanding during the period (in thousands of units)	2,034	2,047
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.14	(1.66)
<b>75/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	4,882	(7,400)
Weighted average units outstanding during the period (in thousands of units)	4,477	4,624
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.09	(1.60)



# BMO Balanced ETF Portfolio GIF

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

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

December 31, 2023



<i>For the periods ended</i>	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	3,889	(6,236)
Weighted average units outstanding during the period (in thousands of units)	4,058	3,960
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.96	(1.57)
<b>75/75 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	2,315	(3,671)
Weighted average units outstanding during the period (in thousands of units)	2,312	2,531
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.00	(1.45)
<b>75/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	7,767	(9,903)
Weighted average units outstanding during the period (in thousands of units)	8,025	7,353
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.97	(1.35)
<b>100/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	5,246	(7,535)
Weighted average units outstanding during the period (in thousands of units)	5,125	4,886
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.02	(1.54)
<b>75/75 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	134	(129)
Weighted average units outstanding during the period (in thousands of units)	131	91
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.03	(1.42)
<b>75/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	947	(767)
Weighted average units outstanding during the period (in thousands of units)	792	612
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.19	(1.25)
<b>100/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	177	(237)
Weighted average units outstanding during the period (in thousands of units)	145	166
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.22	(1.42)

<i>For the periods ended</i>	December 31, 2023	December 31, 2022
<b>75/75 Class F Prestige Units</b>		
Increase in net assets held for the benefit of policyowners	46	—
Weighted average units outstanding during the period (in thousands of units)	134	—
Increase in net assets held for the benefit of policyowners per unit	0.34	—

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2023 and December 31, 2022.

### Concentration risk

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

<i>As at</i>	December 31, 2023	December 31, 2022
<b>Money Market Investments</b>		
Federal	1.7%	0.6%
Provincial	0.6%	—%
<b>Holdings in Investment Funds</b>		
Canadian Equity Funds	18.3%	20.0%
Canadian Fixed Income Funds	21.7%	22.3%
Commodity Funds	1.2%	—%
Emerging Markets Equity Funds	3.0%	2.6%
Emerging Markets Fixed Income Funds	3.0%	2.2%
Global Equity Funds	—%	0.8%
Global Fixed Income Funds	—%	0.2%
International Equity Funds	16.5%	16.4%
Money Market Funds	—%	0.2%
U.S. Equity Funds	20.2%	22.4%
U.S. Fixed Income Funds	12.8%	9.3%
<b>Other Assets less Liabilities</b>	<b>1.0%</b>	<b>3.0%</b>
	<b>100.0%</b>	<b>100.0%</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

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

# BMO Balanced ETF Portfolio GIF

## Supplementary Information

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

December 31, 2023

### Financial Highlights

Years ended December 31,

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

Years ended December 31,					
75/75 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 26,411	24,436	28,348	25,174	21,355
Net asset value per unit <sup>(1)</sup>	\$ 13.21	12.06	13.71	12.84	12.00
Units issued and outstanding (000's) <sup>(1)</sup>	2,000	2,026	2,067	1,960	1,779
Management fees	% 1.45	1.45	1.45	1.45	1.45
Management expense ratio <sup>(2)</sup>	% 2.31	2.31	2.31	2.30	2.31
Management expense ratio before waivers	% 2.31	2.31	2.31	2.30	2.31
Portfolio turnover rate <sup>(3)</sup>	% 4.17	9.26	—	0.32	0.39

Years ended December 31,

Years ended December 31,					
75/100 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 56,377	54,544	59,041	43,959	34,296
Net asset value per unit <sup>(1)</sup>	\$ 12.92	11.84	13.50	12.67	11.88
Units issued and outstanding (000's) <sup>(1)</sup>	4,362	4,609	4,375	3,468	2,887
Management fees	% 1.45	1.45	1.45	1.45	1.45
Management expense ratio <sup>(2)</sup>	% 2.60	2.60	2.60	2.60	2.60
Management expense ratio before waivers	% 2.60	2.60	2.60	2.60	2.60
Portfolio turnover rate <sup>(3)</sup>	% 4.17	9.26	—	0.32	0.39

Years ended December 31,

Years ended December 31,					
100/100 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 48,068	44,771	49,858	42,679	40,618
Net asset value per unit <sup>(1)</sup>	\$ 11.93	10.97	12.56	11.85	11.16
Units issued and outstanding (000's) <sup>(1)</sup>	4,031	4,081	3,969	3,603	3,640
Management fees	% 1.45	1.45	1.45	1.45	1.45
Management expense ratio <sup>(2)</sup>	% 3.03	3.03	3.03	3.02	3.02
Management expense ratio before waivers	% 3.03	3.03	3.03	3.02	3.02
Portfolio turnover rate <sup>(3)</sup>	% 4.17	9.26	—	0.32	0.39

Years ended December 31,					
75/75 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 25,767	25,202	29,435	23,165	20,212
Net asset value per unit <sup>(1)</sup>	\$ 11.46	10.44	11.85	11.07	10.33
Units issued and outstanding (000's) <sup>(1)</sup>	2,249	2,413	2,485	2,092	1,956
Management fees	% 1.27	1.27	1.27	1.27	1.27
Management expense ratio <sup>(2)</sup>	% 2.11	2.10	2.10	2.10	2.11
Management expense ratio before waivers	% 2.11	2.10	2.10	2.10	2.11
Portfolio turnover rate <sup>(3)</sup>	% 4.17	9.26	—	0.32	0.39

Years ended December 31,

Years ended December 31,					
75/100 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 93,233	78,551	77,819	46,601	31,562
Net asset value per unit <sup>(1)</sup>	\$ 11.33	10.34	11.76	11.02	10.31
Units issued and outstanding (000's) <sup>(1)</sup>	8,232	7,594	6,615	4,229	3,061
Management fees	% 1.22	1.22	1.22	1.22 <sup>1</sup>	1.27
Management expense ratio <sup>(2)</sup>	% 2.34	2.34	2.34	2.36	2.40
Management expense ratio before waivers	% 2.34	2.34	2.34	2.36	2.40
Portfolio turnover rate <sup>(3)</sup>	% 4.17	9.26	—	0.32	0.39

Years ended December 31,

Years ended December 31,					
100/100 Class A Prestige Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 62,686	56,900	60,492	45,239	36,746
Net asset value per unit <sup>(1)</sup>	\$ 12.26	11.24	12.82	12.04	11.29
Units issued and outstanding (000's) <sup>(1)</sup>	5,112	5,064	4,720	3,757	3,254
Management fees	% 1.10	1.10	1.10	1.10	1.10
Management expense ratio <sup>(2)</sup>	% 2.64	2.63	2.63	2.62	2.61
Management expense ratio before waivers	% 2.64	2.63	2.63	2.62	2.61
Portfolio turnover rate <sup>(3)</sup>	% 4.17	9.26	—	0.32	0.39

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

# BMO Balanced ETF Portfolio GIF

## Supplementary Information (cont'd)

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

December 31, 2023



Years ended December 31,

75/75 Class F Units		2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$	242	1,737	587	543	1,113
Net asset value per unit <sup>(1)</sup>	\$	12.78	11.54	12.98	12.02	11.06
Units issued and outstanding (000's) <sup>(1)</sup>		19	150	45	45	101
Management fees	%	0.45	0.45	0.45	0.45	0.45
Management expense ratio <sup>(2)</sup>	%	1.21	1.21	1.21	1.21	1.21
Management expense ratio before waivers	%	1.21	1.21	1.21	1.21	1.21
Portfolio turnover rate <sup>(3)</sup>	%	4.17	9.26	—	0.32	0.39

Years ended December 31,

75/100 Class F Units		2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$	11,347	7,427	6,359	2,399	1,147
Net asset value per unit <sup>(1)</sup>	\$	12.52	11.34	12.78	11.87	11.00
Units issued and outstanding (000's) <sup>(1)</sup>		907	655	498	202	104
Management fees	%	0.45	0.45	0.45	0.45	0.45
Management expense ratio <sup>(2)</sup>	%	1.48	1.47	1.44	1.40	1.50
Management expense ratio before waivers	%	1.48	1.47	1.44	1.40	1.50
Portfolio turnover rate <sup>(3)</sup>	%	4.17	9.26	—	0.32	0.39

Years ended December 31,

100/100 Class F Units		2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$	1,792	1,985	1,987	746	183
Net asset value per unit <sup>(1)</sup>	\$	12.20	11.10	12.57	11.72	10.92
Units issued and outstanding (000's) <sup>(1)</sup>		147	179	158	64	17
Management fees	%	0.45	0.45	0.45	0.45	0.45
Management expense ratio <sup>(2)</sup>	%	1.89	1.88	1.92	1.92	1.92
Management expense ratio before waivers	%	1.89	1.88	1.92	1.92	1.92
Portfolio turnover rate <sup>(3)</sup>	%	4.17	9.26	—	0.32	0.39

Period  
ended  
December  
31, 2023<sup>(5)</sup>

75/75 Class F Prestige Units		
Net asset (000's) <sup>(1)</sup>	\$	1,520
Net asset value per unit <sup>(1)</sup>	\$	10.36
Units issued and outstanding (000's) <sup>(1)</sup>		147
Management fees	%	0.36
Management expense ratio <sup>(2)</sup>	%	1.11
Management expense ratio before waivers	%	1.11
Portfolio turnover rate <sup>(3)</sup>	%	4.17

<sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

<sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund. For the financial period-ended December 31, 2021, no sales of portfolio securities were made by the fund. As a result, the portfolio turnover rate for this period was zero.

<sup>(4)</sup> The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.

<sup>(5)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.

<sup>†</sup> Effective May 11, 2020, the management fee rate was reduced from 1.27% to 1.22%.

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

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

**BMO Growth ETF Portfolio GIF**

**STATEMENT OF FINANCIAL POSITION**

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

As at	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	1,392	684
Investments		
Non-derivative financial assets	59,210	54,191
Subscriptions receivable	32	22
<b>Total assets</b>	<b>60,634</b>	<b>54,897</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Redemptions payable	35	60
Accrued expenses	359	346
<b>Total liabilities</b>	<b>394</b>	<b>406</b>
<b>Net assets held for the benefit of policyowners</b>	<b>60,240</b>	<b>54,491</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	13,399	11,879
75/100 Class A Units	18,244	17,189
75/75 Class A Prestige Units	8,525	8,309
75/100 Class A Prestige Units	18,994	16,477
75/75 Class F Units	371	143
75/100 Class F Units	704	494
75/75 Class F Prestige Units	3	—
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 14.73	\$ 13.33
75/100 Class A Units	\$ 14.37	\$ 13.06
75/75 Class A Prestige Units	\$ 12.15	\$ 10.97
75/100 Class A Prestige Units	\$ 11.98	\$ 10.85
75/75 Class F Units	\$ 13.50	\$ 12.09
75/100 Class F Units	\$ 13.24	\$ 11.89
75/75 Class F Prestige Units	\$ 10.31	\$ —

**STATEMENT OF COMPREHENSIVE INCOME**

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

For the periods ended	December 31, 2023	December 31, 2022
<b>INCOME</b>		
Interest income	40	9
Distributions received from investment trusts	1,609	1,542
Other changes in fair value of investments and derivatives		
Net realized gain	356	251
Change in unrealized appreciation (depreciation)	5,055	(7,300)
Net gain (loss) in fair value of investments and derivatives	7,060	(5,498)
<b>Total income (loss)</b>	<b>7,060</b>	<b>(5,498)</b>
<b>EXPENSES</b>		
Management fees (note 7)	837	819
Fixed administration fees (note 7)	158	154
Insurance fees (note 7)	406	403
Interest charges	0	—
<b>Total expenses</b>	<b>1,401</b>	<b>1,376</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>	<b>5,659</b>	<b>(6,874)</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	1,264	(1,397)
75/100 Class A Units	1,703	(2,305)
75/75 Class A Prestige Units	834	(961)
75/100 Class A Prestige Units	1,770	(2,167)
75/75 Class F Units	27	(13)
75/100 Class F Units	61	(31)
75/75 Class F Prestige Units	0	—
<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	1.41	(1.68)
75/100 Class A Units	1.33	(1.69)
75/75 Class A Prestige Units	1.17	(1.40)
75/100 Class A Prestige Units	1.16	(1.36)
75/75 Class F Units	1.47	(1.29)
75/100 Class F Units	1.43	(1.00)
75/75 Class F Prestige Units	0.31	—

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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	11,879	11,639
Increase (decrease) in net assets held for the benefit of policyowners	1,264	(1,397)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3,424	4,553
Withdrawal of withdrawable units	(3,168)	(2,916)
<b>Net increase from withdrawable unit transactions</b>	256	1,637
<b>Net increase in net assets held for the benefit of policyowners</b>	1,520	240
<b>Net assets held for the benefit of policyowners</b>	13,399	11,879
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	17,189	18,096
Increase (decrease) in net assets held for the benefit of policyowners	1,703	(2,305)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	7,696	12,198
Withdrawal of withdrawable units	(8,344)	(10,800)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(648)	1,398
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	1,055	(907)
<b>Net assets held for the benefit of policyowners</b>	18,244	17,189

## 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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	8,309	8,005
Increase (decrease) in net assets held for the benefit of policyowners	834	(961)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,284	1,628
Withdrawal of withdrawable units	(1,902)	(363)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(618)	1,265
<b>Net increase in net assets held for the benefit of policyowners</b>	216	304
<b>Net assets held for the benefit of policyowners</b>	8,525	8,309
<b>75/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	16,477	17,118
Increase (decrease) in net assets held for the benefit of policyowners	1,770	(2,167)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	4,479	7,223
Withdrawal of withdrawable units	(3,732)	(5,697)
<b>Net increase from withdrawable unit transactions</b>	747	1,526
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	2,517	(641)
<b>Net assets held for the benefit of policyowners</b>	18,994	16,477
<b>75/75 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	143	56
Increase (decrease) in net assets held for the benefit of policyowners	27	(13)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	201	100
<b>Net increase from withdrawable unit transactions</b>	201	100
<b>Net increase in net assets held for the benefit of policyowners</b>	228	87
<b>Net assets held for the benefit of policyowners</b>	371	143

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>	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	494	328
Increase (decrease) in net assets held for the benefit of policyowners	61	(31)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	149	197
<b>Net increase from withdrawable unit transactions</b>	149	197
<b>Net increase in net assets held for the benefit of policyowners</b>	210	166
<b>Net assets held for the benefit of policyowners</b>	704	494
<b>75/75 Class F Prestige 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	0	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3	—
<b>Net increase from withdrawable unit transactions</b>	3	—
<b>Net increase in net assets held for the benefit of policyowners</b>	3	—
<b>Net assets held for the benefit of policyowners</b>	3	—
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	54,491	55,242
Increase (decrease) in net assets held for the benefit of policyowners	5,659	(6,874)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	17,236	25,899
Withdrawal of withdrawable units	(17,146)	(19,776)
<b>Net increase from withdrawable unit transactions</b>	90	6,123
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	5,749	(751)
<b>Net assets held for the benefit of policyowners</b>	60,240	54,491

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

<b>STATEMENT OF CASH FLOWS</b> <i>(All amounts in thousands of Canadian dollars)</i>			<b>SCHEDULE OF INVESTMENT PORTFOLIO</b> <i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>For the periods ended</i>	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>As at December 31, 2023</b>			<b>Fair Value (\$)</b>
<b>Cash flows from operating activities</b>			<b>HOLDINGS IN INVESTMENT FUND</b>			
Increase (decrease) in net assets held for the benefit of policyowners	5,659	(6,874)	<b>Global Balanced Fund — 98.3%</b>			
Adjustments for:			BMO Growth ETF Portfolio, Series I			
Net realized gain on sale of investments and derivatives	(356)	(251)	3,566,776	52,233	59,210	
Change in unrealized (appreciation) depreciation of investments and derivatives	(5,055)	7,300	<b>Total Investment Portfolio — 98.3%</b>			
Increase in accrued expenses	13	28	<b>52,233 59,210</b>			
Non-cash distributions from investment trusts	(1,609)	(1,542)	Other Assets Less Liabilities — 1.7%			
Purchases of investments	(2,139)	(9,185)	<b>Net assets held for the benefit</b>			
Proceeds from sale and maturity of investments	4,140	3,500	<b>of policyowners — 100.0%</b>			
<b>Net cash from (used in) operating activities</b>	<b>653</b>	<b>(7,024)</b>	<b>60,240</b>			
<b>Cash flows from financing activities</b>						
Proceeds from issuances of withdrawable units	11,048	17,127				
Amounts paid on withdrawal of withdrawable units	(10,993)	(10,914)				
<b>Net cash from financing activities</b>	<b>55</b>	<b>6,213</b>				
Net increase (decrease) in cash	708	(811)				
Cash at beginning of period	684	1,495				
<b>Cash at end of period</b>	<b>1,392</b>	<b>684</b>				
<b>Supplementary Information:</b>						
Interest received, net of withholding taxes*	40	9				
Interest expense paid*	0	—				

\*These items are from operating activities

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



# BMO Growth ETF Portfolio GIF

## Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2023

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

### Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

### Cash

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

### Other assets and liabilities

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

### Investments in subsidiaries, joint ventures and associates

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

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 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.

### 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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

### Portfolio turnover ratio

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

### Income taxes

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

## 4. Units and unit transactions

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

## 5. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

### Accounting judgements:

#### Functional and presentation currency

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

### **Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

## **6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

## **7. Related party transactions**

### **Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

### **Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

### **Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

### **Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

### **Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

## **8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

### 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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

### Fund and Class information

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

Class	Date Established
75/75 Class A Units	June 21, 2016
75/100 Class A Units	June 21, 2016
75/75 Class A Prestige Units	May 6, 2019
75/100 Class A Prestige Units	May 6, 2019
75/75 Class F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
75/75 Class F Prestige Units	November 17, 2023

### 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)	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	891	772
Issued for cash	243	332
Withdrawn during the period	(224)	(213)
Units issued and outstanding, end of period	910	891
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	1,317	1,221
Issued for cash	562	894
Withdrawn during the period	(610)	(798)
Units issued and outstanding, end of period	1,269	1,317
<b>75/75 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	757	646
Issued for cash	110	144
Withdrawn during the period	(165)	(33)
Units issued and outstanding, end of period	702	757
<b>75/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	1,518	1,393
Issued for cash	393	641
Withdrawn during the period	(326)	(516)
Units issued and outstanding, end of period	1,585	1,518
<b>75/75 Class F Units</b>		
Units issued and outstanding, beginning of period	12	4
Issued for cash	15	8
Units issued and outstanding, end of period	27	12

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
Units issued and outstanding, beginning of period	41	25
Issued for cash	12	16
Units issued and outstanding, end of period	53	41

### 75/75 Class F Prestige Units

Units issued and outstanding, beginning of period	—	—
Issued for cash	0	—
Units issued and outstanding, end of period	0	—

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023	Number of Units	Value of Units (\$)
Class		
75/75 Class A Prestige Units	1,000	12
75/100 Class A Prestige Units	1,000	12
75/75 Class F Units	1,000	13
75/100 Class F Units	1,000	13
75/75 Class F Prestige Units	250	3

As at December 31, 2022	Number of Units	Value of Units (\$)
Class		
75/75 Class A Prestige Units	1,000	11
75/100 Class A Prestige Units	1,000	11
75/75 Class F Units	1,000	12
75/100 Class F Units	1,000	12

### Financial instruments risk

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

### Currency risk

As at December 31, 2023 and December 31, 2022, the Fund may have been indirectly exposed to currency risk, to the extent that the underlying fund invested in financial instruments that were denominated in a currency other than the functional currency of the Fund.

### Interest rate risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to interest rate risk.

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

# BMO Growth ETF Portfolio GIF

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

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

December 31, 2023

### Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invests in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, composed of 20% FTSE Canada Universe Bond Index, 25% S&P/TSX Composite Total Return Index and 55% MSCI World Index (C\$), had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$5,656 (December 31, 2022 — \$5,112). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

### Credit risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to credit risk.

### Fair value hierarchy

The 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 observable 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.

#### As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	59,210	—	—	59,210

#### As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	54,191	—	—	54,191

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at December 31, 2023	As at December 31, 2022
BMO Growth ETF Portfolio, Series I	59,210	54,191

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

BMO Growth ETF Portfolio, Series I	1.89%	2.26%
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### Increase or decrease in net assets held for the benefit of policyowners per unit

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

For the periods ended	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,264	(1,397)
Weighted average units outstanding during the period (in thousands of units)	899	830
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.41	(1.68)
<b>75/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,703	(2,305)
Weighted average units outstanding during the period (in thousands of units)	1,283	1,367
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.33	(1.69)
<b>75/75 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	834	(961)
Weighted average units outstanding during the period (in thousands of units)	710	685
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.17	(1.40)
<b>75/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,770	(2,167)
Weighted average units outstanding during the period (in thousands of units)	1,520	1,594
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.16	(1.36)
<b>75/75 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	27	(13)
Weighted average units outstanding during the period (in thousands of units)	19	10
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.47	(1.29)
<b>75/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	61	(31)
Weighted average units outstanding during the period (in thousands of units)	43	32
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.43	(1.00)

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

# BMO Growth ETF Portfolio GIF

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

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

December 31, 2023

<i>For the periods ended</i>	December 31, 2023	December 31, 2022
<b>75/75 Class F Prestige Units</b>		
Increase in net assets held for the benefit of policyowners	0	—
Weighted average units outstanding during the period (in thousands of units)	0	—
Increase in net assets held for the benefit of policyowners per unit	0.31	—

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2023 and December 31, 2022.

### Concentration risk

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

<i>As at</i>	December 31, 2023	December 31, 2022
<b>Money Market Investments</b>		
Federal	1.1%	2.0%
Provincial	0.3%	0.2%
<b>Holdings in Investment Funds</b>		
Canadian Equity Funds	24.2%	26.2%
Canadian Fixed Income Funds	10.9%	14.9%
Commodity Funds	1.6%	—%
Emerging Markets Equity Funds	3.9%	2.3%
Emerging Markets Fixed Income Funds	1.5%	1.6%
Global Equity Funds	1.5%	1.8%
International Equity Funds	20.9%	17.6%
U.S. Equity Funds	25.6%	27.0%
U.S. Fixed Income Funds	6.4%	5.3%
<b>Derivatives</b>		
Written Call Option Contracts	(0.0)%	—%
<b>Other Assets less Liabilities</b>		
	2.1%	1.1%
	<b>100.0%</b>	<b>100.0%</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

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



# BMO Growth ETF Portfolio GIF

## Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)  
December 31, 2023

### Financial Highlights

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

Years ended December 31,

75/75 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 13,399	11,879	11,639	9,130	7,971
Net asset value per unit <sup>(1)</sup>	\$ 14.73	13.33	15.08	13.53	12.65
Units issued and outstanding (000's) <sup>(1)</sup>	910	891	772	675	630
Management fees	% 1.45	1.45	1.45	1.45	1.45
Management expense ratio <sup>(2)</sup>	% 2.39	2.38	2.37	2.37	2.38
Management expense ratio before waivers	% 2.39	2.38	2.37	2.37	2.38
Portfolio turnover rate <sup>(3)</sup>	% 3.83	6.38	0.41	3.21	9.91

Years ended December 31,

75/100 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 18,244	17,189	18,096	11,306	10,656
Net asset value per unit <sup>(1)</sup>	\$ 14.37	13.06	14.82	13.34	12.50
Units issued and outstanding (000's) <sup>(1)</sup>	1,269	1,317	1,221	847	852
Management fees	% 1.45	1.45	1.45	1.45	1.45
Management expense ratio <sup>(2)</sup>	% 2.74	2.73	2.73	2.73	2.75
Management expense ratio before waivers	% 2.74	2.73	2.73	2.73	2.75
Portfolio turnover rate <sup>(3)</sup>	% 3.83	6.38	0.41	3.21	9.91

Years ended December 31,

75/75 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 8,525	8,309	8,005	5,780	3,064
Net asset value per unit <sup>(1)</sup>	\$ 12.15	10.97	12.39	11.10	10.36
Units issued and outstanding (000's) <sup>(1)</sup>	702	757	646	521	296
Management fees	% 1.27	1.27	1.27	1.27	1.27
Management expense ratio <sup>(2)</sup>	% 2.20	2.20	2.22	2.22	2.22
Management expense ratio before waivers	% 2.20	2.20	2.22	2.22	2.22
Portfolio turnover rate <sup>(3)</sup>	% 3.83	6.38	0.41	3.21	9.91

Years ended December 31,

75/100 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 18,994	16,477	17,118	9,631	7,637
Net asset value per unit <sup>(1)</sup>	\$ 11.98	10.85	12.29	11.03	10.34
Units issued and outstanding (000's) <sup>(1)</sup>	1,585	1,518	1,393	873	739
Management fees	% 1.18	1.18	1.18	1.18 <sup>†</sup>	1.27
Management expense ratio <sup>(2)</sup>	% 2.45	2.45	2.45	2.48	2.54
Management expense ratio before waivers	% 2.45	2.45	2.45	2.48	2.54
Portfolio turnover rate <sup>(3)</sup>	% 3.83	6.38	0.41	3.21	9.91

Years ended December 31,

75/75 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 371	143	56	50	56
Net asset value per unit <sup>(1)</sup>	\$ 13.50	12.09	13.53	12.01	11.11
Units issued and outstanding (000's) <sup>(1)</sup>	27	12	4	4	5
Management fees	% 0.45	0.45	0.45	0.45	0.45
Management expense ratio <sup>(2)</sup>	% 1.30	1.30	1.30	1.30	1.30
Management expense ratio before waivers	% 1.30	1.30	1.30	1.30	1.30
Portfolio turnover rate <sup>(3)</sup>	% 3.83	6.38	0.41	3.21	9.91

Years ended December 31,

75/100 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 704	494	328	12	11
Net asset value per unit <sup>(1)</sup>	\$ 13.24	11.89	13.35	11.90	11.04
Units issued and outstanding (000's) <sup>(1)</sup>	53	41	25	1	1
Management fees	% 0.45	0.45	0.45	0.45	0.45
Management expense ratio <sup>(2)</sup>	% 1.61	1.65	1.65	1.65	1.65
Management expense ratio before waivers	% 1.61	1.65	1.65	1.65	1.65
Portfolio turnover rate <sup>(3)</sup>	% 3.83	6.38	0.41	3.21	9.91

Period ended December 31, 2023<sup>(5)</sup>

75/75 Class F Prestige Units	
Net asset (000's) <sup>(1)</sup>	\$ 3
Net asset value per unit <sup>(1)</sup>	\$ 10.31
Units issued and outstanding (000's) <sup>(1)</sup>	0
Management fees	% 0.36
Management expense ratio <sup>(2)</sup>	% 1.20
Management expense ratio before waivers	% 1.20
Portfolio turnover rate <sup>(3)</sup>	% 3.83

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

# BMO Growth ETF Portfolio GIF

## Supplementary Information (cont'd)

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

December 31, 2023

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<sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

<sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund.

<sup>(4)</sup> The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.

<sup>(5)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.

<sup>†</sup> Effective May 11, 2020, the management fee rate was reduced from 1.27% to 1.18%.

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

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

## BMO Equity Growth ETF Portfolio GIF

## STATEMENT OF FINANCIAL POSITION

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

As at	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	774	469
Investments		
Non-derivative financial assets	48,268	38,565
Subscriptions receivable	312	26
<b>Total assets</b>	<b>49,354</b>	<b>39,060</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Redemptions payable	219	31
Accrued expenses	295	247
<b>Total liabilities</b>	<b>514</b>	<b>278</b>
<b>Net assets held for the benefit of policyowners</b>	<b>48,840</b>	<b>38,782</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	9,682	8,801
75/100 Class A Units	15,545	13,100
75/75 Class A Prestige Units	6,289	4,630
75/100 Class A Prestige Units	17,076	12,032
75/75 Class F Units	14	46
75/100 Class F Units	194	173
75/75 Class F Prestige Units	40	—
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 16.36	\$ 14.62
75/100 Class A Units	\$ 15.94	\$ 14.29
75/75 Class A Prestige Units	\$ 12.85	\$ 11.46
75/100 Class A Prestige Units	\$ 12.65	\$ 11.32
75/75 Class F Units	\$ 14.15	\$ 12.54
75/100 Class F Units	\$ 13.90	\$ 12.34
75/75 Class F Prestige Units	\$ 10.27	\$ —

## STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	December 31, 2023	December 31, 2022
<b>INCOME</b>		
Interest income	35	5
Distributions received from investment trusts	1,524	1,102
Other changes in fair value of investments and derivatives		
Net realized gain	173	124
Change in unrealized appreciation (depreciation)	4,166	(4,791)
Net gain (loss) in fair value of investments and derivatives	5,898	(3,560)
<b>Total income (loss)</b>	<b>5,898</b>	<b>(3,560)</b>
<b>EXPENSES</b>		
Management fees (note 7)	666	593
Fixed administration fees (note 7)	121	106
Insurance fees (note 7)	315	278
Interest charges	0	—
<b>Total expenses</b>	<b>1,102</b>	<b>977</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>	<b>4,796</b>	<b>(4,537)</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	1,026	(1,033)
75/100 Class A Units	1,568	(1,659)
75/75 Class A Prestige Units	611	(560)
75/100 Class A Prestige Units	1,563	(1,252)
75/75 Class F Units	6	(5)
75/100 Class F Units	22	(28)
75/75 Class F Prestige Units	0	—
<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	1.72	(1.75)
75/100 Class A Units	1.65	(1.78)
75/75 Class A Prestige Units	1.36	(1.43)
75/100 Class A Prestige Units	1.35	(1.29)
75/75 Class F Units	1.65	(1.39)
75/100 Class F Units	1.57	(1.79)
75/75 Class F Prestige Units	0.29	—

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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	8,801	9,104
Increase (decrease) in net assets held for the benefit of policyowners	1,026	(1,033)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3,132	2,854
Withdrawal of withdrawable units	(3,277)	(2,124)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(145)	730
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	881	(303)
<b>Net assets held for the benefit of policyowners</b>	9,682	8,801
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	13,100	14,535
Increase (decrease) in net assets held for the benefit of policyowners	1,568	(1,659)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	8,335	8,809
Withdrawal of withdrawable units	(7,458)	(8,585)
<b>Net increase from withdrawable unit transactions</b>	877	224
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	2,445	(1,435)
<b>Net assets held for the benefit of policyowners</b>	15,545	13,100

## 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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	4,630	4,827
Increase (decrease) in net assets held for the benefit of policyowners	611	(560)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	2,129	894
Withdrawal of withdrawable units	(1,081)	(531)
<b>Net increase from withdrawable unit transactions</b>	1,048	363
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	1,659	(197)
<b>Net assets held for the benefit of policyowners</b>	6,289	4,630
<b>75/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	12,032	10,580
Increase (decrease) in net assets held for the benefit of policyowners	1,563	(1,252)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	5,202	5,150
Withdrawal of withdrawable units	(1,721)	(2,446)
<b>Net increase from withdrawable unit transactions</b>	3,481	2,704
<b>Net increase in net assets held for the benefit of policyowners</b>	5,044	1,452
<b>Net assets held for the benefit of policyowners</b>	17,076	12,032
<b>75/75 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	46	51
Increase (decrease) in net assets held for the benefit of policyowners	6	(5)
<b>Withdrawable unit transactions</b>		
Withdrawal of withdrawable units	(38)	—
<b>Net decrease from withdrawable unit transactions</b>	(38)	—
<b>Net decrease in net assets held for the benefit of policyowners</b>	(32)	(5)
<b>Net assets held for the benefit of policyowners</b>	14	46

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>	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	173	248
Increase (decrease) in net assets held for the benefit of policyowners	22	(28)
<b>Withdrawable unit transactions</b>		
Withdrawal of withdrawable units	(1)	(47)
<b>Net decrease from withdrawable unit transactions</b>	(1)	(47)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	21	(75)
<b>Net assets held for the benefit of policyowners</b>	194	173
<b>75/75 Class F Prestige 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	0	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	40	—
<b>Net increase from withdrawable unit transactions</b>	40	—
<b>Net increase in net assets held for the benefit of policyowners</b>	40	—
<b>Net assets held for the benefit of policyowners</b>	40	—
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	38,782	39,345
Increase (decrease) in net assets held for the benefit of policyowners	4,796	(4,537)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	18,838	17,707
Withdrawal of withdrawable units	(13,576)	(13,733)
<b>Net increase from withdrawable unit transactions</b>	5,262	3,974
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	10,058	(563)
<b>Net assets held for the benefit of policyowners</b>	48,840	38,782

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

<b>STATEMENT OF CASH FLOWS</b> <i>(All amounts in thousands of Canadian dollars)</i>			<b>SCHEDULE OF INVESTMENT PORTFOLIO</b> <i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>For the periods ended</i>	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>As at December 31, 2023</b>			<b>Fair Value (\$)</b>
<b>Cash flows from operating activities</b>			<b>HOLDINGS IN INVESTMENT FUND</b>			
Increase (decrease) in net assets held for the benefit of policyowners	4,796	(4,537)	<b>Global Equity Fund — 98.8%</b>			
Adjustments for:			BMO Equity Growth ETF Portfolio, Series I			
Net realized gain on sale of investments and derivatives	(173)	(124)	2,530,034	40,425	48,268	
Change in unrealized (appreciation) depreciation of investments and derivatives	(4,166)	4,791	<b>Total Investment Portfolio — 98.8%</b>			
Increase in accrued expenses	48	4	<b>40,425 48,268</b>			
Non-cash distributions from investment trusts	(1,524)	(1,102)	Other Assets Less Liabilities — 1.2%			
Purchases of investments	(5,050)	(4,120)	<b>Net assets held for the benefit</b>			
Proceeds from sale and maturity of investments	1,210	1,025	<b>of policyowners — 100.0%</b>			
<b>Net cash used in operating activities</b>	<b>(4,859)</b>	<b>(4,063)</b>	<b>48,840</b>			
<b>Cash flows from financing activities</b>						
Proceeds from issuances of withdrawable units	11,594	12,190				
Amounts paid on withdrawal of withdrawable units	(6,430)	(8,014)				
<b>Net cash from financing activities</b>	<b>5,164</b>	<b>4,176</b>				
Net increase in cash	305	113				
Cash at beginning of period	469	356				
<b>Cash at end of period</b>	<b>774</b>	<b>469</b>				
<b>Supplementary Information:</b>						
Interest received, net of withholding taxes*	35	5				
Interest expense paid*	0	—				

\*These items are from operating activities

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

# BMO Equity Growth ETF Portfolio GIF

## Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2023

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.



Realized gains and losses on disposition are determined based on the cost of the investments

### **Fair value measurement**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

### **Cash**

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

### **Other assets and liabilities**

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

### **Investments in subsidiaries, joint ventures and associates**

Subsidiaries are entities over which the Funds have control through their exposure or rights to variable returns from their investment, and have the ability to affect those returns through their power over the entity. The Funds have determined that they are an investment entity and as such, they account for subsidiaries, if any, at fair value. Joint ventures are investments 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**

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 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.

### **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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

### Portfolio turnover ratio

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

### Income taxes

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

## 4. Units and unit transactions

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

## 5. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

### Accounting judgements:

#### Functional and presentation currency

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

### **Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

## **6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

## **7. Related party transactions**

### **Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

### **Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

### **Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

### **Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

### **Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

## **8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

### 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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

# BMO Equity Growth ETF Portfolio GIF

## Notes to the Financial Statements

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

December 31, 2023



### Fund and Class information

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

Class	Date Established
75/75 Class A Units	June 21, 2016
75/100 Class A Units	June 21, 2016
75/75 Class A Prestige Units	May 6, 2019
75/100 Class A Prestige Units	May 6, 2019
75/75 Class F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
75/75 Class F Prestige Units	November 17, 2023

### 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)	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	602	554
Issued for cash	201	189
Withdrawn during the period	(211)	(141)
Units issued and outstanding, end of period	592	602
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	917	902
Issued for cash	548	596
Withdrawn during the period	(490)	(581)
Units issued and outstanding, end of period	975	917
<b>75/75 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	404	376
Issued for cash	175	75
Withdrawn during the period	(89)	(47)
Units issued and outstanding, end of period	490	404
<b>75/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	1,063	831
Issued for cash	429	442
Withdrawn during the period	(143)	(210)
Units issued and outstanding, end of period	1,349	1,063
<b>75/75 Class F Units</b>		
Units issued and outstanding, beginning of period	4	4
Withdrawn during the period	(3)	—
Units issued and outstanding, end of period	1	4

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
Units issued and outstanding, beginning of period	14	18
Withdrawn during the period	(0)	(4)
Units issued and outstanding, end of period	14	14

### 75/75 Class F Prestige Units

Units issued and outstanding, beginning of period	—	—
Issued for cash	4	—
Units issued and outstanding, end of period	4	—

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023	Number of Units	Value of Units (\$)
Class		
75/75 Class A Prestige Units	1,000	13
75/100 Class A Prestige Units	1,000	13
75/75 Class F Units	1,000	14
75/100 Class F Units	1,000	14
75/75 Class F Prestige Units	250	3

As at December 31, 2022	Number of Units	Value of Units (\$)
Class		
75/75 Class A Prestige Units	1,000	11
75/100 Class A Prestige Units	1,000	11
75/75 Class F Units	1,000	13
75/100 Class F Units	1,000	12

### Financial instruments risk

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

### Currency risk

As at December 31, 2023 and December 31, 2022, the Fund may have been indirectly exposed to currency risk, to the extent that the underlying fund invested in financial instruments that were denominated in a currency other than the functional currency of the Fund.

### Interest rate risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to interest rate risk.

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

### Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invests in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, composed of 25% S&P/TSX Composite Total Return Index and 75% MSCI World Index (C\$), had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$4,444 (December 31, 2022 — \$3,530). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

### Credit risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to credit risk.

### Fair value hierarchy

The 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 observable 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.

#### As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	48,268	—	—	48,268

#### As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	38,565	—	—	38,565

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at December 31, 2023	As at December 31, 2022
BMO Equity Growth ETF Portfolio, Series I	48,268	38,565

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

BMO Equity Growth ETF Portfolio, Series I	3.74%	3.98%
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### Increase or decrease in net assets held for the benefit of policyowners per unit

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

For the periods ended	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,026	(1,033)
Weighted average units outstanding during the period (in thousands of units)	596	590
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.72	(1.75)
<b>75/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,568	(1,659)
Weighted average units outstanding during the period (in thousands of units)	952	932
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.65	(1.78)
<b>75/75 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	611	(560)
Weighted average units outstanding during the period (in thousands of units)	450	390
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.36	(1.43)
<b>75/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,563	(1,252)
Weighted average units outstanding during the period (in thousands of units)	1,160	973
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.35	(1.29)
<b>75/75 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	6	(5)
Weighted average units outstanding during the period (in thousands of units)	4	4
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.65	(1.39)
<b>75/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	22	(28)
Weighted average units outstanding during the period (in thousands of units)	14	16
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.57	(1.79)

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

# BMO Equity Growth ETF Portfolio GIF

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

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

December 31, 2023

<i>For the periods ended</i>	December 31, 2023	December 31, 2022
<b>75/75 Class F Prestige Units</b>		
Increase in net assets held for the benefit of policyowners	0	—
Weighted average units outstanding during the period (in thousands of units)	0	—
Increase in net assets held for the benefit of policyowners per unit	0.29	—

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2023 and December 31, 2022.

### Concentration risk

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

<i>As at</i>	December 31, 2023	December 31, 2022
<b>Money Market Investments</b>		
Federal	2.1%	4.0%
Provincial	0.2%	—%
<b>Holdings in Investment Funds</b>		
Canadian Equity Funds	29.6%	32.2%
Commodity Funds	1.9%	—%
Emerging Markets Equity Funds	4.8%	2.9%
Global Equity Funds	1.7%	1.9%
International Equity Funds	26.0%	24.7%
U.S. Equity Funds	31.9%	33.0%
<b>Derivatives</b>		
Written Call Option Contracts	(0.0)%	—%
<b>Other Assets less Liabilities</b>		
	1.8%	1.3%
	<b>100.0%</b>	<b>100.0%</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

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

# BMO Equity Growth ETF Portfolio GIF

## Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)  
December 31, 2023

### Financial Highlights

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

Years ended December 31,					
75/75 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 9,682	8,801	9,104	6,907	5,858
Net asset value per unit <sup>(1)</sup>	\$ 16.36	14.62	16.42	14.26	13.33
Units issued and outstanding (000's) <sup>(1)</sup>	592	602	554	484	439
Management fees	% 1.50	1.50	1.50	1.50	1.50
Management expense ratio <sup>(2)</sup>	% 2.43	2.43	2.42	2.43	2.44
Management expense ratio before waivers	% 2.43	2.43	2.42	2.43	2.44
Portfolio turnover rate <sup>(3)</sup>	% 2.83	2.37	2.54	1.19	11.28

Years ended December 31,					
75/100 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 15,545	13,100	14,535	10,604	9,298
Net asset value per unit <sup>(1)</sup>	\$ 15.94	14.29	16.11	14.05	13.17
Units issued and outstanding (000's) <sup>(1)</sup>	975	917	902	755	706
Management fees	% 1.50	1.50	1.50	1.50	1.50
Management expense ratio <sup>(2)</sup>	% 2.78	2.79	2.79	2.78	2.79
Management expense ratio before waivers	% 2.78	2.79	2.79	2.78	2.79
Portfolio turnover rate <sup>(3)</sup>	% 2.83	2.37	2.54	1.19	11.28

Years ended December 31,					
75/75 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 6,289	4,630	4,827	3,014	1,410
Net asset value per unit <sup>(1)</sup>	\$ 12.85	11.46	12.85	11.14	10.41
Units issued and outstanding (000's) <sup>(1)</sup>	490	404	376	270	135
Management fees	% 1.32	1.32	1.32	1.32	1.32
Management expense ratio <sup>(2)</sup>	% 2.25	2.24	2.24	2.27	2.28
Management expense ratio before waivers	% 2.25	2.24	2.24	2.27	2.28
Portfolio turnover rate <sup>(3)</sup>	% 2.83	2.37	2.54	1.19	11.28

Years ended December 31,					
75/100 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 17,076	12,032	10,580	7,717	4,604
Net asset value per unit <sup>(1)</sup>	\$ 12.65	11.32	12.73	11.07	10.39
Units issued and outstanding (000's) <sup>(1)</sup>	1,349	1,063	831	697	443
Management fees	% 1.23	1.23	1.23	1.23 <sup>†</sup>	1.32
Management expense ratio <sup>(2)</sup>	% 2.49	2.50	2.51	2.54	2.62
Management expense ratio before waivers	% 2.49	2.50	2.51	2.54	2.62
Portfolio turnover rate <sup>(3)</sup>	% 2.83	2.37	2.54	1.19	11.28

Years ended December 31,					
75/75 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 14	46	51	32	29
Net asset value per unit <sup>(1)</sup>	\$ 14.15	12.54	13.93	11.98	11.08
Units issued and outstanding (000's) <sup>(1)</sup>	1	4	4	3	3
Management fees	% 0.50	0.50	0.50	0.50	0.50
Management expense ratio <sup>(2)</sup>	% 1.36	1.36	1.36	1.36	1.36
Management expense ratio before waivers	% 1.36	1.36	1.36	1.36	1.36
Portfolio turnover rate <sup>(3)</sup>	% 2.83	2.37	2.54	1.19	11.28

Years ended December 31,					
75/100 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 194	173	248	113	11
Net asset value per unit <sup>(1)</sup>	\$ 13.90	12.34	13.76	11.86	11.02
Units issued and outstanding (000's) <sup>(1)</sup>	14	14	18	10	1
Management fees	% 0.50	0.50	0.50	0.50	0.50
Management expense ratio <sup>(2)</sup>	% 1.71	1.71	1.71	1.71	1.71
Management expense ratio before waivers	% 1.71	1.71	1.71	1.71	1.71
Portfolio turnover rate <sup>(3)</sup>	% 2.83	2.37	2.54	1.19	11.28

		Period ended December 31, 2023 <sup>(5)</sup>
<b>75/75 Class F Prestige Units</b>		
Net asset (000's) <sup>(1)</sup>	\$	40
Net asset value per unit <sup>(1)</sup>	\$	10.27
Units issued and outstanding (000's) <sup>(1)</sup>		4
Management fees	%	0.41
Management expense ratio <sup>(2)</sup>	%	1.26
Management expense ratio before waivers	%	1.26
Portfolio turnover rate <sup>(3)</sup>	%	2.83

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



# BMO Equity Growth ETF Portfolio GIF

## Supplementary Information (cont'd)

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

December 31, 2023

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- <sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.
- <sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund.
- <sup>(4)</sup> The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.
- <sup>(5)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.
- <sup>†</sup> Effective May 11, 2020, the management fee rate was reduced from 1.32% to 1.23%.

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

**BMO Fixed Income ETF Portfolio GIF**

**STATEMENT OF FINANCIAL POSITION**

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

As at	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	675	254
Investments		
Non-derivative financial assets	29,031	17,034
Subscriptions receivable	104	68
<b>Total assets</b>	<b>29,810</b>	<b>17,356</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Redemptions payable	116	68
Accrued expenses	137	80
<b>Total liabilities</b>	<b>253</b>	<b>148</b>
<b>Net assets held for the benefit of policyowners</b>	<b>29,557</b>	<b>17,208</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	3,821	1,905
75/100 Class A Units	6,497	3,940
75/75 Class A Prestige Units	6,755	3,507
75/100 Class A Prestige Units	11,951	7,343
75/75 Class F Units	10	398
75/100 Class F Units	122	115
75/75 Class F Prestige Units	401	—
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 9.60	\$ 9.10
75/100 Class A Units	\$ 9.46	\$ 8.98
75/75 Class A Prestige Units	\$ 9.60	\$ 9.09
75/100 Class A Prestige Units	\$ 9.47	\$ 8.98
75/75 Class F Units	\$ 10.49	\$ 9.81
75/100 Class F Units	\$ 10.38	\$ 9.75
75/75 Class F Prestige Units	\$ 10.48	\$ —

**STATEMENT OF COMPREHENSIVE INCOME**

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

For the periods ended	December 31, 2023	December 31, 2022
<b>INCOME</b>		
Interest income	17	1
Distributions received from investment trusts	1,012	572
Other changes in fair value of investments and derivatives		
Net realized loss	(244)	(480)
Change in unrealized appreciation (depreciation)	997	(2,237)
Net gain (loss) in fair value of investments and derivatives	1,782	(2,144)
<b>Total income (loss)</b>	<b>1,782</b>	<b>(2,144)</b>
<b>EXPENSES</b>		
Management fees (note 7)	327	216
Fixed administration fees (note 7)	68	45
Insurance fees (note 7)	88	56
Interest charges	1	0
<b>Total expenses</b>	<b>484</b>	<b>317</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>	<b>1,298</b>	<b>(2,461)</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	170	(349)
75/100 Class A Units	283	(582)
75/75 Class A Prestige Units	275	(697)
75/100 Class A Prestige Units	537	(775)
75/75 Class F Units	10	(57)
75/100 Class F Units	7	(1)
75/75 Class F Prestige Units	16	—
<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	0.59	(1.44)
75/100 Class A Units	0.47	(1.40)
75/75 Class A Prestige Units	0.42	(1.61)
75/100 Class A Prestige Units	0.49	(1.34)
75/75 Class F Units	0.28	(1.43)
75/100 Class F Units	0.63	(0.53)
75/75 Class F Prestige Units	0.49	—

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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	1,905	2,651
Increase (decrease) in net assets held for the benefit of policyowners	170	(349)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	5,470	1,132
Withdrawal of withdrawable units	(3,724)	(1,529)
<b>Net increase (decrease) from withdrawable unit transactions</b>	1,746	(397)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	1,916	(746)
<b>Net assets held for the benefit of policyowners</b>	3,821	1,905
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	3,940	4,527
Increase (decrease) in net assets held for the benefit of policyowners	283	(582)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	8,722	4,114
Withdrawal of withdrawable units	(6,448)	(4,119)
<b>Net increase (decrease) from withdrawable unit transactions</b>	2,274	(5)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	2,557	(587)
<b>Net assets held for the benefit of policyowners</b>	6,497	3,940

## 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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	3,507	5,477
Increase (decrease) in net assets held for the benefit of policyowners	275	(697)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	4,723	817
Withdrawal of withdrawable units	(1,750)	(2,090)
<b>Net increase (decrease) from withdrawable unit transactions</b>	2,973	(1,273)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	3,248	(1,970)
<b>Net assets held for the benefit of policyowners</b>	6,755	3,507
<b>75/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	7,343	5,657
Increase (decrease) in net assets held for the benefit of policyowners	537	(775)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	5,902	3,519
Withdrawal of withdrawable units	(1,831)	(1,058)
<b>Net increase from withdrawable unit transactions</b>	4,071	2,461
<b>Net increase in net assets held for the benefit of policyowners</b>	4,608	1,686
<b>Net assets held for the benefit of policyowners</b>	11,951	7,343
<b>75/75 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	398	455
Increase (decrease) in net assets held for the benefit of policyowners	10	(57)
<b>Withdrawable unit transactions</b>		
Withdrawal of withdrawable units	(398)	—
<b>Net decrease from withdrawable unit transactions</b>	(398)	—
<b>Net decrease in net assets held for the benefit of policyowners</b>	(388)	(57)
<b>Net assets held for the benefit of policyowners</b>	10	398

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>	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	115	11
Increase (decrease) in net assets held for the benefit of policyowners	7	(1)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	—	105
<b>Net increase from withdrawable unit transactions</b>	—	105
<b>Net increase in net assets held for the benefit of policyowners</b>	7	104
<b>Net assets held for the benefit of policyowners</b>	122	115
<b>75/75 Class F Prestige 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	16	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	391	—
Withdrawal of withdrawable units	(6)	—
<b>Net increase from withdrawable unit transactions</b>	385	—
<b>Net increase in net assets held for the benefit of policyowners</b>	401	—
<b>Net assets held for the benefit of policyowners</b>	401	—
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	17,208	18,778
Increase (decrease) in net assets held for the benefit of policyowners	1,298	(2,461)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	25,208	9,687
Withdrawal of withdrawable units	(14,157)	(8,796)
<b>Net increase from withdrawable unit transactions</b>	11,051	891
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	12,349	(1,570)
<b>Net assets held for the benefit of policyowners</b>	29,557	17,208

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

<b>STATEMENT OF CASH FLOWS</b> <i>(All amounts in thousands of Canadian dollars)</i>			<b>SCHEDULE OF INVESTMENT PORTFOLIO</b> <i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>For the periods ended</i>	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>As at December 31, 2023</b>			
<b>Cash flows from operating activities</b>			<b>HOLDINGS IN INVESTMENT FUND</b>			
Increase (decrease) in net assets held for the benefit of policyowners	1,298	(2,461)	<b>Fixed Income Fund — 98.2%</b>			
Adjustments for:			BMO Fixed Income ETF Portfolio, Series I			
Net realized loss on sale of investments and derivatives	244	480	3,249,996	30,762	29,031	
Change in unrealized (appreciation) depreciation of investments and derivatives	(997)	2,237	<b>Total Investment Portfolio — 98.2%</b>			
Increase (decrease) in accrued expenses	57	(18)	<b>30,762 29,031</b>			
Non-cash distributions from investment trusts	(1,012)	(572)	Other Assets Less Liabilities — 1.8%			
Purchases of investments	(12,052)	(4,250)	<b>Net assets held for the benefit of policyowners — 100.0%</b>			
Proceeds from sale and maturity of investments	1,820	3,445	<b>29,557</b>			
<b>Net cash used in operating activities</b>	<b>(10,642)</b>	<b>(1,139)</b>				
<b>Cash flows from financing activities</b>						
Proceeds from issuances of withdrawable units	16,619	5,729				
Amounts paid on withdrawal of withdrawable units	(5,556)	(4,890)				
<b>Net cash from financing activities</b>	<b>11,063</b>	<b>839</b>				
Net increase (decrease) in cash	421	(300)				
Cash at beginning of period	254	554				
<b>Cash at end of period</b>	<b>675</b>	<b>254</b>				
<b>Supplementary Information:</b>						
Interest received, net of withholding taxes*	17	1				
Interest expense paid*	1	0				

\*These items are from operating activities

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

# BMO Fixed Income ETF Portfolio GIF

## Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2023

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

### Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

### Cash

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

### Other assets and liabilities

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

### Investments in subsidiaries, joint ventures and associates

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

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 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.

### 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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

### Portfolio turnover ratio

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

### Income taxes

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

## 4. Units and unit transactions

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

## 5. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

### Accounting judgements:

#### Functional and presentation currency

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

### **Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

## **6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

## **7. Related party transactions**

### **Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

### **Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

### **Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

### **Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

### **Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

## **8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

### 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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

# BMO Fixed Income ETF Portfolio GIF

## Notes to the Financial Statements

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

December 31, 2023

### Fund and Class information

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

Class	Date Established
75/75 Class A Units	June 21, 2016
75/100 Class A Units	June 21, 2016
75/75 Class A Prestige Units	May 6, 2019
75/100 Class A Prestige Units	May 6, 2019
75/75 Class F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
75/75 Class F Prestige Units	November 17, 2023

### 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)	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	209	252
Issued for cash	591	121
Withdrawn during the period	(402)	(164)
Units issued and outstanding, end of period	398	209
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	439	435
Issued for cash	956	448
Withdrawn during the period	(708)	(444)
Units issued and outstanding, end of period	687	439
<b>75/75 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	386	521
Issued for cash	509	89
Withdrawn during the period	(191)	(224)
Units issued and outstanding, end of period	704	386
<b>75/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	818	544
Issued for cash	648	385
Withdrawn during the period	(204)	(111)
Units issued and outstanding, end of period	1,262	818
<b>75/75 Class F Units</b>		
Units issued and outstanding, beginning of period	41	41
Withdrawn during the period	(40)	—
Units issued and outstanding, end of period	1	41

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
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### 75/100 Class F Units

Units issued and outstanding, beginning of period	12	1
Issued for cash	—	11
Units issued and outstanding, end of period	12	12

### 75/75 Class F Prestige Units

Units issued and outstanding, beginning of period	—	—
Issued for cash	39	—
Withdrawn during the period	(1)	—
Units issued and outstanding, end of period	38	—

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023 Class	Number of Units	Value of Units (\$)
75/75 Class A Prestige Units	1,000	10
75/100 Class A Prestige Units	1,000	9
75/75 Class F Units	1,000	10
75/100 Class F Units	1,000	10
75/75 Class F Prestige Units	250	3

As at December 31, 2022 Class	Number of Units	Value of Units (\$)
75/75 Class A Prestige Units	1,000	9
75/100 Class A Prestige Units	1,000	9
75/75 Class F Units	1,000	10
75/100 Class F Units	1,000	10

### Financial instruments risk

The Fund invests in the BMO Fixed Income ETF Portfolio ("underlying fund"). The investment objective of the underlying fund is to preserve the capital invested 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.

### Currency risk

As at December 31, 2023 and December 31, 2022, the Fund may have been indirectly exposed to currency risk, to the extent that the underlying fund invested in financial instruments that were denominated in a currency other than the functional currency of the Fund.

### Interest rate risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to interest rate risk.

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

# BMO Fixed Income ETF Portfolio GIF

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

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

December 31, 2023

### Other market risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to other market risk as the underlying fund invested in underlying funds that invested in fixed income securities.

### Credit risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to credit risk.

### Fair value hierarchy

The 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 observable 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.

As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	29,031	—	—	29,031

As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	17,034	—	—	17,034

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at December 31, 2023	As at December 31, 2022
BMO Fixed Income ETF Portfolio, Series I	29,031	17,034

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

BMO Fixed Income ETF Portfolio, Series I	11.04%	7.96%
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### Increase or decrease in net assets held for the benefit of policyowners per unit

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

For the periods ended	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	170	(349)
Weighted average units outstanding during the period (in thousands of units)	291	242
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.59	(1.44)
<b>75/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	283	(582)
Weighted average units outstanding during the period (in thousands of units)	607	415
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.47	(1.40)
<b>75/75 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	275	(697)
Weighted average units outstanding during the period (in thousands of units)	650	432
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.42	(1.61)
<b>75/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	537	(775)
Weighted average units outstanding during the period (in thousands of units)	1,085	576
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.49	(1.34)
<b>75/75 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	10	(57)
Weighted average units outstanding during the period (in thousands of units)	36	41
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.28	(1.43)
<b>75/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	7	(1)
Weighted average units outstanding during the period (in thousands of units)	12	2
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.63	(0.53)
<b>75/75 Class F Prestige Units</b>		
Increase in net assets held for the benefit of policyowners	16	—
Weighted average units outstanding during the period (in thousands of units)	31	—
Increase in net assets held for the benefit of policyowners per unit	0.49	—

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

# BMO Fixed Income ETF Portfolio GIF

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

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

December 31, 2023

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2023 and December 31, 2022.

### Concentration risk

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

As at	December 31, 2023	December 31, 2022
<b>Money Market Investments</b>		
Federal	1.9%	5.5%
Provincial	—%	3.2%
<b>Holdings in Investment Funds</b>		
Canadian Fixed Income Funds	34.7%	40.7%
Emerging Markets Fixed Income Funds	10.8%	9.4%
U.S. Fixed Income Funds	49.5%	37.1%
<b>Other Assets less Liabilities</b>	<b>3.1%</b>	<b>4.1%</b>
	<b>100.0%</b>	<b>100.0%</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

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

# BMO Fixed Income ETF Portfolio GIF

## Supplementary Information

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

December 31, 2023

### Financial Highlights

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

Years ended December 31,					
75/75 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 3,821	1,905	2,651	3,809	1,800
Net asset value per unit <sup>(1)</sup>	\$ 9.60	9.10	10.54	10.90	10.28
Units issued and outstanding (000's) <sup>(1)</sup>	398	209	252	350	175
Management fees	% 1.30	1.30	1.30	1.30	1.30
Management expense ratio <sup>(2)</sup>	% 2.00	1.99	1.99	1.97	1.99
Management expense ratio before waivers	% 2.00	1.99	1.99	1.97	1.99
Portfolio turnover rate <sup>(3)</sup>	% 7.59	21.39	15.55	3.04	6.60

Years ended December 31,					
75/100 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 6,497	3,940	4,527	6,064	2,543
Net asset value per unit <sup>(1)</sup>	\$ 9.46	8.98	10.41	10.78	10.20
Units issued and outstanding (000's) <sup>(1)</sup>	687	439	435	563	249
Management fees	% 1.30	1.30	1.30	1.30	1.30
Management expense ratio <sup>(2)</sup>	% 2.13	2.12	2.12	2.11	2.14
Management expense ratio before waivers	% 2.13	2.12	2.12	2.11	2.14
Portfolio turnover rate <sup>(3)</sup>	% 7.59	21.39	15.55	3.04	6.60

Years ended December 31,					
75/75 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 6,755	3,507	5,477	5,759	2,611
Net asset value per unit <sup>(1)</sup>	\$ 9.60	9.09	10.52	10.87	10.26
Units issued and outstanding (000's) <sup>(1)</sup>	704	386	521	530	254
Management fees	% 1.21	1.21	1.21	1.21	1.21
Management expense ratio <sup>(2)</sup>	% 1.90	1.88	1.91	1.92	1.93
Management expense ratio before waivers	% 1.90	1.88	1.91	1.92	1.93
Portfolio turnover rate <sup>(3)</sup>	% 7.59	21.39	15.55	3.04	6.60

Years ended December 31,					
75/100 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 11,951	7,343	5,657	11,160	2,778
Net asset value per unit <sup>(1)</sup>	\$ 9.47	8.98	10.40	10.74	10.16
Units issued and outstanding (000's) <sup>(1)</sup>	1,262	818	544	1,039	274
Management fees	% 1.16	1.16	1.16	1.16 <sup>†</sup>	1.21
Management expense ratio <sup>(2)</sup>	% 2.00	2.00	1.94	1.99	2.06
Management expense ratio before waivers	% 2.00	2.00	1.94	1.99	2.06
Portfolio turnover rate <sup>(3)</sup>	% 7.59	21.39	15.55	3.04	6.60

Years ended December 31,					
75/75 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 10	398	455	453	444
Net asset value per unit <sup>(1)</sup>	\$ 10.49	9.81	11.24	11.49	10.75
Units issued and outstanding (000's) <sup>(1)</sup>	1	41	41	39	41
Management fees	% 0.30	0.30	0.30	0.30	0.30
Management expense ratio <sup>(2)</sup>	% 0.89	0.90	0.90	0.89	0.89
Management expense ratio before waivers	% 0.89	0.90	0.90	0.89	0.89
Portfolio turnover rate <sup>(3)</sup>	% 7.59	21.39	15.55	3.04	6.60

Years ended December 31,					
75/100 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 122	115	11	12	11
Net asset value per unit <sup>(1)</sup>	\$ 10.38	9.75	11.18	11.46	10.73
Units issued and outstanding (000's) <sup>(1)</sup>	12	12	1	1	1
Management fees	% 0.30	0.30	0.30	0.30	0.30
Management expense ratio <sup>(2)</sup>	% 1.04	1.04	1.05	1.04	1.04
Management expense ratio before waivers	% 1.04	1.04	1.05	1.04	1.04
Portfolio turnover rate <sup>(3)</sup>	% 7.59	21.39	15.55	3.04	6.60

		Period ended December 31, 2023 <sup>(5)</sup>
75/75 Class F Prestige Units		
Net asset (000's) <sup>(1)</sup>		\$ 401
Net asset value per unit <sup>(1)</sup>		\$ 10.48
Units issued and outstanding (000's) <sup>(1)</sup>		38
Management fees		% 0.21
Management expense ratio <sup>(2)</sup>		% 0.79
Management expense ratio before waivers		% 0.79
Portfolio turnover rate <sup>(3)</sup>		% 7.59

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

# BMO Fixed Income ETF Portfolio GIF

## Supplementary Information (cont'd)

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

December 31, 2023

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<sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

<sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund.

<sup>(4)</sup> The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.

<sup>(5)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.

<sup>†</sup> Effective May 11, 2020, the management fee rate was reduced from 1.21% to 1.16%.

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



# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

**BMO Conservative ETF Portfolio GIF**

**STATEMENT OF FINANCIAL POSITION**

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

As at	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	2,347	1,170
Investments		
Non-derivative financial assets	137,117	112,967
Subscriptions receivable	1,768	487
<b>Total assets</b>	<b>141,232</b>	<b>114,624</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Redemptions payable	1,370	296
Accrued expenses	753	668
<b>Total liabilities</b>	<b>2,123</b>	<b>964</b>
<b>Net assets held for the benefit of policyowners</b>	<b>139,109</b>	<b>113,660</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	15,777	16,177
75/100 Class A Units	24,694	23,122
100/100 Class A Units	19,249	10,580
75/75 Class A Prestige Units	15,515	16,702
75/100 Class A Prestige Units	34,935	31,427
100/100 Class A Prestige Units	26,610	13,234
75/75 Class F Units	170	1,968
75/100 Class F Units	820	306
100/100 Class F Units	608	144
75/75 Class F Prestige Units	731	—
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 11.77	\$ 10.91
75/100 Class A Units	\$ 11.57	\$ 10.74
100/100 Class A Units	\$ 10.89	\$ 10.15
75/75 Class A Prestige Units	\$ 10.72	\$ 9.92
75/100 Class A Prestige Units	\$ 10.65	\$ 9.87
100/100 Class A Prestige Units	\$ 11.19	\$ 10.39
75/75 Class F Units	\$ 11.83	\$ 10.84
75/100 Class F Units	\$ 11.69	\$ 10.73
100/100 Class F Units	\$ 11.43	\$ 10.54
75/75 Class F Prestige Units	\$ 10.40	\$ —

**STATEMENT OF COMPREHENSIVE INCOME**

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

For the periods ended	December 31, 2023	December 31, 2022
<b>INCOME</b>		
Interest income	89	20
Distributions received from investment trusts	3,891	3,572
Other changes in fair value of investments and derivatives		
Net realized loss	(319)	(197)
Change in unrealized appreciation (depreciation)	8,889	(16,786)
Net gain (loss) in fair value of investments and derivatives	12,550	(13,391)
<b>Total income (loss)</b>	<b>12,550</b>	<b>(13,391)</b>
<b>EXPENSES</b>		
Management fees (note 7)	1,685	1,649
Fixed administration fees (note 7)	332	326
Insurance fees (note 7)	770	739
Interest charges	1	0
<b>Total expenses</b>	<b>2,788</b>	<b>2,714</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>	<b>9,762</b>	<b>(16,105)</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	1,217	(2,398)
75/100 Class A Units	1,779	(3,272)
100/100 Class A Units	1,262	(1,514)
75/75 Class A Prestige Units	1,197	(2,524)
75/100 Class A Prestige Units	2,525	(4,011)
100/100 Class A Prestige Units	1,563	(1,968)
75/75 Class F Units	108	(385)
75/100 Class F Units	48	(14)
100/100 Class F Units	40	(19)
75/75 Class F Prestige Units	23	—
<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	0.83	(1.58)
75/100 Class A Units	0.81	(1.54)
100/100 Class A Units	1.10	(1.49)
75/75 Class A Prestige Units	0.82	(1.45)
75/100 Class A Prestige Units	0.77	(1.34)
100/100 Class A Prestige Units	1.12	(1.52)
75/75 Class F Units	1.06	(1.72)
75/100 Class F Units	0.97	(0.79)
100/100 Class F Units	1.62	(1.44)
75/75 Class F Prestige Units	0.40	—

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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	16,177	19,427
Increase (decrease) in net assets held for the benefit of policyowners	1,217	(2,398)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	5,192	9,006
Withdrawal of withdrawable units	(6,809)	(9,858)
<b>Net decrease from withdrawable unit transactions</b>	(1,617)	(852)
<b>Net decrease in net assets held for the benefit of policyowners</b>	(400)	(3,250)
<b>Net assets held for the benefit of policyowners</b>	15,777	16,177
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	23,122	24,662
Increase (decrease) in net assets held for the benefit of policyowners	1,779	(3,272)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	11,382	17,056
Withdrawal of withdrawable units	(11,589)	(15,324)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(207)	1,732
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	1,572	(1,540)
<b>Net assets held for the benefit of policyowners</b>	24,694	23,122

## 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>	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	10,580	11,984
Increase (decrease) in net assets held for the benefit of policyowners	1,262	(1,514)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	24,059	4,493
Withdrawal of withdrawable units	(16,652)	(4,383)
<b>Net increase from withdrawable unit transactions</b>	7,407	110
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	8,669	(1,404)
<b>Net assets held for the benefit of policyowners</b>	19,249	10,580
<b>75/75 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	16,702	20,670
Increase (decrease) in net assets held for the benefit of policyowners	1,197	(2,524)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	2,976	4,786
Withdrawal of withdrawable units	(5,360)	(6,230)
<b>Net decrease from withdrawable unit transactions</b>	(2,384)	(1,444)
<b>Net decrease in net assets held for the benefit of policyowners</b>	(1,187)	(3,968)
<b>Net assets held for the benefit of policyowners</b>	15,515	16,702

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>	December 31, 2023	December 31, 2022
<b>75/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	31,427	29,532
Increase (decrease) in net assets held for the benefit of policyowners	2,525	(4,011)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	7,854	12,456
Withdrawal of withdrawable units	(6,871)	(6,550)
<b>Net increase from withdrawable unit transactions</b>	983	5,906
<b>Net increase in net assets held for the benefit of policyowners</b>	3,508	1,895
<b>Net assets held for the benefit of policyowners</b>	34,935	31,427
<b>100/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	13,234	16,540
Increase (decrease) in net assets held for the benefit of policyowners	1,563	(1,968)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	14,729	2,243
Withdrawal of withdrawable units	(2,916)	(3,581)
<b>Net increase (decrease) from withdrawable unit transactions</b>	11,813	(1,338)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	13,376	(3,306)
<b>Net assets held for the benefit of policyowners</b>	26,610	13,234

## 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>	December 31, 2023	December 31, 2022
<b>75/75 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	1,968	4,036
Increase (decrease) in net assets held for the benefit of policyowners	108	(385)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	100	230
Withdrawal of withdrawable units	(2,006)	(1,913)
<b>Net decrease from withdrawable unit transactions</b>	(1,906)	(1,683)
<b>Net decrease in net assets held for the benefit of policyowners</b>	(1,798)	(2,068)
<b>Net assets held for the benefit of policyowners</b>	170	1,968
<b>75/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	306	12
Increase (decrease) in net assets held for the benefit of policyowners	48	(14)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	466	418
Withdrawal of withdrawable units	—	(110)
<b>Net increase from withdrawable unit transactions</b>	466	308
<b>Net increase in net assets held for the benefit of policyowners</b>	514	294
<b>Net assets held for the benefit of policyowners</b>	820	306
<b>100/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	144	163
Increase (decrease) in net assets held for the benefit of policyowners	40	(19)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	424	—
<b>Net increase from withdrawable unit transactions</b>	424	—
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	464	(19)
<b>Net assets held for the benefit of policyowners</b>	608	144

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>	December 31, 2023	December 31, 2022
<b>75/75 Class F Prestige 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	23	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	708	—
<b>Net increase from withdrawable unit transactions</b>	708	—
<b>Net increase in net assets held for the benefit of policyowners</b>	731	—
<b>Net assets held for the benefit of policyowners</b>	731	—
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	113,660	127,026
Increase (decrease) in net assets held for the benefit of policyowners	9,762	(16,105)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	67,890	50,688
Withdrawal of withdrawable units	(52,203)	(47,949)
<b>Net increase from withdrawable unit transactions</b>	15,687	2,739
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	25,449	(13,366)
<b>Net assets held for the benefit of policyowners</b>	139,109	113,660

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

<b>STATEMENT OF CASH FLOWS</b> <i>(All amounts in thousands of Canadian dollars)</i>			<b>SCHEDULE OF INVESTMENT PORTFOLIO</b> <i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>For the periods ended</i>	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>As at December 31, 2023</b>	<b>Number of Units</b>	<b>Cost* (\$)</b>	<b>Fair Value (\$)</b>
<b>Cash flows from operating activities</b>			<b>HOLDINGS IN INVESTMENT FUND</b>			
Increase (decrease) in net assets held for the benefit of policyowners	9,762	(16,105)	<b>Global Balanced Fund — 98.6%</b>			
Adjustments for:			BMO Conservative ETF Portfolio, Series I	11,142,142	135,252	137,117
Net realized loss on sale of investments and derivatives	319	197	<b>Total Investment Portfolio — 98.6%</b>		<b>135,252</b>	<b>137,117</b>
Change in unrealized (appreciation) depreciation of investments and derivatives	(8,889)	16,786	Other Assets Less Liabilities — 1.4%			1,992
Increase (decrease) in accrued expenses	85	(36)	<b>Net assets held for the benefit of policyowners — 100.0%</b>			<b>139,109</b>
Non-cash distributions from investment trusts	(3,891)	(3,572)				
Purchases of investments	(22,939)	(19,322)				
Proceeds from sale and maturity of investments	11,250	17,975				
<b>Net cash used in operating activities</b>	<b>(14,303)</b>	<b>(4,077)</b>				
<b>Cash flows from financing activities</b>						
Proceeds from issuances of withdrawable units	39,831	30,637				
Amounts paid on withdrawal of withdrawable units	(24,351)	(27,932)				
<b>Net cash from financing activities</b>	<b>15,480</b>	<b>2,705</b>				
Net increase (decrease) in cash	1,177	(1,372)				
Cash at beginning of period	1,170	2,542				
<b>Cash at end of period</b>	<b>2,347</b>	<b>1,170</b>				
<b>Supplementary Information:</b>						
Interest received, net of withholding taxes*	89	20				
Interest expense paid*	1	0				

\*These items are from operating activities

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

# BMO Conservative ETF Portfolio GIF

## Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2023

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

### **Fair value measurement**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

### **Cash**

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

### **Other assets and liabilities**

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

### **Investments in subsidiaries, joint ventures and associates**

Subsidiaries are entities over which the Funds have control through their exposure or rights to variable returns from their investment, and have the ability to affect those returns through their power over the entity. The Funds have determined that they are an investment entity and as such, they account for subsidiaries, if any, at fair value. Joint ventures are investments 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**

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 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.

### **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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

### Portfolio turnover ratio

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

### Income taxes

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

## 4. Units and unit transactions

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

## 5. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

### Accounting judgements:

#### Functional and presentation currency

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

### **Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

## **6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

## **7. Related party transactions**

### **Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

### **Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

### **Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

### **Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

### **Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

## **8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

### 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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

## Notes to the Financial Statements

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

December 31, 2023

### Fund and Class information

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

Class	Date Established
75/75 Class A Units	June 21, 2016
75/100 Class A Units	June 21, 2016
100/100 Class A Units	January 9, 2017
75/75 Class A Prestige Units	May 6, 2019
75/100 Class A Prestige Units	May 6, 2019
100/100 Class A Prestige Units	January 9, 2017
75/75 Class F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
100/100 Class F Units	May 14, 2018
75/75 Class F Prestige Units	November 17, 2023

### 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)	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	1,483	1,558
Issued for cash	460	795
Withdrawn during the period	(603)	(870)
Units issued and outstanding, end of period	1,340	1,483
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	2,154	2,006
Issued for cash	1,028	1,515
Withdrawn during the period	(1,047)	(1,367)
Units issued and outstanding, end of period	2,135	2,154
<b>100/100 Class A Units</b>		
Units issued and outstanding, beginning of period	1,043	1,027
Issued for cash	2,323	434
Withdrawn during the period	(1,598)	(418)
Units issued and outstanding, end of period	1,768	1,043
<b>75/75 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	1,684	1,828
Issued for cash	288	464
Withdrawn during the period	(525)	(608)
Units issued and outstanding, end of period	1,447	1,684

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>75/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	3,185	2,619
Issued for cash	771	1,207
Withdrawn during the period	(677)	(641)
Units issued and outstanding, end of period	3,279	3,185

<b>100/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	1,274	1,390
Issued for cash	1,378	213
Withdrawn during the period	(274)	(329)
Units issued and outstanding, end of period	2,378	1,274

<b>75/75 Class F Units</b>		
Units issued and outstanding, beginning of period	182	329
Issued for cash	8	21
Withdrawn during the period	(176)	(168)
Units issued and outstanding, end of period	14	182

<b>75/100 Class F Units</b>		
Units issued and outstanding, beginning of period	29	1
Issued for cash	41	38
Withdrawn during the period	—	(10)
Units issued and outstanding, end of period	70	29

<b>100/100 Class F Units</b>		
Units issued and outstanding, beginning of period	14	14
Issued for cash	39	—
Units issued and outstanding, end of period	53	14

<b>75/75 Class F Prestige Units</b>		
Units issued and outstanding, beginning of period	—	—
Issued for cash	70	—
Units issued and outstanding, end of period	70	—

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023	Number of Units	Value of Units (\$)
<b>Class</b>		
75/75 Class A Prestige Units	1,000	11
75/100 Class A Prestige Units	1,000	11
75/75 Class F Units	1,000	12
75/100 Class F Units	1,000	12
100/100 Class F Units	1,000	11
75/75 Class F Prestige Units	250	3

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

# BMO Conservative ETF Portfolio GIF

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

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

December 31, 2023



As at December 31, 2022

Class	Number of Units	Value of Units (\$)
75/75 Class A Prestige Units	1,000	10
75/100 Class A Prestige Units	1,000	10
75/75 Class F Units	1,000	11
75/100 Class F Units	1,000	11
100/100 Class F Units	1,000	11

### Financial instruments risk

The Fund invests in the BMO Conservative ETF Portfolio ("underlying fund"). The investment objective of the underlying fund is to preserve the capital invested 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.

### Currency risk

As at December 31, 2023 and December 31, 2022, the Fund may have been indirectly exposed to currency risk, to the extent that the underlying fund invested in financial instruments that were denominated in a currency other than the functional currency of the Fund.

### Interest rate risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to interest rate risk.

### Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invests in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, composed of 60% FTSE Canada Universe Bond Index, 15% S&P/TSX Composite Total Return Index and 25% MSCI World Index (C\$), had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$12,678 (December 31, 2022 — \$10,471). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

### Credit risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to credit risk.

### Fair value hierarchy

The 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 observable 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.

As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	137,117	—	—	137,117

As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	112,967	—	—	112,967

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at December 31, 2023	As at December 31, 2022
BMO Conservative ETF Portfolio, Series I	137,117	112,967

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

BMO Conservative ETF Portfolio, Series I	6.44%	5.65%
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### Increase or decrease in net assets held for the benefit of policyowners per unit

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

For the periods ended	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,217	(2,398)
Weighted average units outstanding during the period (in thousands of units)	1,462	1,518
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.83	(1.58)
<b>75/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,779	(3,272)
Weighted average units outstanding during the period (in thousands of units)	2,194	2,131
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.81	(1.54)

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

# BMO Conservative ETF Portfolio GIF

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

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

December 31, 2023

For the periods ended	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,262	(1,514)
Weighted average units outstanding during the period (in thousands of units)	1,147	1,016
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.10	(1.49)
<b>75/75 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,197	(2,524)
Weighted average units outstanding during the period (in thousands of units)	1,467	1,741
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.82	(1.45)
<b>75/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	2,525	(4,011)
Weighted average units outstanding during the period (in thousands of units)	3,284	3,004
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.77	(1.34)
<b>100/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,563	(1,968)
Weighted average units outstanding during the period (in thousands of units)	1,392	1,297
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.12	(1.52)
<b>75/75 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	108	(385)
Weighted average units outstanding during the period (in thousands of units)	102	224
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.06	(1.72)
<b>75/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	48	(14)
Weighted average units outstanding during the period (in thousands of units)	50	18
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.97	(0.79)
<b>100/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	40	(19)
Weighted average units outstanding during the period (in thousands of units)	25	14
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.62	(1.44)

For the periods ended	December 31, 2023	December 31, 2022
<b>75/75 Class F Prestige Units</b>		
Increase in net assets held for the benefit of policyowners	23	—
Weighted average units outstanding during the period (in thousands of units)	57	—
Increase in net assets held for the benefit of policyowners per unit	0.40	—

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2023 and December 31, 2022.

### Concentration risk

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

As at	December 31, 2023	December 31, 2022
<b>Money Market Investments</b>		
Federal	2.6%	6.0%
Provincial	0.5%	0.5%
<b>Holdings in Investment Funds</b>		
Canadian Equity Funds	11.6%	11.8%
Canadian Fixed Income Funds	34.5%	37.7%
Commodity Funds	0.8%	—%
Emerging Markets Equity Funds	1.9%	1.1%
Emerging Markets Fixed Income Funds	4.6%	4.4%
International Equity Funds	10.4%	9.7%
U.S. Equity Funds	11.7%	12.3%
U.S. Fixed Income Funds	19.6%	14.4%
<b>Other Assets less Liabilities</b>	1.8%	2.1%
	<b>100.0%</b>	<b>100.0%</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

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

# BMO Conservative ETF Portfolio GIF

## Supplementary Information

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

December 31, 2023



### Financial Highlights

Years ended December 31,

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

Years ended December 31,					
75/75 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 15,777	16,177	19,427	16,486	11,258
Net asset value per unit <sup>(1)</sup>	\$ 11.77	10.91	12.47	12.14	11.33
Units issued and outstanding (000's) <sup>(1)</sup>	1,340	1,483	1,558	1,358	994
Management fees	% 1.40	1.40	1.40	1.40	1.40
Management expense ratio <sup>(2)</sup>	% 2.28	2.28	2.27	2.24	2.23
Management expense ratio before waivers	% 2.28	2.28	2.27	2.24	2.23
Portfolio turnover rate <sup>(3)</sup>	% 9.59	15.49	0.68	4.25	2.51

Years ended December 31,

Years ended December 31,					
75/100 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 24,694	23,122	24,662	20,079	13,349
Net asset value per unit <sup>(1)</sup>	\$ 11.57	10.74	12.29	11.99	11.23
Units issued and outstanding (000's) <sup>(1)</sup>	2,135	2,154	2,006	1,675	1,189
Management fees	% 1.40	1.40	1.40	1.40	1.40
Management expense ratio <sup>(2)</sup>	% 2.47	2.47	2.46	2.46	2.46
Management expense ratio before waivers	% 2.47	2.47	2.46	2.46	2.46
Portfolio turnover rate <sup>(3)</sup>	% 9.59	15.49	0.68	4.25	2.51

Years ended December 31,

Years ended December 31,					
100/100 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 19,249	10,580	11,984	11,139	7,529
Net asset value per unit <sup>(1)</sup>	\$ 10.89	10.15	11.67	11.43	10.73
Units issued and outstanding (000's) <sup>(1)</sup>	1,768	1,043	1,027	975	701
Management fees	% 1.40	1.40	1.40	1.40	1.40
Management expense ratio <sup>(2)</sup>	% 2.89	2.88	2.88	2.87	2.86
Management expense ratio before waivers	% 2.89	2.88	2.88	2.87	2.86
Portfolio turnover rate <sup>(3)</sup>	% 9.59	15.49	0.68	4.25	2.51

Years ended December 31,					
75/75 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 15,515	16,702	20,670	15,193	8,893
Net asset value per unit <sup>(1)</sup>	\$ 10.72	9.92	11.31	10.98	10.27
Units issued and outstanding (000's) <sup>(1)</sup>	1,447	1,684	1,828	1,383	866
Management fees	% 1.26	1.26	1.26	1.26	1.26
Management expense ratio <sup>(2)</sup>	% 2.11	2.10	2.09	2.08	2.07
Management expense ratio before waivers	% 2.11	2.10	2.09	2.08	2.07
Portfolio turnover rate <sup>(3)</sup>	% 9.59	15.49	0.68	4.25	2.51

Years ended December 31,

Years ended December 31,					
75/100 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 34,935	31,427	29,532	21,197	10,163
Net asset value per unit <sup>(1)</sup>	\$ 10.65	9.87	11.28	10.97	10.26
Units issued and outstanding (000's) <sup>(1)</sup>	3,279	3,185	2,619	1,932	991
Management fees	% 1.22	1.22	1.22	1.22 <sup>1</sup>	1.26
Management expense ratio <sup>(2)</sup>	% 2.26	2.25	2.24	2.24	2.27
Management expense ratio before waivers	% 2.26	2.25	2.24	2.24	2.27
Portfolio turnover rate <sup>(3)</sup>	% 9.59	15.49	0.68	4.25	2.51

Years ended December 31,

Years ended December 31,					
100/100 Class A Prestige Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 26,610	13,234	16,540	13,145	11,117
Net asset value per unit <sup>(1)</sup>	\$ 11.19	10.39	11.90	11.60	10.86
Units issued and outstanding (000's) <sup>(1)</sup>	2,378	1,274	1,390	1,133	1,024
Management fees	% 1.05	1.05	1.05	1.05	1.05
Management expense ratio <sup>(2)</sup>	% 2.49	2.49	2.49	2.49	2.50
Management expense ratio before waivers	% 2.49	2.49	2.49	2.49	2.50
Portfolio turnover rate <sup>(3)</sup>	% 9.59	15.49	0.68	4.25	2.51

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

# BMO Conservative ETF Portfolio GIF

## Supplementary Information (cont'd)

(All amounts in thousands of Canadian dollars, except per unit data)  
December 31, 2023

	Years ended December 31,				
75/75 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 170	1,968	4,036	2,341	1,695
Net asset value per unit <sup>(1)</sup>	\$ 11.83	10.84	12.25	11.78	10.90
Units issued and outstanding (000's) <sup>(1)</sup>	14	182	329	199	156
Management fees	% 0.40	0.40	0.40	0.40	0.40
Management expense ratio <sup>(2)</sup>	% 1.15	1.15	1.15	1.15	1.15
Management expense ratio before waivers	% 1.15	1.15	1.15	1.15	1.15
Portfolio turnover rate <sup>(3)</sup>	% 9.59	15.49	0.68	4.25	2.51

- <sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.
- <sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund.
- <sup>(4)</sup> The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.
- <sup>(5)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.
- <sup>†</sup> Effective May 11, 2020, the management fee rate was reduced from 1.26% to 1.22%.

	Years ended December 31,				
75/100 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 820	306	12	12	11
Net asset value per unit <sup>(1)</sup>	\$ 11.69	10.73	12.15	11.72	10.86
Units issued and outstanding (000's) <sup>(1)</sup>	70	29	1	1	1
Management fees	% 0.40	0.40	0.40	0.40	0.40
Management expense ratio <sup>(2)</sup>	% 1.36	1.36	1.36	1.36	1.36
Management expense ratio before waivers	% 1.36	1.36	1.36	1.36	1.36
Portfolio turnover rate <sup>(3)</sup>	% 9.59	15.49	0.68	4.25	2.51

	Years ended December 31,				
100/100 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 608	144	163	150	11
Net asset value per unit <sup>(1)</sup>	\$ 11.43	10.54	11.98	11.60	10.79
Units issued and outstanding (000's) <sup>(1)</sup>	53	14	14	13	1
Management fees	% 0.40	0.40	0.40	0.40	0.40
Management expense ratio <sup>(2)</sup>	% 1.75	1.75	1.75	1.75	1.75
Management expense ratio before waivers	% 1.75	1.75	1.75	1.75	1.75
Portfolio turnover rate <sup>(3)</sup>	% 9.59	15.49	0.68	4.25	2.51

	Period ended December 31, 2023 <sup>(5)</sup>
75/75 Class F Prestige Units	
Net asset (000's) <sup>(1)</sup>	\$ 731
Net asset value per unit <sup>(1)</sup>	\$ 10.40
Units issued and outstanding (000's) <sup>(1)</sup>	70
Management fees	% 0.31
Management expense ratio <sup>(2)</sup>	% 1.05
Management expense ratio before waivers	% 1.05
Portfolio turnover rate <sup>(3)</sup>	% 9.59

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



# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

**BMO U.S. Balanced Growth GIF**

**STATEMENT OF FINANCIAL POSITION**  
(All amounts in thousands of Canadian dollars, except per unit data)

As at	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	388	453
Investments		
Non-derivative financial assets	41,147	35,397
Subscriptions receivable	147	4
Distribution receivable from investment trusts	127	115
<b>Total assets</b>	<b>41,809</b>	<b>35,969</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Payable for investments purchased	—	86
Redemptions payable	61	21
Accrued expenses	281	247
<b>Total liabilities</b>	<b>342</b>	<b>354</b>
<b>Net assets held for the benefit of policyowners</b>	<b>41,467</b>	<b>35,615</b>
<b>Net assets held for the benefit of policyowners</b>		
100/100 Class A Units	23,298	20,116
100/100 Class A Prestige Units	17,489	15,088
100/100 Class F Units	680	411
<b>Net assets held for the benefit of policyowners per unit</b>		
100/100 Class A Units	\$ 14.16	\$ 12.37
100/100 Class A Prestige Units	\$ 14.00	\$ 12.18
100/100 Class F Units	\$ 13.83	\$ 11.96

**STATEMENT OF COMPREHENSIVE INCOME**  
(All amounts in thousands of Canadian dollars, except per unit data)

For the periods ended	December 31, 2023	December 31, 2022
<b>INCOME</b>		
Interest income	15	4
Distributions received from investment trusts	727	719
Other changes in fair value of investments and derivatives		
Net realized gain	504	1,728
Change in unrealized appreciation (depreciation)	5,152	(7,753)
Net gain (loss) in fair value of investments and derivatives	6,398	(5,302)
<b>Total income (loss)</b>	<b>6,398</b>	<b>(5,302)</b>
<b>EXPENSES</b>		
Management fees (note 7)	523	488
Fixed administration fees (note 7)	108	102
Insurance fees (note 7)	443	419
Interest charges	0	0
Commissions and other portfolio transaction costs (note 7)	13	24
<b>Total expenses</b>	<b>1,087</b>	<b>1,033</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>	<b>5,311</b>	<b>(6,335)</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
100/100 Class A Units	2,944	(3,696)
100/100 Class A Prestige Units	2,287	(2,572)
100/100 Class F Units	80	(67)
<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
100/100 Class A Units	1.79	(2.27)
100/100 Class A Prestige Units	1.81	(2.12)
100/100 Class F Units	1.77	(1.96)

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>	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	20,116	24,902
Increase (decrease) in net assets held for the benefit of policyowners	2,944	(3,696)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	6,363	5,456
Withdrawal of withdrawable units	(6,125)	(6,546)
<b>Net increase (decrease) from withdrawable unit transactions</b>	238	(1,090)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	3,182	(4,786)
<b>Net assets held for the benefit of policyowners</b>	23,298	20,116
<b>100/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	15,088	17,048
Increase (decrease) in net assets held for the benefit of policyowners	2,287	(2,572)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3,412	3,100
Withdrawal of withdrawable units	(3,298)	(2,488)
<b>Net increase (decrease) from withdrawable unit transactions</b>	114	612
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	2,401	(1,960)
<b>Net assets held for the benefit of policyowners</b>	17,489	15,088

## 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>	December 31, 2023	December 31, 2022
<b>100/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	411	355
Increase (decrease) in net assets held for the benefit of policyowners	80	(67)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	218	125
Withdrawal of withdrawable units	(29)	(2)
<b>Net increase from withdrawable unit transactions</b>	189	123
<b>Net increase in net assets held for the benefit of policyowners</b>	269	56
<b>Net assets held for the benefit of policyowners</b>	680	411
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	35,615	42,305
Increase (decrease) in net assets held for the benefit of policyowners	5,311	(6,335)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	9,993	8,681
Withdrawal of withdrawable units	(9,452)	(9,036)
<b>Net increase (decrease) from withdrawable unit transactions</b>	541	(355)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	5,852	(6,690)
<b>Net assets held for the benefit of policyowners</b>	41,467	35,615

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>	December 31, 2023	December 31, 2022
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets held for the benefit of policyowners	5,311	(6,335)
Adjustments for:		
Net realized gain on sale of investments and derivatives	(504)	(1,728)
Change in unrealized (appreciation) depreciation of investments and derivatives	(5,152)	7,753
(Increase) decrease in distribution receivable from investment trusts	(12)	3
Increase (decrease) in accrued expenses	34	(40)
Purchases of investments	(16,902)	(28,871)
Proceeds from sale and maturity of investments	16,722	29,691
<b>Net cash (used in) from operating activities</b>	<b>(503)</b>	<b>473</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	7,294	6,321
Amounts paid on withdrawal of withdrawable units	(6,856)	(6,636)
<b>Net cash from (used in) financing activities</b>	<b>438</b>	<b>(315)</b>
Net (decrease) increase in cash	(65)	158
Cash at beginning of period	453	295
<b>Cash at end of period</b>	<b>388</b>	<b>453</b>
<b>Supplementary Information:</b>		
Interest received, net of withholding taxes*	15	4
Distributions received from investment trusts*	715	722
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 December 31, 2023</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUNDS</b>			
<b>Fixed Income Funds — 28.1%</b>			
BMO Mid Corporate Bond Index ETF	251,760	3,813	3,781
BMO Mid Federal Bond Index ETF	481,700	7,220	7,020
BMO Mid-Term US IG Corporate Bond Index ETF	50,860	899	875
		<b>11,932</b>	<b>11,676</b>
<b>U.S. Equity Fund — 71.1%</b>			
BMO S&P 500 Index ETF	426,980	23,692	29,471
<b>Total Investment Portfolio — 99.2%</b>		<b>35,624</b>	<b>41,147</b>
Other Assets Less Liabilities — 0.8%			320
<b>Net assets held for the benefit of policyowners — 100.0%</b>			<b>41,467</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 U.S. Balanced Growth GIF

## Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2023

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

### Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

### Cash

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

### Other assets and liabilities

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

### Investments in subsidiaries, joint ventures and associates

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

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 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.

### 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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

**Portfolio turnover ratio**

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

**Income taxes**

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

**4. Units and unit transactions**

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

**5. Critical accounting judgements and estimates**

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

**Accounting judgements:****Functional and presentation currency**

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

### **Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

## **6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

## **7. Related party transactions**

### **Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

### **Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

### **Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

### **Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

### **Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

## **8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

### 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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

# BMO U.S. Balanced Growth GIF

## Notes to the Financial Statements

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

December 31, 2023

### Fund and Class information

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

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

### Change in units

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

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
Units issued and outstanding, beginning of period	1,626	1,704
Issued for cash	480	420
Withdrawn during the period	(461)	(498)
Units issued and outstanding, end of period	1,645	1,626
<b>100/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	1,239	1,190
Issued for cash	259	242
Withdrawn during the period	(248)	(193)
Units issued and outstanding, end of period	1,250	1,239
<b>100/100 Class F Units</b>		
Units issued and outstanding, beginning of period	34	25
Issued for cash	17	9
Withdrawn during the period	(2)	(0)
Units issued and outstanding, end of period	49	34

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023		
Class	Number of Units	Value of Units (\$)
100/100 Class F Units	1,000	14

  

As at December 31, 2022		
Class	Number of Units	Value of Units (\$)
100/100 Class F Units	1,000	12

### Financial instruments risk

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

### Financial instruments 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

The 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 observable 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.

#### As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	41,147	—	—	41,147

#### As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	35,397	—	—	35,397

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

	As at December 31, 2023	As at December 31, 2022
<b>Carrying amount</b>		
BMO Mid Corporate Bond Index ETF	3,781	5,050
BMO Mid Federal Bond Index ETF	7,020	9,331
BMO Mid-Term US IG Corporate Bond Index ETF	875	1,161
BMO S&P 500 Index ETF	29,471	19,855
<b>Total</b>	<b>41,147</b>	<b>35,397</b>

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

BMO Mid Corporate Bond Index ETF	0.79%	1.02%
BMO Mid Federal Bond Index ETF	1.69%	0.93%
BMO Mid-Term US IG Corporate Bond Index ETF	0.03%	0.04%
BMO S&P 500 Index ETF	0.21%	0.16%

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

# BMO U.S. Balanced Growth GIF

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

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

December 31, 2023



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

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

<i>For the periods ended</i>	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	2,944	(3,696)
Weighted average units outstanding during the period (in thousands of units)	1,649	1,630
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.79	(2.27)
<b>100/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	2,287	(2,572)
Weighted average units outstanding during the period (in thousands of units)	1,265	1,211
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.81	(2.12)
<b>100/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	80	(67)
Weighted average units outstanding during the period (in thousands of units)	45	34
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.77	(1.96)

### Brokerage commissions

<i>For the periods ended</i>	December 31, 2023 (\$)	December 31, 2022 (\$)
Total brokerage amounts paid	13	24
Total brokerage amounts paid to related parties	—	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:

<i>As at</i>	December 31, 2023	December 31, 2022
<b>Holdings in Investment Funds</b>		
Fixed Income Funds	28.1%	43.7%
U.S. Equity Funds	71.1%	55.7%
<b>Other Assets less Liabilities</b>	0.8%	0.6%
	<b>100.0%</b>	<b>100.0%</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

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

# BMO U.S. Balanced Growth GIF

## Supplementary Information

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

December 31, 2023

### Financial Highlights

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

Years ended December 31,

100/100 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 23,298	20,116	24,902	22,981	22,417
Net asset value per unit <sup>(1)</sup>	\$ 14.16	12.37	14.61	12.74	12.00
Units issued and outstanding (000's) <sup>(1)</sup>	1,645	1,626	1,704	1,804	1,869
Management fees	% 1.50	1.50	1.50	1.50	1.50
Management expense ratio <sup>(2)</sup>	% 3.07	3.09	3.08	3.08	3.09
Management expense ratio before waivers	% 3.07	3.09	3.08	3.08	3.09
Portfolio turnover rate <sup>(3)</sup>	% 43.29	79.12	26.17	115.49	48.16

Years ended December 31,

100/100 Class A Prestige Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 17,489	15,088	17,048	13,146	12,450
Net asset value per unit <sup>(1)</sup>	\$ 14.00	12.18	14.33	12.45	11.68
Units issued and outstanding (000's) <sup>(1)</sup>	1,250	1,239	1,190	1,056	1,066
Management fees	% 1.15	1.15	1.15	1.15	1.15
Management expense ratio <sup>(2)</sup>	% 2.68	2.70	2.70	2.69	2.70
Management expense ratio before waivers	% 2.68	2.70	2.70	2.69	2.70
Portfolio turnover rate <sup>(3)</sup>	% 43.29	79.12	26.17	115.49	48.16

Years ended December 31,

100/100 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 680	411	355	89	283
Net asset value per unit <sup>(1)</sup>	\$ 13.83	11.96	13.97	12.05	11.23
Units issued and outstanding (000's) <sup>(1)</sup>	49	34	25	7	25
Management fees	% 0.50	0.50	0.50	0.50	0.50
Management expense ratio <sup>(2)</sup>	% 2.01	2.01	2.01	2.01	2.01
Management expense ratio before waivers	% 2.01	2.01	2.01	2.01	2.01
Portfolio turnover rate <sup>(3)</sup>	% 43.29	79.12	26.17	115.49	48.16

<sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

<sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund.

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

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

**BMO Canadian Balanced Growth GIF**

<b>STATEMENT OF FINANCIAL POSITION</b> <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>			<b>STATEMENT OF COMPREHENSIVE INCOME</b> <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		
As at	December 31, 2023	December 31, 2022	For the periods ended	December 31, 2023	December 31, 2022
<b>ASSETS</b>			<b>INCOME</b>		
<b>CURRENT ASSETS</b>			Interest income		
Cash	169	142	Distributions received from investment trusts	7	2
Investments			Other changes in fair value of investments and derivatives	609	629
Non-derivative financial assets	17,664	16,307	Net realized gain	26	32
Subscriptions receivable	78	0	Change in unrealized appreciation (depreciation)	1,108	(2,223)
Distribution receivable from investment trusts	108	94	Net gain (loss) in fair value of investments and derivatives	1,750	(1,560)
<b>Total assets</b>	<b>18,019</b>	<b>16,543</b>	<b>Total income (loss)</b>	<b>1,750</b>	<b>(1,560)</b>
<b>LIABILITIES</b>			<b>EXPENSES</b>		
<b>CURRENT LIABILITIES</b>			Management fees (note 7)		
Redemptions payable	56	20	Fixed administration fees (note 7)	242	223
Accrued expenses	123	115	Insurance fees (note 7)	49	46
<b>Total liabilities</b>	<b>179</b>	<b>135</b>	Interest charges	201	188
<b>Net assets held for the benefit of policyowners</b>	<b>17,840</b>	<b>16,408</b>	Commissions and other portfolio transaction costs (note 7)	0	0
<b>Net assets held for the benefit of policyowners</b>			<b>Total expenses</b>	<b>500</b>	<b>472</b>
100/100 Class A Units	10,994	10,173	<b>Increase (decrease) in net assets held for the benefit of policyowners</b>	<b>1,250</b>	<b>(2,032)</b>
100/100 Class A Prestige Units	6,550	5,934	<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
100/100 Class F Units	296	301	100/100 Class A Units	748	(1,224)
<b>Net assets held for the benefit of policyowners per unit</b>			100/100 Class A Prestige Units	478	(773)
100/100 Class A Units	\$ 11.24	\$ 10.48	100/100 Class F Units	24	(35)
100/100 Class A Prestige Units	\$ 10.94	\$ 10.15	<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
100/100 Class F Units	\$ 11.55	\$ 10.64	100/100 Class A Units	0.74	(1.34)
			100/100 Class A Prestige Units	0.79	(1.30)
			100/100 Class F Units	0.88	(1.25)

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>	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	10,173	9,127
Increase (decrease) in net assets held for the benefit of policyowners	748	(1,224)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3,735	3,999
Withdrawal of withdrawable units	(3,662)	(1,729)
<b>Net increase from withdrawable unit transactions</b>	73	2,270
<b>Net increase in net assets held for the benefit of policyowners</b>	821	1,046
<b>Net assets held for the benefit of policyowners</b>	10,994	10,173
<b>100/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	5,934	7,030
Increase (decrease) in net assets held for the benefit of policyowners	478	(773)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	2,190	1,227
Withdrawal of withdrawable units	(2,052)	(1,550)
<b>Net increase (decrease) from withdrawable unit transactions</b>	138	(323)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	616	(1,096)
<b>Net assets held for the benefit of policyowners</b>	6,550	5,934

## 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>	December 31, 2023	December 31, 2022
<b>100/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	301	219
Increase (decrease) in net assets held for the benefit of policyowners	24	(35)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	—	125
Withdrawal of withdrawable units	(29)	(8)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(29)	117
<b>Net (decrease) increase in net assets held for the benefit of policyowners</b>	(5)	82
<b>Net assets held for the benefit of policyowners</b>	296	301
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	16,408	16,376
Increase (decrease) in net assets held for the benefit of policyowners	1,250	(2,032)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	5,925	5,351
Withdrawal of withdrawable units	(5,743)	(3,287)
<b>Net increase from withdrawable unit transactions</b>	182	2,064
<b>Net increase in net assets held for the benefit of policyowners</b>	1,432	32
<b>Net assets held for the benefit of policyowners</b>	17,840	16,408

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

STATEMENT OF CASH FLOWS			SCHEDULE OF INVESTMENT PORTFOLIO			
<i>(All amounts in thousands of Canadian dollars)</i>			<i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>For the periods ended</i>	December 31, 2023	December 31, 2022	<i>As at December 31, 2023</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>Cash flows from operating activities</b>			<b>HOLDINGS IN INVESTMENT FUNDS</b>			
Increase (decrease) in net assets held for the benefit of policyowners	1,250	(2,032)	<b>Canadian Equity Fund — 56.4%</b>			
Adjustments for:			BMO S&P/TSX Capped Composite Index ETF	359,050	9,502	10,056
Net realized gain on sale of investments and derivatives	(26)	(32)	<b>Fixed Income Funds — 28.6%</b>			
Change in unrealized (appreciation) depreciation of investments and derivatives	(1,108)	2,223	BMO Mid Corporate Bond Index ETF	110,220	1,639	1,655
Increase in distribution receivable from investment trusts	(14)	(10)	BMO Mid Federal Bond Index ETF	210,030	3,111	3,061
Increase in accrued expenses	8	1	BMO Mid-Term US IG Corporate Bond Index ETF	22,160	390	381
Non-cash distributions from investment trusts	(72)	(156)			<b>5,140</b>	<b>5,097</b>
Purchases of investments	(8,195)	(15,749)	<b>International Equity Fund — 5.6%</b>			
Proceeds from sale and maturity of investments	8,044	13,747	BMO MSCI EAFE Index ETF	47,700	913	1,006
<b>Net cash used in operating activities</b>	<b>(113)</b>	<b>(2,008)</b>	<b>U.S. Equity Fund — 8.4%</b>			
<b>Cash flows from financing activities</b>			BMO S&P 500 Index ETF	21,800	1,217	1,505
Proceeds from issuances of withdrawable units	3,608	4,382	<b>Total Investment Portfolio — 99.0%</b>		<b>16,772</b>	<b>17,664</b>
Amounts paid on withdrawal of withdrawable units	(3,468)	(2,330)	Other Assets Less Liabilities — 1.0%			176
<b>Net cash from financing activities</b>	<b>140</b>	<b>2,052</b>	<b>Net assets held for the benefit of policyowners — 100.0%</b>			<b>17,840</b>
Net increase in cash	27	44				
Cash at beginning of period	142	98				
<b>Cash at end of period</b>	<b>169</b>	<b>142</b>				
<b>Supplementary Information:</b>						
Interest received, net of withholding taxes*	7	2				
Distributions received from investment trusts*	523	463				
Interest expense paid*	0	0				

\* 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 Canadian Balanced Growth GIF

## Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2023

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

### Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

### Cash

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

### Other assets and liabilities

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

### Investments in subsidiaries, joint ventures and associates

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

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 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.

### 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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

### Portfolio turnover ratio

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

### Income taxes

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

## 4. Units and unit transactions

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

## 5. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

### Accounting judgements:

#### Functional and presentation currency

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

### **Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

## **6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

## **7. Related party transactions**

### **Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

### **Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

### **Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

### **Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

### **Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

## **8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

### **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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

# BMO Canadian Balanced Growth GIF

## Notes to the Financial Statements

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

December 31, 2023

### Fund and Class information

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

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

### Change in units

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

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
--	----------------------	----------------------

#### 100/100 Class A Units

Units issued and outstanding, beginning of period	971	772
Issued for cash	348	357
Withdrawn during the period	(341)	(158)
Units issued and outstanding, end of period	978	971

#### 100/100 Class A Prestige Units

Units issued and outstanding, beginning of period	584	616
Issued for cash	209	114
Withdrawn during the period	(194)	(146)
Units issued and outstanding, end of period	599	584

#### 100/100 Class F Units

Units issued and outstanding, beginning of period	28	18
Issued for cash	—	11
Withdrawn during the period	(2)	(1)
Units issued and outstanding, end of period	26	28

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023		
Class	Number of Units	Value of Units (\$)
100/100 Class F Units	1,000	12

  

As at December 31, 2022		
Class	Number of Units	Value of Units (\$)
100/100 Class F Units	1,000	11

### Financial instruments risk

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

### Financial instruments risk of the underlying funds

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

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

### Fair value hierarchy

The 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 observable 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.

#### As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	17,664	—	—	17,664

#### As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	16,307	—	—	16,307

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

	As at December 31, 2023	As at December 31, 2022
<b>Carrying amount</b>		
BMO Mid Corporate Bond Index ETF	1,655	2,189
BMO Mid Federal Bond Index ETF	3,061	4,060
BMO Mid-Term US IG Corporate Bond Index ETF	381	506
BMO MSCI EAFE Index ETF	1,006	762
BMO S&P 500 Index ETF	1,505	1,145
BMO S&P/TSX Capped Composite Index ETF	10,056	7,645
<b>Total</b>	<b>17,664</b>	<b>16,307</b>

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

BMO Mid Corporate Bond Index ETF	0.35%	0.44%
BMO Mid Federal Bond Index ETF	0.74%	0.40%
BMO Mid-Term US IG Corporate Bond Index ETF	0.01%	0.02%
BMO MSCI EAFE Index ETF	0.02%	0.01%
BMO S&P 500 Index ETF	0.01%	0.01%
BMO S&P/TSX Capped Composite Index ETF	0.14%	0.11%

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

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

December 31, 2023

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

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

<i>For the periods ended</i>	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	748	(1,224)
Weighted average units outstanding during the period (in thousands of units)	1,009	913
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.74	(1.34)
<b>100/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	478	(773)
Weighted average units outstanding during the period (in thousands of units)	601	597
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.79	(1.30)
<b>100/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	24	(35)
Weighted average units outstanding during the period (in thousands of units)	27	28
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.88	(1.25)

### Brokerage commissions

<i>For the periods ended</i>	December 31, 2023 (\$)	December 31, 2022 (\$)
Total brokerage amounts paid	8	15
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:

<i>As at</i>	December 31, 2023	December 31, 2022
<b>Holdings in Investment Funds</b>		
Canadian Equity Funds	56.4%	46.6%
Fixed Income Funds	28.6%	41.1%
International Equity Funds	5.6%	4.7%
U.S. Equity Funds	8.4%	7.0%
<b>Other Assets less Liabilities</b>	1.0%	0.6%
	<b>100.0%</b>	<b>100.0%</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

# BMO Canadian Balanced Growth GIF

## Supplementary Information

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

December 31, 2023

### Financial Highlights

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

Years ended December 31,

100/100 Class A Units		2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$	10,994	10,173	9,127	8,760	9,612
Net asset value per unit <sup>(1)</sup>	\$	11.24	10.48	11.82	10.90	10.87
Units issued and outstanding (000's) <sup>(1)</sup>		978	971	772	804	884
Management fees	%	1.50	1.50	1.50	1.50	1.50
Management expense ratio <sup>(2)</sup>	%	3.10	3.09	3.09	3.08	3.08
Management expense ratio before waivers	%	3.10	3.09	3.09	3.08	3.08
Portfolio turnover rate <sup>(3)</sup>	%	46.43	83.92	29.52	73.41	35.07

Years ended December 31,

100/100 Class A Prestige Units		2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$	6,550	5,934	7,030	6,061	5,784
Net asset value per unit <sup>(1)</sup>	\$	10.94	10.15	11.41	10.48	10.42
Units issued and outstanding (000's) <sup>(1)</sup>		599	584	616	578	556
Management fees	%	1.15	1.15	1.15	1.15	1.15
Management expense ratio <sup>(2)</sup>	%	2.71	2.70	2.70	2.69	2.68
Management expense ratio before waivers	%	2.71	2.70	2.70	2.69	2.68
Portfolio turnover rate <sup>(3)</sup>	%	46.43	83.92	29.52	73.41	35.07

Years ended December 31,

100/100 Class F Units		2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$	296	301	219	206	341
Net asset value per unit <sup>(1)</sup>	\$	11.55	10.64	11.88	10.83	10.70
Units issued and outstanding (000's) <sup>(1)</sup>		26	28	18	19	32
Management fees	%	0.50	0.50	0.50	0.50	0.50
Management expense ratio <sup>(2)</sup>	%	2.01	2.01	2.01	2.01	2.01
Management expense ratio before waivers	%	2.01	2.01	2.01	2.01	2.01
Portfolio turnover rate <sup>(3)</sup>	%	46.43	83.92	29.52	73.41	35.07

<sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

<sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund.

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



# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

## BMO Canadian Income Strategy GIF

<b>STATEMENT OF FINANCIAL POSITION</b> <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>			<b>STATEMENT OF COMPREHENSIVE INCOME</b> <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		
As at	December 31, 2023	December 31, 2022	For the periods ended	December 31, 2023	December 31, 2022
<b>ASSETS</b>			<b>INCOME</b>		
<b>CURRENT ASSETS</b>			<b>Interest income</b>		
Cash	58	85		3	1
Investments			<b>Distributions received from investment trusts</b>		
Non-derivative financial assets	6,975	8,275		267	325
Subscriptions receivable	0	6	<b>Other changes in fair value of investments and derivatives</b>		
Distribution receivable from investment trusts	33	40		57	87
<b>Total assets</b>	<b>7,066</b>	<b>8,406</b>		<b>Net realized gain</b>	
				405	(1,109)
<b>LIABILITIES</b>			<b>Change in unrealized appreciation (depreciation)</b>		
<b>CURRENT LIABILITIES</b>				405	(1,109)
Redemptions payable	2	7	<b>Net gain (loss) in fair value of investments and derivatives</b>		
Accrued expenses	44	53		732	(696)
<b>Total liabilities</b>	<b>46</b>	<b>60</b>	<b>Total income (loss)</b>	<b>732</b>	<b>(696)</b>
<b>Net assets held for the benefit of policyowners</b>	<b>7,020</b>	<b>8,346</b>	<b>EXPENSES</b>		
<b>Net assets held for the benefit of policyowners</b>			<b>Management fees (note 7)</b>		
100/100 Class A Units	3,807	5,109		112	115
100/100 Class A Prestige Units	3,200	3,225	<b>Fixed administration fees (note 7)</b>		
100/100 Class F Units	13	12		21	21
<b>Net assets held for the benefit of policyowners per unit</b>			<b>Insurance fees (note 7)</b>		
100/100 Class A Units	\$ 11.89	\$ 11.10		66	67
100/100 Class A Prestige Units	\$ 11.73	\$ 10.91	<b>Interest charges</b>		
100/100 Class F Units	\$ 12.67	\$ 11.70		0	0
			<b>Commissions and other portfolio transaction costs (note 7)</b>		
				3	5
			<b>Total expenses</b>	<b>202</b>	<b>208</b>
			<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
				530	(904)
			<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
			<b>100/100 Class A Units</b>		
				298	(623)
			<b>100/100 Class A Prestige Units</b>		
				231	(280)
			<b>100/100 Class F Units</b>		
				1	(1)
			<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
			<b>100/100 Class A Units</b>		
				0.78	(1.40)
			<b>100/100 Class A Prestige Units</b>		
				0.81	(1.21)
			<b>100/100 Class F Units</b>		
				0.97	(1.33)

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>	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	5,109	4,740
Increase (decrease) in net assets held for the benefit of policyowners	298	(623)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	423	2,936
Withdrawal of withdrawable units	(2,023)	(1,944)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(1,600)	992
<b>Net (decrease) increase in net assets held for the benefit of policyowners</b>	(1,302)	369
<b>Net assets held for the benefit of policyowners</b>	3,807	5,109
<b>100/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	3,225	2,585
Increase (decrease) in net assets held for the benefit of policyowners	231	(280)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	238	1,449
Withdrawal of withdrawable units	(494)	(529)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(256)	920
<b>Net (decrease) increase in net assets held for the benefit of policyowners</b>	(25)	640
<b>Net assets held for the benefit of policyowners</b>	3,200	3,225
<b>100/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	12	13
Increase (decrease) in net assets held for the benefit of policyowners	1	(1)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	1	(1)
<b>Net assets held for the benefit of policyowners</b>	13	12

## 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>	December 31, 2023	December 31, 2022
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	8,346	7,338
Increase (decrease) in net assets held for the benefit of policyowners	530	(904)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	661	4,385
Withdrawal of withdrawable units	(2,517)	(2,473)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(1,856)	1,912
<b>Net (decrease) increase in net assets held for the benefit of policyowners</b>	(1,326)	1,008
<b>Net assets held for the benefit of policyowners</b>	7,020	8,346

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

<b>STATEMENT OF CASH FLOWS</b> <i>(All amounts in thousands of Canadian dollars)</i>			<b>SCHEDULE OF INVESTMENT PORTFOLIO</b> <i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>For the periods ended</i>	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>As at December 31, 2023</b>	<b>Number of Units</b>	<b>Cost* (\$)</b>	<b>Fair Value (\$)</b>
<b>Cash flows from operating activities</b>			<b>HOLDINGS IN INVESTMENT FUNDS</b>			
Increase (decrease) in net assets held for the benefit of policyowners	530	(904)	<b>Canadian Equity Funds — 40.8%</b>			
Adjustments for:			BMO Canadian Dividend ETF			
Net realized gain on sale of investments and derivatives	(57)	(87)	28,170			
Change in unrealized (appreciation) depreciation of investments and derivatives	(405)	1,109	522			
Decrease (increase) in distribution receivable from investment trusts	7	(11)	BMO Equal Weight Banks Index ETF			
(Decrease) increase in accrued expenses	(9)	6	9,255			
Non-cash distributions from investment trusts	(26)	(95)	12,060			
Purchases of investments	(1,865)	(5,383)	BMO Equal Weight REITs Index ETF			
Proceeds from sale and maturity of investments	3,653	3,485	12,395			
<b>Net cash from (used in) operating activities</b>	<b>1,828</b>	<b>(1,880)</b>	BMO Low Volatility Utilities Index ETF			
<b>Cash flows from financing activities</b>			13,190			
Proceeds from issuances of withdrawable units	429	2,847	BMO Low Volatility Canadian Equity ETF			
Amounts paid on withdrawal of withdrawable units	(2,284)	(938)	13,190			
<b>Net cash (used in) from financing activities</b>	<b>(1,855)</b>	<b>1,909</b>	33,000			
Net (decrease) increase in cash	(27)	29	<b>2,781</b>			
Cash at beginning of period	85	56	<b>2,862</b>			
<b>Cash at end of period</b>	<b>58</b>	<b>85</b>	<b>2,241</b>			
<b>Supplementary Information:</b>			<b>Fixed Income Funds — 31.9%</b>			
Interest received, net of withholding taxes*	3	1	BMO Laddered Preferred Share Index ETF			
Distributions received from investment trusts*	248	219	30,265			
Interest expense paid*	0	0	BMO Mid Corporate Bond Index ETF			
			42,530			
			BMO Mid Federal Bond Index ETF			
			80,900			
			BMO Mid-Term US IG Corporate Bond Index ETF			
			8,560			
			154			
			<b>2,325</b>			
			<b>2,241</b>			
			<b>International Equity Fund — 10.7%</b>			
			BMO MSCI EAFE Index ETF			
			35,550			
			673			
			750			
			<b>U.S. Equity Fund — 16.0%</b>			
			BMO S&P 500 Index ETF			
			16,250			
			869			
			1,122			
			<b>Total Investment Portfolio — 99.4%</b>			
			<b>6,648</b>			
			<b>6,975</b>			
			Other Assets Less Liabilities — 0.6%			
			45			
			<b>Net assets held for the benefit of policyowners — 100.0%</b>			
			<b>7,020</b>			

\*These items are from operating activities

\* 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 Canadian Income Strategy GIF

## Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2023

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

### Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

### Cash

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

### Other assets and liabilities

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

### Investments in subsidiaries, joint ventures and associates

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

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 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.

### 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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

### Portfolio turnover ratio

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

### Income taxes

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

## 4. Units and unit transactions

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

## 5. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

### Accounting judgements:

#### Functional and presentation currency

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

### **Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

## **6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

## **7. Related party transactions**

### **Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

### **Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

### **Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

### **Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

### **Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

## **8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

### 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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

# BMO Canadian Income Strategy GIF

## Notes to the Financial Statements

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

December 31, 2023

### Fund and Class information

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

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

### Change in units

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

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
Units issued and outstanding, beginning of period	460	379
Issued for cash	37	254
Withdrawn during the period	(177)	(173)
Units issued and outstanding, end of period	320	460
<b>100/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	296	211
Issued for cash	21	131
Withdrawn during the period	(44)	(46)
Units issued and outstanding, end of period	273	296
<b>100/100 Class F Units</b>		
Units issued and outstanding, beginning of period	1	1
Units issued and outstanding, end of period	1	1

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023		
Class	Number of Units	Value of Units (\$)
100/100 Class F Units	1,000	13
As at December 31, 2022		
Class	Number of Units	Value of Units (\$)
100/100 Class F Units	1,000	12

### Financial instruments risk

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

### Financial instruments 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.

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

### Fair value hierarchy

The 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 observable 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.

#### As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	6,975	—	—	6,975

#### As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	8,275	—	—	8,275

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

	As at December 31, 2023	As at December 31, 2022
<b>Carrying amount</b>		
BMO Canadian Dividend ETF	552	620
BMO Equal Weight Banks Index ETF	328	366
BMO Equal Weight REITs Index ETF	253	284
BMO Equal Weight Utilities Index ETF	252	281
BMO Laddered Preferred Share Index ETF	276	317
BMO Low Volatility Canadian Equity ETF	553	620
BMO Mid Corporate Bond Index ETF	639	862
BMO Mid Federal Bond Index ETF	1,179	1,587
BMO Mid-Term US IG Corporate Bond Index ETF	147	199
BMO MSCI EAFE Index ETF	750	839
BMO S&P 500 Index ETF	1,122	1,262
BMO S&P/TSX Capped Composite Index ETF	924	1,038
<b>Total</b>	<b>6,975</b>	<b>8,275</b>

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

BMO Canadian Dividend ETF	0.05%	0.06%
BMO Equal Weight Banks Index ETF	0.01%	0.01%
BMO Equal Weight REITs Index ETF	0.04%	0.05%
BMO Equal Weight Utilities Index ETF	0.06%	0.07%
BMO Laddered Preferred Share Index ETF	0.02%	0.02%
BMO Low Volatility Canadian Equity ETF	0.02%	0.02%
BMO Mid Corporate Bond Index ETF	0.13%	0.17%

# BMO Canadian Income Strategy GIF

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

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

December 31, 2023

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

	As at December 31, 2023	As at December 31, 2022
BMO Mid Federal Bond Index ETF	0.28%	0.16%
BMO Mid-Term US IG Corporate Bond Index ETF	0.01%	0.01%
BMO MSCI EAFE Index ETF	0.01%	0.02%
BMO S&P 500 Index ETF	0.01%	0.01%
BMO S&P/TSX Capped Composite Index ETF	0.01%	0.02%

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

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

For the periods ended	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	298	(623)
Weighted average units outstanding during the period (in thousands of units)	383	444
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.78	(1.40)
<b>100/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	231	(280)
Weighted average units outstanding during the period (in thousands of units)	286	230
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.81	(1.21)
<b>100/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1	(1)
Weighted average units outstanding during the period (in thousands of units)	1	1
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.97	(1.33)

### Brokerage commissions

For the periods ended	December 31, 2023 (\$)	December 31, 2022 (\$)
Total brokerage amounts paid	3	4
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:

As at	December 31, 2023	December 31, 2022
<b>Holdings in Investment Funds</b>		
Canadian Equity Funds	40.8%	38.4%
Fixed Income Funds	31.9%	31.7%
International Equity Funds	10.7%	10.1%
Preferred Share Fixed Income Fund	—%	3.8%
U.S. Equity Funds	16.0%	15.1%
<b>Other Assets less Liabilities</b>	<b>0.6%</b>	<b>0.9%</b>
	<b>100.0%</b>	<b>100.0%</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

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

# BMO Canadian Income Strategy GIF

## Supplementary Information

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

December 31, 2023

### Financial Highlights

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

Years ended December 31,

100/100 Class A Units		2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$	3,807	5,109	4,740	4,133	4,230
Net asset value per unit <sup>(1)</sup>	\$	11.89	11.10	12.49	11.18	10.60
Units issued and outstanding (000's) <sup>(1)</sup>		320	460	379	369	399
Management fees	%	1.70	1.70	1.70	1.70	1.70
Management expense ratio <sup>(2)</sup>	%	3.05	3.02	3.02	3.01	3.01
Management expense ratio before waivers	%	3.05	3.02	3.02	3.01	3.01
Portfolio turnover rate <sup>(3)</sup>	%	24.56	45.61	28.53	74.96	24.31

Years ended December 31,

100/100 Class A Prestige Units		2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$	3,200	3,225	2,585	2,450	2,043
Net asset value per unit <sup>(1)</sup>	\$	11.73	10.91	12.23	10.91	10.30
Units issued and outstanding (000's) <sup>(1)</sup>		273	296	211	225	198
Management fees	%	1.35	1.35	1.35	1.35	1.35
Management expense ratio <sup>(2)</sup>	%	2.64	2.67	2.67	2.67	2.67
Management expense ratio before waivers	%	2.64	2.67	2.67	2.67	2.67
Portfolio turnover rate <sup>(3)</sup>	%	24.56	45.61	28.53	74.96	24.31

Years ended December 31,

100/100 Class F Units		2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$	13	12	13	11	11
Net asset value per unit <sup>(1)</sup>	\$	12.67	11.70	13.03	11.54	10.82
Units issued and outstanding (000's) <sup>(1)</sup>		1	1	1	1	1
Management fees	%	0.70	0.70	0.70	0.70	0.70
Management expense ratio <sup>(2)</sup>	%	1.95	1.95	1.95	1.95	1.95
Management expense ratio before waivers	%	1.95	1.95	1.95	1.95	1.95
Portfolio turnover rate <sup>(3)</sup>	%	24.56	45.61	28.53	74.96	24.31

<sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

<sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund.

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

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

**BMO Low Volatility U.S. Equity ETF GIF**

## STATEMENT OF FINANCIAL POSITION

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

As at	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	155	763
Investments		
Non-derivative financial assets	88,487	75,338
Subscriptions receivable	67	970
Distribution receivable from investment trusts	557	432
<b>Total assets</b>	<b>89,266</b>	<b>77,503</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Payable for investments purchased	—	270
Redemptions payable	147	418
Accrued expenses	505	419
<b>Total liabilities</b>	<b>652</b>	<b>1,107</b>
<b>Net assets held for the benefit of policyowners</b>	<b>88,614</b>	<b>76,396</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	21,107	17,061
75/100 Class A Units	26,990	24,291
75/75 Class A Prestige Units	14,693	12,611
75/100 Class A Prestige Units	25,393	22,090
75/75 Class F Units	47	48
75/100 Class F Units	381	295
75/75 Class F Prestige Units	3	—
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 15.50	\$ 16.36
75/100 Class A Units	\$ 15.11	\$ 16.00
75/75 Class A Prestige Units	\$ 12.64	\$ 13.31
75/100 Class A Prestige Units	\$ 12.50	\$ 13.19
75/75 Class F Units	\$ 16.46	\$ 16.57
75/100 Class F Units	\$ 15.55	\$ 16.28
75/75 Class F Prestige Units	\$ 10.03	\$ —

## STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	December 31, 2023	December 31, 2022
<b>INCOME</b>		
Distributions received from investment trusts	5,784	2,747
Other changes in fair value of investments and derivatives		
Net realized gain	170	246
Change in unrealized (depreciation) appreciation	(8,537)	2,375
Net (loss) gain in fair value of investments and derivatives	(2,583)	5,368
<b>Total (loss) income</b>	<b>(2,583)</b>	<b>5,368</b>
<b>EXPENSES</b>		
Management fees (note 7)	1,030	768
Fixed administration fees (note 7)	239	176
Insurance fees (note 7)	690	517
Interest charges	0	0
Commissions and other portfolio transaction costs (note 7)	5	4
<b>Total expenses</b>	<b>1,964</b>	<b>1,465</b>
<b>(Decrease) increase in net assets held for the benefit of policyowners</b>	<b>(4,547)</b>	<b>3,903</b>
<b>(Decrease) increase in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	(971)	857
75/100 Class A Units	(1,473)	1,244
75/75 Class A Prestige Units	(753)	615
75/100 Class A Prestige Units	(1,335)	1,178
75/75 Class F Units	(1)	2
75/100 Class F Units	(14)	7
75/75 Class F Prestige Units	0	—
<b>(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	(0.78)	1.03
75/100 Class A Units	(0.85)	0.87
75/75 Class A Prestige Units	(0.66)	0.83
75/100 Class A Prestige Units	(0.68)	0.79
75/75 Class F Units	(0.13)	1.82
75/100 Class F Units	(0.66)	1.15
75/75 Class F Prestige Units	0.03	—

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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	17,061	11,392
(Decrease) increase in net assets held for the benefit of policyowners	(971)	857
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	15,021	12,174
Withdrawal of withdrawable units	(10,004)	(7,362)
<b>Net increase from withdrawable unit transactions</b>	5,017	4,812
<b>Net increase in net assets held for the benefit of policyowners</b>	4,046	5,669
<b>Net assets held for the benefit of policyowners</b>	21,107	17,061
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	24,291	19,971
(Decrease) increase in net assets held for the benefit of policyowners	(1,473)	1,244
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	18,347	16,704
Withdrawal of withdrawable units	(14,175)	(13,628)
<b>Net increase from withdrawable unit transactions</b>	4,172	3,076
<b>Net increase in net assets held for the benefit of policyowners</b>	2,699	4,320
<b>Net assets held for the benefit of policyowners</b>	26,990	24,291

## 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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	12,611	8,264
(Decrease) increase in net assets held for the benefit of policyowners	(753)	615
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	7,328	5,472
Withdrawal of withdrawable units	(4,493)	(1,740)
<b>Net increase from withdrawable unit transactions</b>	2,835	3,732
<b>Net increase in net assets held for the benefit of policyowners</b>	2,082	4,347
<b>Net assets held for the benefit of policyowners</b>	14,693	12,611
<b>75/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	22,090	15,484
(Decrease) increase in net assets held for the benefit of policyowners	(1,335)	1,178
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	9,707	9,890
Withdrawal of withdrawable units	(5,069)	(4,462)
<b>Net increase from withdrawable unit transactions</b>	4,638	5,428
<b>Net increase in net assets held for the benefit of policyowners</b>	3,303	6,606
<b>Net assets held for the benefit of policyowners</b>	25,393	22,090
<b>75/75 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	48	16
(Decrease) increase in net assets held for the benefit of policyowners	(1)	2
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	0	30
<b>Net increase from withdrawable unit transactions</b>	0	30
<b>Net (decrease) increase in net assets held for the benefit of policyowners</b>	(1)	32
<b>Net assets held for the benefit of policyowners</b>	47	48

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>	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	295	121
(Decrease) increase in net assets held for the benefit of policyowners	(14)	7
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	100	230
Withdrawal of withdrawable units	(0)	(63)
<b>Net increase from withdrawable unit transactions</b>	100	167
<b>Net increase in net assets held for the benefit of policyowners</b>	86	174
<b>Net assets held for the benefit of policyowners</b>	381	295
<b>75/75 Class F Prestige 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	0	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3	—
<b>Net increase from withdrawable unit transactions</b>	3	—
<b>Net increase in net assets held for the benefit of policyowners</b>	3	—
<b>Net assets held for the benefit of policyowners</b>	3	—
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	76,396	55,248
(Decrease) increase in net assets held for the benefit of policyowners	(4,547)	3,903
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	50,506	44,500
Withdrawal of withdrawable units	(33,741)	(27,255)
<b>Net increase from withdrawable unit transactions</b>	16,765	17,245
<b>Net increase in net assets held for the benefit of policyowners</b>	12,218	21,148
<b>Net assets held for the benefit of policyowners</b>	88,614	76,396

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



<b>STATEMENT OF CASH FLOWS</b> <i>(All amounts in thousands of Canadian dollars)</i>			<b>SCHEDULE OF INVESTMENT PORTFOLIO</b> <i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>For the periods ended</i>	December 31, 2023	December 31, 2022	<i>As at December 31, 2023</i>			<i>Fair Value (\$)</i>
			<i>Number of Units</i>	<i>Cost* (\$)</i>		
<b>Cash flows from operating activities</b>			<b>HOLDINGS IN INVESTMENT FUND</b>			
(Decrease) increase in net assets held for the benefit of policyowners	(4,547)	3,903	<b>U.S. Equity Fund — 99.9%</b>			
Adjustments for:			BMO Low Volatility US Equity ETF			
Net realized gain on sale of investments and derivatives	(170)	(246)	1,920,930	87,106		88,487
Change in unrealized depreciation (appreciation) of investments and derivatives	8,537	(2,375)	<b>Total Investment Portfolio — 99.9%</b>			
Increase in distribution receivable from investment trusts	(125)	(181)				<b>88,487</b>
Increase in accrued expenses	86	115	Other Assets Less Liabilities — 0.1%			
Non-cash distributions from investment trusts	(3,727)	(1,418)				127
Purchases of investments	(20,723)	(17,454)	<b>Net assets held for the benefit of policyowners — 100.0%</b>			
Proceeds from sale and maturity of investments	2,664	1,556				<b>88,614</b>
<b>Net cash used in operating activities</b>	<b>(18,005)</b>	<b>(16,100)</b>				
<b>Cash flows from financing activities</b>						
Proceeds from issuances of withdrawable units	34,342	28,638				
Amounts paid on withdrawal of withdrawable units	(16,945)	(11,769)				
<b>Net cash from financing activities</b>	<b>17,397</b>	<b>16,869</b>				
Net (decrease) increase in cash	(608)	769				
Cash and bank indebtedness at beginning of period	763	(6)				
<b>Cash at end of period</b>	<b>155</b>	<b>763</b>				
<b>Supplementary Information:</b>						
Distributions received from investment trusts*	1,932	1,148				
Interest expense paid*	0	0				

\*These items are from operating activities

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

# BMO Low Volatility U.S. Equity GIF

## Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2023

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

### **Fair value measurement**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

### **Cash**

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

### **Other assets and liabilities**

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

### **Investments in subsidiaries, joint ventures and associates**

Subsidiaries are entities over which the Funds have control through their exposure or rights to variable returns from their investment, and have the ability to affect those returns through their power over the entity. The Funds have determined that they are an investment entity and as such, they account for subsidiaries, if any, at fair value. Joint ventures are investments 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**

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 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.

### **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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

### Portfolio turnover ratio

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

### Income taxes

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

## 4. Units and unit transactions

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

## 5. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

### Accounting judgements:

#### Functional and presentation currency

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

### **Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

## **6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

## **7. Related party transactions**

### **Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

### **Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

### **Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

### **Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

### **Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

## **8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

### 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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

### Fund and Class information

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

Class	Date Established
75/75 Class A Units	June 21, 2016
75/100 Class A Units	June 21, 2016
75/75 Class A Prestige Units	May 6, 2019
75/100 Class A Prestige Units	May 6, 2019
75/75 Class F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
75/75 Class F Prestige Units	November 17, 2023

### 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)	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	1,043	736
Issued for cash	955	777
Withdrawn during the period	(637)	(470)
Units issued and outstanding, end of period	1,361	1,043
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	1,519	1,314
Issued for cash	1,185	1,097
Withdrawn during the period	(917)	(892)
Units issued and outstanding, end of period	1,787	1,519
<b>75/75 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	947	656
Issued for cash	571	430
Withdrawn during the period	(356)	(139)
Units issued and outstanding, end of period	1,162	947
<b>75/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	1,674	1,238
Issued for cash	757	787
Withdrawn during the period	(399)	(351)
Units issued and outstanding, end of period	2,032	1,674
<b>75/75 Class F Units</b>		
Units issued and outstanding, beginning of period	3	1
Issued for cash	—	2
Units issued and outstanding, end of period	3	3

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
Units issued and outstanding, beginning of period	18	8
Issued for cash	6	14
Withdrawn during the period	(0)	(4)
Units issued and outstanding, end of period	24	18

### 75/75 Class F Prestige Units

Units issued and outstanding, beginning of period	—	—
Issued for cash	0	—
Units issued and outstanding, end of period	0	—

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023	Number of Units	Value of Units (\$)
Class		
75/75 Class A Prestige Units	1,000	13
75/100 Class A Prestige Units	1,000	12
75/75 Class F Units	1,000	16
75/100 Class F Units	1,000	16
75/75 Class F Prestige Units	250	3

As at December 31, 2022	Number of Units	Value of Units (\$)
Class		
75/75 Class A Prestige Units	1,000	13
75/100 Class A Prestige Units	1,000	13
75/75 Class F Units	1,000	17
75/100 Class F Units	1,000	16

### Financial instruments risk

The Fund invests in the BMO Low Volatility US Equity ETF ("underlying fund"). The investment objective of the underlying fund is to provide exposure to the performance of a portfolio of U.S. stocks with the potential for long-term capital growth. The securities of the underlying fund 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, although any investment in a single issuer will be made only in accordance with applicable Canadian securities legislation.

### Currency risk

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

# BMO Low Volatility U.S. Equity ETF GIF

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

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

December 31, 2023



As at December 31, 2023

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
U.S. Dollar	679	88,431	—	89,110	100.6

As at December 31, 2022

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
U.S. Dollar	592	75,226	—	75,818	99.2

As at December 31, 2023 and December 31, 2022, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, respectively, with all other variables held constant, the Net Assets of the Fund could possibly have decreased or increased, respectively, by approximately \$4,456 (December 31, 2022 — \$3,791). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### Interest rate risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to interest rate risk.

### Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invests in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, S&P 500 Index (CAD), had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$4,297 (December 31, 2022 — \$5,698). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

### Credit risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to credit risk.

### Fair value hierarchy

The 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 observable 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.

As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	88,487	—	—	88,487

As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	75,338	—	—	75,338

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at December 31, 2023	As at December 31, 2022
BMO Low Volatility US Equity ETF	88,487	75,338

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

BMO Low Volatility US Equity ETF	5.73%	4.54%
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### Increase or decrease in net assets held for the benefit of policyowners per unit

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

	December 31, 2023	December 31, 2022
<i>For the periods ended</i>		
<b>75/75 Class A Units</b>		
(Decrease) increase in net assets held for the benefit of policyowners	(971)	857
Weighted average units outstanding during the period (in thousands of units)	1,253	830
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.78)	1.03
<b>75/100 Class A Units</b>		
(Decrease) increase in net assets held for the benefit of policyowners	(1,473)	1,244
Weighted average units outstanding during the period (in thousands of units)	1,726	1,423
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.85)	0.87

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



# BMO Low Volatility U.S. Equity ETF GIF

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

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

December 31, 2023



<i>For the periods ended</i>	December 31, 2023	December 31, 2022
<b>75/75 Class A Prestige Units</b>		
(Decrease) increase in net assets held for the benefit of policyowners	(753)	615
Weighted average units outstanding during the period (in thousands of units)	1,147	742
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.66)	0.83
<b>75/100 Class A Prestige Units</b>		
(Decrease) increase in net assets held for the benefit of policyowners	(1,335)	1,178
Weighted average units outstanding during the period (in thousands of units)	1,956	1,494
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.68)	0.79
<b>75/75 Class F Units</b>		
(Decrease) increase in net assets held for the benefit of policyowners	(1)	2
Weighted average units outstanding during the period (in thousands of units)	4	1
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.13)	1.82
<b>75/100 Class F Units</b>		
(Decrease) increase in net assets held for the benefit of policyowners	(14)	7
Weighted average units outstanding during the period (in thousands of units)	20	6
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.66)	1.15
<b>75/75 Class F Prestige Units</b>		
Increase in net assets held for the benefit of policyowners	0	—
Weighted average units outstanding during the period (in thousands of units)	0	—
Increase in net assets held for the benefit of policyowners per unit	0.03	—

### Brokerage commissions

<i>For the periods ended</i>	December 31, 2023 (\$)	December 31, 2022 (\$)
Total brokerage amounts paid	5	4
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>	December 31, 2023	December 31, 2022
<b>Equities</b>		
Communication Services	2.4%	1.7%
Consumer Discretionary	5.5%	8.2%
Consumer Staples	22.5%	21.5%
Energy	1.0%	1.3%
Financials	11.1%	12.0%
Health Care	16.3%	17.0%
Industrials	7.4%	7.2%
Information Technology	8.9%	3.1%
Materials	1.4%	1.2%
Real Estate	5.2%	5.7%
Utilities	18.1%	19.6%
<b>Other Assets less Liabilities</b>	<b>0.2%</b>	<b>1.5%</b>
	<b>100.0%</b>	<b>100.0%</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

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)  
December 31, 2023

### Financial Highlights

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

Years ended December 31,

75/75 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 21,107	17,061	11,392	9,357	7,268
Net asset value per unit <sup>(1)</sup>	\$ 15.50	16.36	15.49	13.12	13.16
Units issued and outstanding (000's) <sup>(1)</sup>	1,361	1,043	736	713	552
Management fees	% 1.41 <sup>++</sup>	1.50	1.50	1.50	1.50
Management expense ratio <sup>(2)</sup>	% 2.50	2.54	2.54	2.53	2.54
Management expense ratio before waivers	% 2.50	2.54	2.54	2.53	2.54
Portfolio turnover rate <sup>(3)</sup>	% 3.13	2.20	10.48	7.95	4.51

Years ended December 31,

75/100 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 26,990	24,291	19,971	18,644	15,406
Net asset value per unit <sup>(1)</sup>	\$ 15.11	16.00	15.20	12.93	13.01
Units issued and outstanding (000's) <sup>(1)</sup>	1,787	1,519	1,314	1,442	1,184
Management fees	% 1.50	1.50	1.50	1.50	1.50
Management expense ratio <sup>(2)</sup>	% 2.89	2.89	2.90	2.89	2.89
Management expense ratio before waivers	% 2.89	2.89	2.90	2.89	2.89
Portfolio turnover rate <sup>(3)</sup>	% 3.13	2.20	10.48	7.95	4.51

Years ended December 31,

75/75 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 14,693	12,611	8,264	5,857	4,056
Net asset value per unit <sup>(1)</sup>	\$ 12.64	13.31	12.59	10.64	10.69
Units issued and outstanding (000's) <sup>(1)</sup>	1,162	947	656	550	380
Management fees	% 1.23 <sup>+++</sup>	1.32	1.32	1.32	1.32
Management expense ratio <sup>(2)</sup>	% 2.31	2.35	2.34	2.36	2.36
Management expense ratio before waivers	% 2.31	2.35	2.34	2.36	2.36
Portfolio turnover rate <sup>(3)</sup>	% 3.13	2.20	10.48	7.95	4.51

Years ended December 31,

75/100 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 25,393	22,090	15,484	13,353	8,281
Net asset value per unit <sup>(1)</sup>	\$ 12.50	13.19	12.51	10.60	10.66
Units issued and outstanding (000's) <sup>(1)</sup>	2,032	1,674	1,238	1,259	777
Management fees	% 1.23	1.23	1.23	1.23 <sup>+</sup>	1.32
Management expense ratio <sup>(2)</sup>	% 2.60	2.60	2.60	2.63	2.70
Management expense ratio before waivers	% 2.60	2.60	2.60	2.63	2.70
Portfolio turnover rate <sup>(3)</sup>	% 3.13	2.20	10.48	7.95	4.51

Years ended December 31,

75/75 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 47	48	16	13	13
Net asset value per unit <sup>(1)</sup>	\$ 16.46	16.57	15.52	13.01	12.91
Units issued and outstanding (000's) <sup>(1)</sup>	3	3	1	1	1
Management fees	% 0.50	0.50	0.50	0.50	0.50
Management expense ratio <sup>(2)</sup>	% 1.44	1.44	1.44	1.42	1.42
Management expense ratio before waivers	% 1.44	1.44	1.44	1.42	1.42
Portfolio turnover rate <sup>(3)</sup>	% 3.13	2.20	10.48	7.95	4.51

Years ended December 31,

75/100 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 381	295	121	61	61
Net asset value per unit <sup>(1)</sup>	\$ 15.55	16.28	15.31	12.88	12.83
Units issued and outstanding (000's) <sup>(1)</sup>	24	18	8	5	5
Management fees	% 0.50	0.50	0.50	0.50	0.50
Management expense ratio <sup>(2)</sup>	% 1.80	1.80	1.80	1.80	1.80
Management expense ratio before waivers	% 1.80	1.80	1.80	1.80	1.80
Portfolio turnover rate <sup>(3)</sup>	% 3.13	2.20	10.48	7.95	4.51

Period ended December 31, 2023<sup>(5)</sup>

75/75 Class F Prestige Units		
Net asset (000's) <sup>(1)</sup>	\$	3
Net asset value per unit <sup>(1)</sup>	\$	10.03
Units issued and outstanding (000's) <sup>(1)</sup>		0
Management fees	%	0.41
Management expense ratio <sup>(2)</sup>	%	1.35
Management expense ratio before waivers	%	1.35
Portfolio turnover rate <sup>(3)</sup>	%	3.13

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

# BMO Low Volatility U.S. Equity ETF GIF

## Supplementary Information (cont'd)

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

December 31, 2023

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- <sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.
- <sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund.
- <sup>(4)</sup> The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.
- <sup>(5)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.
- <sup>†</sup> Effective May 11, 2020, the management fee rate was reduced from 1.32% to 1.23%.
- <sup>††</sup> Effective October 16, 2023, the management fee rate was reduced from 1.50% to 1.41%.
- <sup>†††</sup> Effective October 16, 2023, the management fee rate was reduced from 1.32% to 1.23%.

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

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

## BMO North American Income Strategy GIF

**STATEMENT OF FINANCIAL POSITION**  
(All amounts in thousands of Canadian dollars, except per unit data)

As at	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	246	373
Investments		
Non-derivative financial assets	34,180	35,464
Subscriptions receivable	0	0
Distribution receivable from investment trusts	174	188
<b>Total assets</b>	<b>34,600</b>	<b>36,025</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Redemptions payable	10	13
Accrued expenses	209	226
<b>Total liabilities</b>	<b>219</b>	<b>239</b>
<b>Net assets held for the benefit of policyowners</b>	<b>34,381</b>	<b>35,786</b>
<b>Net assets held for the benefit of policyowners</b>		
100/100 Class A Units	17,671	19,255
100/100 Class A Prestige Units	16,698	16,520
100/100 Class F Units	12	11
<b>Net assets held for the benefit of policyowners per unit</b>		
100/100 Class A Units	\$ 12.16	\$ 11.56
100/100 Class A Prestige Units	\$ 11.90	\$ 11.28
100/100 Class F Units	\$ 12.07	\$ 11.35

**STATEMENT OF COMPREHENSIVE INCOME**  
(All amounts in thousands of Canadian dollars, except per unit data)

For the periods ended	December 31, 2023	December 31, 2022
<b>INCOME</b>		
Interest income	11	3
Distributions received from investment trusts	1,362	1,469
Other changes in fair value of investments and derivatives		
Net realized gain	297	273
Change in unrealized appreciation (depreciation)	1,019	(4,255)
Net gain (loss) in fair value of investments and derivatives	2,689	(2,510)
<b>Total income (loss)</b>	<b>2,689</b>	<b>(2,510)</b>
<b>EXPENSES</b>		
Management fees (note 7)	495	530
Fixed administration fees (note 7)	96	103
Insurance fees (note 7)	281	300
Interest charges	0	0
Commissions and other portfolio transaction costs (note 7)	9	10
<b>Total expenses</b>	<b>881</b>	<b>943</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>	<b>1,808</b>	<b>(3,453)</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
100/100 Class A Units	907	(1,905)
100/100 Class A Prestige Units	900	(1,547)
100/100 Class F Units	1	(1)
<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
100/100 Class A Units	0.58	(1.12)
100/100 Class A Prestige Units	0.63	(1.03)
100/100 Class F Units	0.71	(0.94)

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>	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	19,255	21,839
Increase (decrease) in net assets held for the benefit of policyowners	907	(1,905)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,847	3,583
Withdrawal of withdrawable units	(4,338)	(4,262)
<b>Net decrease from withdrawable unit transactions</b>	(2,491)	(679)
<b>Net decrease in net assets held for the benefit of policyowners</b>	(1,584)	(2,584)
<b>Net assets held for the benefit of policyowners</b>	17,671	19,255
<b>100/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	16,520	18,710
Increase (decrease) in net assets held for the benefit of policyowners	900	(1,547)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	997	2,082
Withdrawal of withdrawable units	(1,719)	(2,725)
<b>Net decrease from withdrawable unit transactions</b>	(722)	(643)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	178	(2,190)
<b>Net assets held for the benefit of policyowners</b>	16,698	16,520
<b>100/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	11	12
Increase (decrease) in net assets held for the benefit of policyowners	1	(1)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	1	(1)
<b>Net assets held for the benefit of policyowners</b>	12	11

## 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>	December 31, 2023	December 31, 2022
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	35,786	40,561
Increase (decrease) in net assets held for the benefit of policyowners	1,808	(3,453)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	2,844	5,665
Withdrawal of withdrawable units	(6,057)	(6,987)
<b>Net decrease from withdrawable unit transactions</b>	(3,213)	(1,322)
<b>Net decrease in net assets held for the benefit of policyowners</b>	(1,405)	(4,775)
<b>Net assets held for the benefit of policyowners</b>	34,381	35,786

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

<b>STATEMENT OF CASH FLOWS</b> <i>(All amounts in thousands of Canadian dollars)</i>			<b>SCHEDULE OF INVESTMENT PORTFOLIO</b> <i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>For the periods ended</i>	December 31, 2023	December 31, 2022	<i>As at December 31, 2023</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>Cash flows from operating activities</b>			<b>HOLDINGS IN INVESTMENT FUNDS</b>			
Increase (decrease) in net assets held for the benefit of policyowners	1,808	(3,453)	<b>Canadian Equity Funds — 30.3%</b>			
Adjustments for:			BMO Canadian Dividend ETF			
Net realized gain on sale of investments and derivatives	(297)	(273)	BMO Equal Weight REITs Index ETF			
Change in unrealized (appreciation) depreciation of investments and derivatives	(1,019)	4,255	BMO Low Volatility Canadian Equity ETF			
Decrease (increase) in distribution receivable from investment trusts	14	(14)	BMO S&P/TSX Capped Composite Index ETF			
Decrease in accrued expenses	(17)	(27)	<b>9,539 10,425</b>			
Non-cash distributions from investment trusts	(291)	(406)	<b>Fixed Income Funds — 28.5%</b>			
Purchases of investments	(7,248)	(9,343)	BMO Mid Corporate Bond Index ETF			
Proceeds from sale and maturity of investments	10,139	10,747	BMO Mid Federal Bond Index ETF			
<b>Net cash from operating activities</b>	<b>3,089</b>	<b>1,486</b>	BMO Mid-Term US IG Corporate Bond Index ETF			
<b>Cash flows from financing activities</b>			<b>10,495 9,812</b>			
Proceeds from issuances of withdrawable units	1,826	3,846	<b>Global Equity Fund — 5.7%</b>			
Amounts paid on withdrawal of withdrawable units	(5,042)	(5,174)	BMO Global Infrastructure Index ETF			
<b>Net cash used in financing activities</b>	<b>(3,216)</b>	<b>(1,328)</b>	<b>International Equity Fund — 9.4%</b>			
Net (decrease) increase in cash	(127)	158	BMO MSCI EAFE Index ETF			
Cash at beginning of period	373	215	<b>Preferred Share Fixed Income Fund — 3.6%</b>			
<b>Cash at end of period</b>	<b>246</b>	<b>373</b>	BMO Laddered Preferred Share Index ETF			
			<b>U.S. Equity Funds — 21.9%</b>			
<b>Supplementary Information:</b>			BMO Low Volatility US Equity ETF			
Interest received, net of withholding taxes*	11	3	BMO S&P 500 Index ETF			
Distributions received from investment trusts*	1,085	1,049	<b>6,392 7,544</b>			
Interest expense paid*	0	0	<b>Total Investment Portfolio — 99.4%</b>			
			<b>32,499 34,180</b>			
			<b>Other Assets Less Liabilities — 0.6%</b>			
			<b>201</b>			
			<b>Net assets held for the benefit of policyowners — 100.0%</b>			
			<b>34,381</b>			

\*These items are from operating activities

\* 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.

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.



Realized gains and losses on disposition are determined based on the cost of the investments

### **Fair value measurement**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

### **Cash**

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

### **Other assets and liabilities**

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

### **Investments in subsidiaries, joint ventures and associates**

Subsidiaries are entities over which the Funds have control through their exposure or rights to variable returns from their investment, and have the ability to affect those returns through their power over the entity. The Funds have determined that they are an investment entity and as such, they account for subsidiaries, if any, at fair value. Joint ventures are investments 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**

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 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.

### **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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

### Portfolio turnover ratio

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

### Income taxes

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

## 4. Units and unit transactions

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

## 5. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

### Accounting judgements:

#### Functional and presentation currency

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

### **Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

## **6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

## **7. Related party transactions**

### **Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

### **Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

### **Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

### **Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

### **Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

## **8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

### **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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

## Notes to the Financial Statements

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

December 31, 2023

### Fund and Class information

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

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

### Change in units

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

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
Units issued and outstanding, beginning of period	1,666	1,727
Issued for cash	156	302
Withdrawn during the period	(369)	(363)
Units issued and outstanding, end of period	1,453	1,666
<b>100/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	1,465	1,522
Issued for cash	86	181
Withdrawn during the period	(148)	(238)
Units issued and outstanding, end of period	1,403	1,465
<b>100/100 Class F Units</b>		
Units issued and outstanding, beginning of period	1	1
Units issued and outstanding, end of period	1	1

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023		
Class	Number of Units	Value of Units (\$)
100/100 Class F Units	1,000	12
As at December 31, 2022		
Class	Number of Units	Value of Units (\$)
100/100 Class F Units	1,000	11

### Financial instruments risk

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

### Financial instruments risk of the underlying funds

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

### Fair value hierarchy

The 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 observable 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.

#### As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	34,180	—	—	34,180

#### As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	35,464	—	—	35,464

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

	As at December 31, 2023	As at December 31, 2022
<b>Carrying amount</b>		
BMO Canadian Dividend ETF	2,931	3,066
BMO Equal Weight REITs Index ETF	990	1,038
BMO Global Infrastructure Index ETF	1,936	2,060
BMO Laddered Preferred Share Index ETF	1,223	1,320
BMO Low Volatility Canadian Equity ETF	2,448	2,578
BMO Low Volatility US Equity ETF	3,654	3,828
BMO Mid Corporate Bond Index ETF	3,194	3,219
BMO Mid Federal Bond Index ETF	5,887	5,933
BMO Mid-Term US IG Corporate Bond Index ETF	731	746
BMO MSCI EAFE Index ETF	3,240	3,378
BMO S&P 500 Index ETF	3,890	4,060
BMO S&P/TSX Capped Composite Index ETF	4,056	4,238
<b>Total</b>	<b>34,180</b>	<b>35,464</b>

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

BMO Canadian Dividend ETF	0.29%	0.32%
BMO Equal Weight REITs Index ETF	0.17%	0.18%

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

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

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

December 31, 2023

Carrying amount as a % of the underlying fund's Net Asset	As at December 31, 2023	As at December 31, 2022
BMO Global Infrastructure Index ETF	0.32%	0.35%
BMO Laddered Preferred Share Index ETF	0.08%	0.08%
BMO Low Volatility Canadian Equity ETF	0.07%	0.09%
BMO Low Volatility US Equity ETF	0.24%	0.23%
BMO Mid Corporate Bond Index ETF	0.67%	0.65%
BMO Mid Federal Bond Index ETF	1.42%	0.59%
BMO Mid-Term US IG Corporate Bond Index ETF	0.03%	0.03%
BMO MSCI EAFE Index ETF	0.05%	0.06%
BMO S&P 500 Index ETF	0.03%	0.03%
BMO S&P/TSX Capped Composite Index ETF	0.06%	0.06%

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

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

	December 31, 2023	December 31, 2022
<i>For the periods ended</i>		
<b>100/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	907	(1,905)
Weighted average units outstanding during the period (in thousands of units)	1,569	1,699
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.58	(1.12)
<b>100/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	900	(1,547)
Weighted average units outstanding during the period (in thousands of units)	1,427	1,498
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.63	(1.03)
<b>100/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1	(1)
Weighted average units outstanding during the period (in thousands of units)	1	1
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.71	(0.94)

### Brokerage commissions

	December 31, 2023	December 31, 2022
<i>For the periods ended</i>		
Total brokerage amounts paid	9	10
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:

<i>As at</i>	December 31, 2023	December 31, 2022
<b>Holdings in Investment Funds</b>		
Canadian Equity Funds	30.3%	30.5%
Fixed Income Funds	28.5%	31.4%
Global Equity Funds	5.7%	5.8%
International Equity Funds	9.4%	9.4%
Preferred Share Fixed Income Fund	3.6%	—%
U.S. Equity Funds	21.9%	22.0%
<b>Other Assets less Liabilities</b>	<b>0.6%</b>	<b>0.9%</b>
	<b>100.0%</b>	<b>100.0%</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

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

# BMO North American Income Strategy GIF

## Supplementary Information



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

December 31, 2023

### Financial Highlights

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

Years ended December 31,

100/100 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 17,671	19,255	21,839	23,998	27,209
Net asset value per unit <sup>(1)</sup>	\$ 12.16	11.56	12.65	11.48	11.63
Units issued and outstanding (000's) <sup>(1)</sup>	1,453	1,666	1,727	2,091	2,340
Management fees	% 1.70	1.70	1.70	1.70	1.70
Management expense ratio <sup>(2)</sup>	% 2.96	2.95	2.95	2.96	2.95
Management expense ratio before waivers	% 2.96	2.95	2.95	2.96	2.95
Portfolio turnover rate <sup>(3)</sup>	% 20.87	25.13	18.74	75.49	20.70

Years ended December 31,

100/100 Class A Prestige Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 16,698	16,520	18,710	17,362	17,339
Net asset value per unit <sup>(1)</sup>	\$ 11.90	11.28	12.29	11.12	11.22
Units issued and outstanding (000's) <sup>(1)</sup>	1,403	1,465	1,522	1,561	1,546
Management fees	% 1.35	1.35	1.35	1.35	1.35
Management expense ratio <sup>(2)</sup>	% 2.57	2.58	2.58	2.56	2.56
Management expense ratio before waivers	% 2.57	2.58	2.58	2.56	2.56
Portfolio turnover rate <sup>(3)</sup>	% 20.87	25.13	18.74	75.49	20.70

Years ended December 31,

100/100 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 12	11	12	11	11
Net asset value per unit <sup>(1)</sup>	\$ 12.07	11.35	12.29	11.04	11.06
Units issued and outstanding (000's) <sup>(1)</sup>	1	1	1	1	1
Management fees	% 0.70	0.70	0.70	0.70	0.70
Management expense ratio <sup>(2)</sup>	% 1.90	1.89	1.89	1.89	1.89
Management expense ratio before waivers	% 1.90	1.89	1.89	1.89	1.89
Portfolio turnover rate <sup>(3)</sup>	% 20.87	25.13	18.74	75.49	20.70

<sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

<sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund.

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

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

## BMO Low Volatility Canadian Equity ETF GIF



<b>STATEMENT OF FINANCIAL POSITION</b> <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>			<b>STATEMENT OF COMPREHENSIVE INCOME</b> <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		
As at	December 31, 2023	December 31, 2022	For the periods ended	December 31, 2023	December 31, 2022
<b>ASSETS</b>			<b>INCOME</b>		
<b>CURRENT ASSETS</b>			<b>Interest income</b>		
Cash	297	534		0	—
Investments			Distributions received from investment trusts	4,153	2,215
Non-derivative financial assets	77,335	54,552	Other changes in fair value of investments and derivatives		
Subscriptions receivable	663	393	Net realized gain	190	227
Distribution receivable from investment trusts	516	373	Change in unrealized appreciation (depreciation)	1,198	(2,461)
<b>Total assets</b>	<b>78,811</b>	<b>55,852</b>	Net gain (loss) in fair value of investments and derivatives	5,541	(19)
<b>LIABILITIES</b>			<b>Total income (loss)</b>	<b>5,541</b>	<b>(19)</b>
<b>CURRENT LIABILITIES</b>			<b>EXPENSES</b>		
Payable for investments purchased	—	135	Management fees (note 7)	848	566
Redemptions payable	403	200	Fixed administration fees (note 7)	196	130
Accrued expenses	426	301	Insurance fees (note 7)	554	372
<b>Total liabilities</b>	<b>829</b>	<b>636</b>	Interest charges	0	—
<b>Net assets held for the benefit of policyowners</b>	<b>77,982</b>	<b>55,216</b>	Commissions and other portfolio transaction costs (note 7)	6	5
<b>Net assets held for the benefit of policyowners</b>			<b>Total expenses</b>	<b>1,604</b>	<b>1,073</b>
75/75 Class A Units	17,528	12,770	<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/100 Class A Units	23,754	17,549		3,937	(1,092)
75/75 Class A Prestige Units	11,024	7,413	<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/100 Class A Prestige Units	25,407	17,242	75/75 Class A Units	931	(224)
75/75 Class F Units	132	122	75/100 Class A Units	1,179	(427)
75/100 Class F Units	134	120	75/75 Class A Prestige Units	548	(84)
75/75 Class F Prestige Units	3	—	75/100 Class A Prestige Units	1,260	(352)
<b>Net assets held for the benefit of policyowners per unit</b>			75/75 Class F Units	10	(2)
75/75 Class A Units	\$ 15.86	\$ 14.81	75/100 Class F Units	9	(3)
75/100 Class A Units	\$ 15.38	\$ 14.43	75/75 Class F Prestige Units	0	—
75/75 Class A Prestige Units	\$ 13.21	\$ 12.31	<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/100 Class A Prestige Units	\$ 13.01	\$ 12.17	75/75 Class A Units	0.87	(0.31)
75/75 Class F Units	\$ 15.51	\$ 14.33	75/100 Class A Units	0.81	(0.39)
75/100 Class F Units	\$ 15.16	\$ 14.07	75/75 Class A Prestige Units	0.70	(0.19)
75/75 Class F Prestige Units	\$ 10.33	\$ —	75/100 Class A Prestige Units	0.72	(0.29)
			75/75 Class F Units	1.18	(0.22)
			75/100 Class F Units	1.11	(0.69)
			75/75 Class F Prestige Units	0.33	—

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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	12,770	9,870
Increase (decrease) in net assets held for the benefit of policyowners	931	(224)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	12,435	8,278
Withdrawal of withdrawable units	(8,608)	(5,154)
<b>Net increase from withdrawable unit transactions</b>	3,827	3,124
<b>Net increase in net assets held for the benefit of policyowners</b>	4,758	2,900
<b>Net assets held for the benefit of policyowners</b>	17,528	12,770
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	17,549	14,298
Increase (decrease) in net assets held for the benefit of policyowners	1,179	(427)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	20,328	15,186
Withdrawal of withdrawable units	(15,302)	(11,508)
<b>Net increase from withdrawable unit transactions</b>	5,026	3,678
<b>Net increase in net assets held for the benefit of policyowners</b>	6,205	3,251
<b>Net assets held for the benefit of policyowners</b>	23,754	17,549

## 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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	7,413	4,455
Increase (decrease) in net assets held for the benefit of policyowners	548	(84)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	5,791	3,806
Withdrawal of withdrawable units	(2,728)	(764)
<b>Net increase from withdrawable unit transactions</b>	3,063	3,042
<b>Net increase in net assets held for the benefit of policyowners</b>	3,611	2,958
<b>Net assets held for the benefit of policyowners</b>	11,024	7,413
<b>75/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	17,242	11,568
Increase (decrease) in net assets held for the benefit of policyowners	1,260	(352)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	11,308	9,258
Withdrawal of withdrawable units	(4,403)	(3,232)
<b>Net increase from withdrawable unit transactions</b>	6,905	6,026
<b>Net increase in net assets held for the benefit of policyowners</b>	8,165	5,674
<b>Net assets held for the benefit of policyowners</b>	25,407	17,242
<b>75/75 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	122	124
Increase (decrease) in net assets held for the benefit of policyowners	10	(2)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	10	(2)
<b>Net assets held for the benefit of policyowners</b>	132	122

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>	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	120	117
Increase (decrease) in net assets held for the benefit of policyowners	9	(3)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	5	68
Withdrawal of withdrawable units	—	(62)
<b>Net increase from withdrawable unit transactions</b>	5	6
<b>Net increase in net assets held for the benefit of policyowners</b>	14	3
<b>Net assets held for the benefit of policyowners</b>	134	120
<b>75/75 Class F Prestige 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	0	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3	—
<b>Net increase from withdrawable unit transactions</b>	3	—
<b>Net increase in net assets held for the benefit of policyowners</b>	3	—
<b>Net assets held for the benefit of policyowners</b>	3	—
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	55,216	40,432
Increase (decrease) in net assets held for the benefit of policyowners	3,937	(1,092)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	49,870	36,596
Withdrawal of withdrawable units	(31,041)	(20,720)
<b>Net increase from withdrawable unit transactions</b>	18,829	15,876
<b>Net increase in net assets held for the benefit of policyowners</b>	22,766	14,784
<b>Net assets held for the benefit of policyowners</b>	77,982	55,216

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>	December 31, 2023	December 31, 2022
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets held for the benefit of policyowners	3,937	(1,092)
Adjustments for:		
Net realized gain on sale of investments and derivatives	(190)	(227)
Change in unrealized (appreciation) depreciation of investments and derivatives	(1,198)	2,461
Increase in distribution receivable from investment trusts	(143)	(126)
Increase in accrued expenses	125	74
Non-cash distributions from investment trusts	(2,175)	(939)
Purchases of investments	(22,449)	(17,201)
Proceeds from sale and maturity of investments	3,094	1,634
<b>Net cash used in operating activities</b>	<b>(18,999)</b>	<b>(15,416)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	32,891	23,612
Amounts paid on withdrawal of withdrawable units	(14,129)	(7,808)
<b>Net cash from financing activities</b>	<b>18,762</b>	<b>15,804</b>
Net (decrease) increase in cash	(237)	388
Cash at beginning of period	534	146
<b>Cash at end of period</b>	<b>297</b>	<b>534</b>
<b>Supplementary Information:</b>		
Interest received, net of withholding taxes*	0	—
Distributions received from investment trusts*	1,835	1,150
Interest expense paid*	0	—

\*These items are from operating activities

## SCHEDULE OF INVESTMENT PORTFOLIO

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

<i>As at December 31, 2023</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUND</b>			
<b>Canadian Equity Fund — 99.2%</b>			
BMO Low Volatility Canadian Equity ETF	1,843,075	72,210	77,335
<b>Total Investment Portfolio — 99.2%</b>		<b>72,210</b>	<b>77,335</b>
Other Assets Less Liabilities — 0.8%			647
<b>Net assets held for the benefit of policyowners — 100.0%</b>			<b>77,982</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.

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

### **Fair value measurement**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

### **Cash**

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

### **Other assets and liabilities**

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

### **Investments in subsidiaries, joint ventures and associates**

Subsidiaries are entities over which the Funds have control through their exposure or rights to variable returns from their investment, and have the ability to affect those returns through their power over the entity. The Funds have determined that they are an investment entity and as such, they account for subsidiaries, if any, at fair value. Joint ventures are investments 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**

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 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.

### **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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

**Portfolio turnover ratio**

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

**Income taxes**

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

**4. Units and unit transactions**

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

**5. Critical accounting judgements and estimates**

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

**Accounting judgements:****Functional and presentation currency**

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

### **Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

## **6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

## **7. Related party transactions**

### **Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

### **Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

### **Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

### **Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

### **Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

## **8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

### 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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

## Notes to the Financial Statements

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

December 31, 2023

### Fund and Class information

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

Class	Date Established
75/75 Class A Units	June 21, 2016
75/100 Class A Units	June 21, 2016
75/75 Class A Prestige Units	May 6, 2019
75/100 Class A Prestige Units	May 6, 2019
75/75 Class F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
75/75 Class F Prestige Units	November 17, 2023

### 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)	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	862	649
Issued for cash	801	562
Withdrawn during the period	(558)	(349)
Units issued and outstanding, end of period	1,105	862
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	1,217	962
Issued for cash	1,344	1,045
Withdrawn during the period	(1,016)	(790)
Units issued and outstanding, end of period	1,545	1,217
<b>75/75 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	602	353
Issued for cash	450	311
Withdrawn during the period	(217)	(62)
Units issued and outstanding, end of period	835	602
<b>75/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	1,417	925
Issued for cash	887	755
Withdrawn during the period	(351)	(263)
Units issued and outstanding, end of period	1,953	1,417
<b>75/75 Class F Units</b>		
Units issued and outstanding, beginning of period	9	9
Units issued and outstanding, end of period	9	9

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
Units issued and outstanding, beginning of period	9	8
Issued for cash	0	5
Withdrawn during the period	—	(4)
Units issued and outstanding, end of period	9	9

### 75/75 Class F Prestige Units

Units issued and outstanding, beginning of period	—	—
Issued for cash	0	—
Units issued and outstanding, end of period	0	—

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023 Class	Number of Units	Value of Units (\$)
75/75 Class A Prestige Units	1,000	13
75/100 Class A Prestige Units	1,000	13
75/75 Class F Units	1,000	16
75/100 Class F Units	1,000	15
75/75 Class F Prestige Units	250	3

As at December 31, 2022 Class	Number of Units	Value of Units (\$)
75/75 Class A Prestige Units	1,000	12
75/100 Class A Prestige Units	1,000	12
75/75 Class F Units	1,000	14
75/100 Class F Units	1,000	14

### Financial instruments risk

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

### Currency risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to currency risk as the underlying fund invested primarily in Canadian securities.

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

# BMO Low Volatility Canadian Equity ETF GIF



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

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

December 31, 2023

### Interest rate risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to interest rate risk.

### Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invests in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, S&P/TSX Capped Composite Index, had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$4,979 (December 31, 2022 — \$4,266). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

### Credit risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to credit risk.

### Fair value hierarchy

The 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 observable 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.

#### As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	77,335	—	—	77,335

#### As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	54,552	—	—	54,552

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at December 31, 2023	As at December 31, 2022
BMO Low Volatility Canadian Equity ETF	77,335	54,552

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

	As at December 31, 2023	As at December 31, 2022
BMO Low Volatility Canadian Equity ETF	2.36%	1.94%

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

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

For the periods ended	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	931	(224)
Weighted average units outstanding during the period (in thousands of units)	1,070	715
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.87	(0.31)
<b>75/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,179	(427)
Weighted average units outstanding during the period (in thousands of units)	1,463	1,092
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.81	(0.39)
<b>75/75 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	548	(84)
Weighted average units outstanding during the period (in thousands of units)	779	439
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.70	(0.19)
<b>75/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,260	(352)
Weighted average units outstanding during the period (in thousands of units)	1,754	1,214
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.72	(0.29)
<b>75/75 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	10	(2)
Weighted average units outstanding during the period (in thousands of units)	9	9
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.18	(0.22)

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

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

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

December 31, 2023

<i>For the periods ended</i>	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	9	(3)
Weighted average units outstanding during the period (in thousands of units)	9	4
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.11	(0.69)
<b>75/75 Class F Prestige Units</b>		
Increase in net assets held for the benefit of policyowners	0	—
Weighted average units outstanding during the period (in thousands of units)	0	—
Increase in net assets held for the benefit of policyowners per unit	0.33	—

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

### Brokerage commissions

<i>For the periods ended</i>	December 31, 2023 (\$)	December 31, 2022 (\$)
Total brokerage amounts paid	6	5
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>	December 31, 2023	December 31, 2022
<b>Money Market Investments</b>		
Federal	0.7%	—%
<b>Equities</b>		
Communication Services	8.6%	9.9%
Consumer Discretionary	5.6%	5.2%
Consumer Staples	16.7%	15.5%
Financials	20.3%	19.4%
Health Care	—%	11.7%
Industrials	12.5%	—%
Information Technology	5.0%	3.5%
Materials	9.2%	9.7%
Real Estate	7.9%	7.3%
Utilities	13.2%	16.1%
<b>Other Assets less Liabilities</b>	<b>0.3%</b>	<b>1.7%</b>
	<b>100.0%</b>	<b>100.0%</b>

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

# BMO Low Volatility Canadian Equity ETF GIF

## Supplementary Information



(All amounts in thousands of Canadian dollars, except per unit data)  
December 31, 2023

### Financial Highlights

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

Years ended December 31,					
75/75 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 17,528	12,770	9,870	8,596	8,403
Net asset value per unit <sup>(1)</sup>	\$ 15.86	14.81	15.20	12.64	12.72
Units issued and outstanding (000's) <sup>(1)</sup>	1,105	862	649	680	661
Management fees	% 1.46 <sup>++</sup>	1.55	1.55	1.55	1.55
Management expense ratio <sup>(2)</sup>	% 2.50	2.52	2.53	2.54	2.55
Management expense ratio before waivers	% 2.50	2.52	2.53	2.54	2.55
Portfolio turnover rate <sup>(3)</sup>	% 4.44	3.51	7.01	9.67	4.49

Years ended December 31,					
75/100 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 23,754	17,549	14,298	12,670	11,294
Net asset value per unit <sup>(1)</sup>	\$ 15.38	14.43	14.87	12.41	12.54
Units issued and outstanding (000's) <sup>(1)</sup>	1,545	1,217	962	1,021	901
Management fees	% 1.55	1.55	1.55	1.55	1.55
Management expense ratio <sup>(2)</sup>	% 2.93	2.93	2.94	2.94	2.95
Management expense ratio before waivers	% 2.93	2.93	2.94	2.94	2.95
Portfolio turnover rate <sup>(3)</sup>	% 4.44	3.51	7.01	9.67	4.49

Years ended December 31,					
75/75 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 11,024	7,413	4,455	3,593	2,931
Net asset value per unit <sup>(1)</sup>	\$ 13.21	12.31	12.62	10.47	10.52
Units issued and outstanding (000's) <sup>(1)</sup>	835	602	353	343	279
Management fees	% 1.28 <sup>+++</sup>	1.37	1.37	1.37	1.37
Management expense ratio <sup>(2)</sup>	% 2.31	2.34	2.34	2.35	2.34
Management expense ratio before waivers	% 2.31	2.34	2.34	2.35	2.34
Portfolio turnover rate <sup>(3)</sup>	% 4.44	3.51	7.01	9.67	4.49

Years ended December 31,					
75/100 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 25,407	17,242	11,568	7,995	6,958
Net asset value per unit <sup>(1)</sup>	\$ 13.01	12.17	12.50	10.41	10.49
Units issued and outstanding (000's) <sup>(1)</sup>	1,953	1,417	925	768	663
Management fees	% 1.28	1.28	1.28	1.28 <sup>+</sup>	1.37
Management expense ratio <sup>(2)</sup>	% 2.65	2.64	2.65	2.69	2.75
Management expense ratio before waivers	% 2.65	2.64	2.65	2.69	2.75
Portfolio turnover rate <sup>(3)</sup>	% 4.44	3.51	7.01	9.67	4.49

Years ended December 31,					
75/75 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 132	122	124	59	59
Net asset value per unit <sup>(1)</sup>	\$ 15.51	14.33	14.55	11.97	11.92
Units issued and outstanding (000's) <sup>(1)</sup>	9	9	9	5	5
Management fees	% 0.55	0.55	0.55	0.55	0.55
Management expense ratio <sup>(2)</sup>	% 1.44	1.44	1.44	1.44	1.44
Management expense ratio before waivers	% 1.44	1.44	1.44	1.44	1.44
Portfolio turnover rate <sup>(3)</sup>	% 4.44	3.51	7.01	9.67	4.49

Years ended December 31,					
75/100 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 134	120	117	59	59
Net asset value per unit <sup>(1)</sup>	\$ 15.16	14.07	14.34	11.84	11.84
Units issued and outstanding (000's) <sup>(1)</sup>	9	9	8	5	5
Management fees	% 0.55	0.55	0.55	0.55	0.55
Management expense ratio <sup>(2)</sup>	% 1.85	1.85	1.85	1.85	1.85
Management expense ratio before waivers	% 1.85	1.85	1.85	1.85	1.85
Portfolio turnover rate <sup>(3)</sup>	% 4.44	3.51	7.01	9.67	4.49

		Period ended December 31, 2023 <sup>(5)</sup>
<b>75/75 Class F Prestige Units</b>		
Net asset (000's) <sup>(1)</sup>	\$	3
Net asset value per unit <sup>(1)</sup>	\$	10.33
Units issued and outstanding (000's) <sup>(1)</sup>		0
Management fees	%	0.46
Management expense ratio <sup>(2)</sup>	%	1.35
Management expense ratio before waivers	%	1.35
Portfolio turnover rate <sup>(3)</sup>	%	4.44

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

# BMO Low Volatility Canadian Equity ETF GIF

## Supplementary Information (cont'd)

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

December 31, 2023

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- <sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.
- <sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund.
- <sup>(4)</sup> The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.
- <sup>(5)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.
- <sup>†</sup> Effective May 11, 2020, the management fee rate was reduced from 1.37% to 1.28%.
- <sup>††</sup> Effective October 16, 2023, the management fee rate was reduced from 1.55% to 1.46%.
- <sup>†††</sup> Effective October 16, 2023, the management fee rate was reduced from 1.37% to 1.28%.

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

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

**BMO Monthly Income GIF**

## STATEMENT OF FINANCIAL POSITION

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

As at	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	634	644
Investments		
Non-derivative financial assets	68,550	67,395
Subscriptions receivable	222	274
<b>Total assets</b>	<b>69,406</b>	<b>68,313</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Redemptions payable	232	175
Accrued expenses	471	481
<b>Total liabilities</b>	<b>703</b>	<b>656</b>
<b>Net assets held for the benefit of policyowners</b>	<b>68,703</b>	<b>67,657</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	3,432	3,790
75/100 Class A Units	9,487	9,109
100/100 Class A Units	16,736	17,073
75/75 Class A Prestige Units	5,872	4,892
75/100 Class A Prestige Units	10,253	9,187
100/100 Class A Prestige Units	22,462	23,173
75/75 Class F Units	19	18
75/100 Class F Units	198	164
100/100 Class F Units	241	251
75/75 Class F Prestige Units	3	—
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 12.49	\$ 11.70
75/100 Class A Units	\$ 12.27	\$ 11.53
100/100 Class A Units	\$ 11.94	\$ 11.26
75/75 Class A Prestige Units	\$ 11.47	\$ 10.72
75/100 Class A Prestige Units	\$ 11.37	\$ 10.65
100/100 Class A Prestige Units	\$ 12.30	\$ 11.55
75/75 Class F Units	\$ 12.84	\$ 11.90
75/100 Class F Units	\$ 12.64	\$ 11.75
100/100 Class F Units	\$ 12.37	\$ 11.55
75/75 Class F Prestige Units	\$ 10.40	\$ —

## STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	December 31, 2023	December 31, 2022
<b>INCOME</b>		
Interest income	41	11
Distributions received from investment trusts	2,713	3,732
Other changes in fair value of investments and derivatives		
Net realized (loss) gain	(281)	62
Change in unrealized appreciation (depreciation)	3,663	(9,468)
Net gain (loss) in fair value of investments and derivatives	6,136	(5,663)
<b>Total income (loss)</b>	<b>6,136</b>	<b>(5,663)</b>
<b>EXPENSES</b>		
Management fees (note 7)	1,091	1,100
Fixed administration fees (note 7)	191	191
Insurance fees (note 7)	657	661
Interest charges	0	0
<b>Total expenses</b>	<b>1,939</b>	<b>1,952</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>	<b>4,197</b>	<b>(7,615)</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	232	(435)
75/100 Class A Units	574	(1,123)
100/100 Class A Units	976	(1,976)
75/75 Class A Prestige Units	362	(389)
75/100 Class A Prestige Units	632	(1,240)
100/100 Class A Prestige Units	1,389	(2,418)
75/75 Class F Units	1	(2)
75/100 Class F Units	14	(6)
100/100 Class F Units	17	(26)
75/75 Class F Prestige Units	0	—
<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	0.78	(1.30)
75/100 Class A Units	0.73	(1.36)
100/100 Class A Units	0.65	(1.34)
75/75 Class A Prestige Units	0.73	(1.17)
75/100 Class A Prestige Units	0.70	(1.20)
100/100 Class A Prestige Units	0.72	(1.28)
75/75 Class F Units	0.94	(1.20)
75/100 Class F Units	0.90	(0.79)
100/100 Class F Units	0.88	(1.23)
75/75 Class F Prestige Units	0.40	—

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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	3,790	4,235
Increase (decrease) in net assets held for the benefit of policyowners	232	(435)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,752	3,195
Withdrawal of withdrawable units	(2,342)	(3,205)
<b>Net decrease from withdrawable unit transactions</b>	(590)	(10)
<b>Net decrease in net assets held for the benefit of policyowners</b>	(358)	(445)
<b>Net assets held for the benefit of policyowners</b>	3,432	3,790
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	9,109	11,869
Increase (decrease) in net assets held for the benefit of policyowners	574	(1,123)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	4,320	5,808
Withdrawal of withdrawable units	(4,516)	(7,445)
<b>Net decrease from withdrawable unit transactions</b>	(196)	(1,637)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	378	(2,760)
<b>Net assets held for the benefit of policyowners</b>	9,487	9,109

## 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>	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	17,073	18,300
Increase (decrease) in net assets held for the benefit of policyowners	976	(1,976)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	5,082	5,566
Withdrawal of withdrawable units	(6,395)	(4,817)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(1,313)	749
<b>Net decrease in net assets held for the benefit of policyowners</b>	(337)	(1,227)
<b>Net assets held for the benefit of policyowners</b>	16,736	17,073
<b>75/75 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	4,892	3,511
Increase (decrease) in net assets held for the benefit of policyowners	362	(389)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,506	2,262
Withdrawal of withdrawable units	(888)	(492)
<b>Net increase from withdrawable unit transactions</b>	618	1,770
<b>Net increase in net assets held for the benefit of policyowners</b>	980	1,381
<b>Net assets held for the benefit of policyowners</b>	5,872	4,892

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>	December 31, 2023	December 31, 2022
<b>75/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	9,187	12,651
Increase (decrease) in net assets held for the benefit of policyowners	632	(1,240)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	2,398	4,334
Withdrawal of withdrawable units	(1,964)	(6,558)
<b>Net increase (decrease) from withdrawable unit transactions</b>	434	(2,224)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	1,066	(3,464)
<b>Net assets held for the benefit of policyowners</b>	10,253	9,187
<b>100/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	23,173	22,479
Increase (decrease) in net assets held for the benefit of policyowners	1,389	(2,418)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3,509	4,657
Withdrawal of withdrawable units	(5,609)	(1,545)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(2,100)	3,112
<b>Net (decrease) increase in net assets held for the benefit of policyowners</b>	(711)	694
<b>Net assets held for the benefit of policyowners</b>	22,462	23,173
<b>75/75 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	18	20
Increase (decrease) in net assets held for the benefit of policyowners	1	(2)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	1	(2)
<b>Net assets held for the benefit of policyowners</b>	19	18

## 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>	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	164	72
Increase (decrease) in net assets held for the benefit of policyowners	14	(6)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	20	98
<b>Net increase from withdrawable unit transactions</b>	20	98
<b>Net increase in net assets held for the benefit of policyowners</b>	34	92
<b>Net assets held for the benefit of policyowners</b>	198	164
<b>100/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	251	250
Increase (decrease) in net assets held for the benefit of policyowners	17	(26)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	—	28
Withdrawal of withdrawable units	(27)	(1)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(27)	27
<b>Net (decrease) increase in net assets held for the benefit of policyowners</b>	(10)	1
<b>Net assets held for the benefit of policyowners</b>	241	251
<b>75/75 Class F Prestige 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	0	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3	—
<b>Net increase from withdrawable unit transactions</b>	3	—
<b>Net increase in net assets held for the benefit of policyowners</b>	3	—
<b>Net assets held for the benefit of policyowners</b>	3	—

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>	December 31, 2023	December 31, 2022
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	67,657	73,387
Increase (decrease) in net assets held for the benefit of policyowners	4,197	(7,615)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	18,590	25,948
Withdrawal of withdrawable units	(21,741)	(24,063)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(3,151)	1,885
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	1,046	(5,730)
<b>Net assets held for the benefit of policyowners</b>	68,703	67,657

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

<b>STATEMENT OF CASH FLOWS</b> <i>(All amounts in thousands of Canadian dollars)</i>			<b>SCHEDULE OF INVESTMENT PORTFOLIO</b> <i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>For the periods ended</i>	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>As at December 31, 2023</b>	<b>Number of Units</b>	<b>Cost* (\$)</b>	<b>Fair Value (\$)</b>
<b>Cash flows from operating activities</b>			<b>HOLDINGS IN INVESTMENT FUND</b>			
Increase (decrease) in net assets held for the benefit of policyowners	4,197	(7,615)	<b>Canadian Balanced Fund — 99.8%</b>			
Adjustments for:			BMO Monthly Income Fund, Series I			
Net realized loss (gain) on sale of investments and derivatives	281	(62)		7,351,825	68,216	68,550
Change in unrealized (appreciation) depreciation of investments and derivatives	(3,663)	9,468	<b>Total Investment Portfolio — 99.8%</b>			
Decrease in accrued expenses	(10)	(19)				
Non-cash distributions from investment trusts	(2,713)	(3,732)	Other Assets Less Liabilities — 0.2%			
Purchases of investments	(2,300)	(5,801)	<b>Net assets held for the benefit of policyowners — 100.0%</b>			
Proceeds from sale and maturity of investments	7,240	5,485				
<b>Net cash from (used in) operating activities</b>	<b>3,032</b>	<b>(2,276)</b>				
<b>Cash flows from financing activities</b>						
Proceeds from issuances of withdrawable units	10,851	15,769				
Amounts paid on withdrawal of withdrawable units	(13,893)	(14,007)				
<b>Net cash (used in) from financing activities</b>	<b>(3,042)</b>	<b>1,762</b>				
Net decrease in cash	(10)	(514)				
Cash at beginning of period	644	1,158				
<b>Cash at end of period</b>	<b>634</b>	<b>644</b>				
<b>Supplementary Information:</b>						
Interest received, net of withholding taxes*	41	11				
Interest expense paid*	0	0				

\*These items are from operating activities

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

# BMO Monthly Income GIF

## Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2023

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

# BMO Monthly Income GIF

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

(All amounts in thousands of Canadian dollars)

December 31, 2023

Realized gains and losses on disposition are determined based on the cost of the investments

### Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

### Cash

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

### Other assets and liabilities

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

### Investments in subsidiaries, joint ventures and associates

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

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 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.

### 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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

#### **Portfolio turnover ratio**

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

#### **Income taxes**

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

#### **4. Units and unit transactions**

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

#### **5. Critical accounting judgements and estimates**

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

##### **Accounting judgements:**

##### **Functional and presentation currency**

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

**Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

**6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

**7. Related party transactions**

**Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

**Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

**Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

**Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

**Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

**8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

**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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

# BMO Monthly Income GIF

## Notes to the Financial Statements

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

December 31, 2023

### Fund and Class information

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

Class	Date Established
75/75 Class A Units	January 6, 2017
75/100 Class A Units	January 6, 2017
100/100 Class A Units	January 6, 2017
75/75 Class A Prestige Units	May 6, 2019
75/100 Class A Prestige Units	May 6, 2019
100/100 Class A Prestige Units	January 6, 2017
75/75 Class F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
100/100 Class F Units	May 14, 2018
75/75 Class F Prestige Units	November 17, 2023

### 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)	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	324	325
Issued for cash	146	267
Withdrawn during the period	(195)	(268)
Units issued and outstanding, end of period	275	324
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	790	922
Issued for cash	365	488
Withdrawn during the period	(382)	(620)
Units issued and outstanding, end of period	773	790
<b>100/100 Class A Units</b>		
Units issued and outstanding, beginning of period	1,516	1,451
Issued for cash	443	479
Withdrawn during the period	(557)	(414)
Units issued and outstanding, end of period	1,402	1,516
<b>75/75 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	456	295
Issued for cash	137	207
Withdrawn during the period	(81)	(46)
Units issued and outstanding, end of period	512	456

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>75/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	863	1,067
Issued for cash	219	394
Withdrawn during the period	(180)	(598)
Units issued and outstanding, end of period	902	863

<b>100/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	2,006	1,744
Issued for cash	297	390
Withdrawn during the period	(477)	(128)
Units issued and outstanding, end of period	1,826	2,006

<b>75/75 Class F Units</b>		
Units issued and outstanding, beginning of period	1	1
Units issued and outstanding, end of period	1	1

<b>75/100 Class F Units</b>		
Units issued and outstanding, beginning of period	14	6
Issued for cash	2	8
Units issued and outstanding, end of period	16	14

<b>100/100 Class F Units</b>		
Units issued and outstanding, beginning of period	22	20
Issued for cash	—	2
Withdrawn during the period	(3)	(0)
Units issued and outstanding, end of period	19	22

<b>75/75 Class F Prestige Units</b>		
Units issued and outstanding, beginning of period	—	—
Issued for cash	0	—
Units issued and outstanding, end of period	0	—

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023		
Class	Number of Units	Value of Units (\$)
75/75 Class A Prestige Units	1,000	11
75/100 Class A Prestige Units	1,000	11
75/75 Class F Units	1,000	13
75/100 Class F Units	1,000	13
100/100 Class F Units	1,000	12
75/75 Class F Prestige Units	250	3
As at December 31, 2022		
Class	Number of Units	Value of Units (\$)
75/75 Class A Prestige Units	1,000	11
75/100 Class A Prestige Units	1,000	11
75/75 Class F Units	1,000	12
75/100 Class F Units	1,000	12
100/100 Class F Units	1,000	12

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

# BMO Monthly Income GIF

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

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)  
December 31, 2023

### Financial instruments risk

The Fund invests in the BMO Monthly Income Fund (“underlying fund”). The investment objective of the underlying fund is to provide a fixed monthly distribution and to preserve the capital invested. The underlying fund invests 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. To enhance the yield, the underlying fund may also invest in Canadian or foreign lower rated or unrated securities and derivative instruments with options, futures and forward contracts.

### Currency risk

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

As at December 31, 2023

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Australian Dollar	0	—	—	0	0.0
Danish Krone	2	—	—	2	0.0
Euro	2	—	—	2	0.0
Israeli Shekel	0	—	—	0	0.0
Norwegian Krone	0	—	—	0	0.0
Swiss Franc	3	—	—	3	0.0
U.S. Dollar	67	6,177	(990)	5,254	7.6
<b>Total</b>	<b>74</b>	<b>6,177</b>	<b>(990)</b>	<b>5,261</b>	<b>7.6</b>

As at December 31, 2022

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Australian Dollar	0	—	—	0	0.0
Danish Krone	1	—	—	1	0.0
Euro	1	—	—	1	0.0
Israeli Shekel	0	—	—	0	0.0
Norwegian Krone	0	—	—	0	0.0
Swiss Franc	2	—	—	2	0.0
U.S. Dollar	166	6,196	(571)	5,791	8.6
<b>Total</b>	<b>170</b>	<b>6,196</b>	<b>(571)</b>	<b>5,795</b>	<b>8.6</b>

As at December 31, 2023 and December 31, 2022, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, respectively, with all other variables held constant, the Net Assets of the Fund could possibly have decreased or increased, respectively, by approximately \$263 (December 31, 2022 — \$290). In

practice, actual results may differ from this sensitivity analysis and the difference could be material.

### Interest rate risk

The Fund’s exposure, through its investment in the underlying fund, to interest rate risk, by remaining term to maturity, is summarized in the following table:

Number of years	Interest Rate Exposure as at	
	December 31, 2023	December 31, 2022
Less than one year	3,177	5,976
One to three years	4,948	5,592
Three to five years	4,528	3,089
Five to ten years	9,416	8,230
Greater than ten years	6,950	6,400
<b>Total</b>	<b>29,019</b>	<b>29,287</b>

As at December 31, 2023 and December 31, 2022, if the prevailing interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, the Net Assets of the Fund could possibly have decreased or increased, respectively, by approximately \$1,789 (December 31, 2022 — \$1,664). The Fund’s interest rate sensitivity was determined based on portfolio weighted duration. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invests in equity securities. Using historical correlation between the Fund’s return and the return of its benchmark, if the benchmark, composed of 50% S&P/TSX Composite Total Return Index and 50% FTSE Canada Universe Bond Index, had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$6,156 (December 31, 2022 — \$6,420). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

### Credit risk

The Fund’s exposure, through its investment in the underlying fund, to credit risk, grouped by credit ratings, is summarized in the following table:

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

# BMO Monthly Income GIF

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

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)  
December 31, 2023

Credit Rating	As a % of Net Assets as at	
	December 31, 2023	December 31, 2022
R-1 High	2.9	6.6
R-1 Mid	0.2	0.2
R-1 Low	—	1.7
AAA	6.5	3.7
AA	5.3	5.1
A	14.9	14.4
BBB	11.3	10.4
BB	0.9	1.1
B	0.1	0.1
<b>Total</b>	<b>42.1</b>	<b>43.3</b>

### Fair value hierarchy

The 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 observable 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.

#### As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	68,550	—	—	68,550

#### As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	67,395	—	—	67,395

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at	As at
	December 31, 2023	December 31, 2022
BMO Monthly Income Fund, Series I	68,550	67,395

  

Carrying amount as a % of the underlying fund's Net Asset	As at	As at
	December 31, 2023	December 31, 2022
BMO Monthly Income Fund, Series I	1.30%	1.42%

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

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

	December 31, 2023	December 31, 2022
<i>For the periods ended</i>		
<b>75/75 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	232	(435)
Weighted average units outstanding during the period (in thousands of units)	298	336
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.78	(1.30)
<b>75/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	574	(1,123)
Weighted average units outstanding during the period (in thousands of units)	785	826
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.73	(1.36)
<b>100/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	976	(1,976)
Weighted average units outstanding during the period (in thousands of units)	1,493	1,473
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.65	(1.34)
<b>75/75 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	362	(389)
Weighted average units outstanding during the period (in thousands of units)	493	334
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.73	(1.17)
<b>75/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	632	(1,240)
Weighted average units outstanding during the period (in thousands of units)	906	1,036
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.70	(1.20)
<b>100/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,389	(2,418)
Weighted average units outstanding during the period (in thousands of units)	1,938	1,887
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.72	(1.28)

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

# BMO Monthly Income GIF

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

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)  
December 31, 2023

<i>For the periods ended</i>	December 31, 2023	December 31, 2022
<b>75/75 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1	(2)
Weighted average units outstanding during the period (in thousands of units)	1	1
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.94	(1.20)
<b>75/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	14	(6)
Weighted average units outstanding during the period (in thousands of units)	15	7
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.90	(0.79)
<b>100/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	17	(26)
Weighted average units outstanding during the period (in thousands of units)	20	22
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.88	(1.23)
<b>75/75 Class F Prestige Units</b>		
Increase in net assets held for the benefit of policyowners	0	—
Weighted average units outstanding during the period (in thousands of units)	0	—
Increase in net assets held for the benefit of policyowners per unit	0.40	—

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2023 and December 31, 2022.

### Concentration risk

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

<i>As at</i>	December 31, 2023	December 31, 2022
<b>Money Market Investments</b>		
Federal	2.9%	6.6%
Provincial	0.2%	1.9%
<b>Canadian Bonds &amp; Debentures</b>		
Federal Bonds	5.4%	3.8%
Provincial Bonds	10.3%	10.1%
Corporate Bonds & Debentures	19.1%	16.7%
Asset-Backed Securities	0.0%	0.0%
<b>Foreign Bonds &amp; Debentures</b>		
Australia	0.3%	0.4%

<i>As at</i>	December 31, 2023	December 31, 2022
France	0.1%	0.1%
United Kingdom	0.3%	0.5%
United States	3.7%	3.3%
<b>Canadian Equities</b>		
Communication Services	2.9%	3.9%
Consumer Discretionary	0.1%	—%
Consumer Staples	4.8%	4.5%
Energy	3.9%	3.2%
Financials	9.3%	8.9%
Industrials	3.9%	3.2%
Information Technology	2.9%	1.7%
Materials	1.9%	1.8%
Real Estate	3.0%	3.4%
Utilities	3.8%	4.4%
<b>Foreign Equities</b>		
Switzerland	0.1%	—%
United Kingdom	—%	0.0%
United States	8.3%	9.3%
<b>Holdings in Investment Funds</b>		
Canadian Equity Funds	3.1%	3.7%
Emerging Markets Equity Funds	—%	1.4%
Global Equity Funds	1.7%	2.9%
Government Bond Funds	0.2%	—%
International Equity Funds	4.1%	3.0%
U.S. Equity Funds	2.9%	—%
<b>Swaps</b>		
Credit Default Swaps	(0.0)%	0.0%
<b>Other Assets less Liabilities</b>		
	0.8%	1.3%
	<b>100.0%</b>	<b>100.0%</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

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

# BMO Monthly Income GIF

## Supplementary Information

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

December 31, 2023

### Financial Highlights

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

	Years ended December 31,				
75/75 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 3,432	3,790	4,235	3,825	3,774
Net asset value per unit <sup>(1)</sup>	\$ 12.49	11.70	13.02	11.79	11.41
Units issued and outstanding (000's) <sup>(1)</sup>	275	324	325	325	331
Management fees	% 1.60	1.60	1.60	1.60	1.60
Management expense ratio <sup>(2)</sup>	% 2.56	2.57	2.57	2.57	2.59
Management expense ratio before waivers	% 2.56	2.57	2.57	2.57	2.59
Portfolio turnover rate <sup>(3)</sup>	% 3.38	7.97	6.25	5.46	5.64

	Years ended December 31,				
75/100 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 9,487	9,109	11,869	12,307	9,791
Net asset value per unit <sup>(1)</sup>	\$ 12.27	11.53	12.87	11.68	11.34
Units issued and outstanding (000's) <sup>(1)</sup>	773	790	922	1,054	863
Management fees	% 1.60	1.60	1.60	1.60	1.60
Management expense ratio <sup>(2)</sup>	% 2.82	2.83	2.84	2.83	2.83
Management expense ratio before waivers	% 2.82	2.83	2.84	2.83	2.83
Portfolio turnover rate <sup>(3)</sup>	% 3.38	7.97	6.25	5.46	5.64

	Years ended December 31,				
100/100 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 16,736	17,073	18,300	16,706	14,961
Net asset value per unit <sup>(1)</sup>	\$ 11.94	11.26	12.62	11.49	11.20
Units issued and outstanding (000's) <sup>(1)</sup>	1,402	1,516	1,451	1,454	1,335
Management fees	% 1.60	1.60	1.60	1.60	1.60
Management expense ratio <sup>(2)</sup>	% 3.23	3.22	3.22	3.23	3.21
Management expense ratio before waivers	% 3.23	3.22	3.22	3.23	3.21
Portfolio turnover rate <sup>(3)</sup>	% 3.38	7.97	6.25	5.46	5.64

	Years ended December 31,				
75/75 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 5,872	4,892	3,511	2,492	1,660
Net asset value per unit <sup>(1)</sup>	\$ 11.47	10.72	11.92	10.77	10.42
Units issued and outstanding (000's) <sup>(1)</sup>	512	456	295	231	159
Management fees	% 1.29 <sup>††</sup>	1.46	1.46	1.46	1.46
Management expense ratio <sup>(2)</sup>	% 2.36	2.41	2.40	2.44	2.44
Management expense ratio before waivers	% 2.36	2.41	2.40	2.44	2.44
Portfolio turnover rate <sup>(3)</sup>	% 3.38	7.97	6.25	5.46	5.64

	Years ended December 31,				
75/100 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 10,253	9,187	12,651	7,113	3,597
Net asset value per unit <sup>(1)</sup>	\$ 11.37	10.65	11.86	10.73	10.40
Units issued and outstanding (000's) <sup>(1)</sup>	902	863	1,067	663	346
Management fees	% 1.37	1.37	1.37	1.37 <sup>†</sup>	1.46
Management expense ratio <sup>(2)</sup>	% 2.58	2.58	2.59	2.66	2.72
Management expense ratio before waivers	% 2.58	2.58	2.59	2.66	2.72
Portfolio turnover rate <sup>(3)</sup>	% 3.38	7.97	6.25	5.46	5.64

	Years ended December 31,				
100/100 Class A Prestige Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 22,462	23,173	22,479	16,845	17,503
Net asset value per unit <sup>(1)</sup>	\$ 12.30	11.55	12.89	11.69	11.35
Units issued and outstanding (000's) <sup>(1)</sup>	1,826	2,006	1,744	1,441	1,543
Management fees	% 1.25	1.25	1.25	1.25	1.25
Management expense ratio <sup>(2)</sup>	% 2.79	2.79	2.79	2.80	2.79
Management expense ratio before waivers	% 2.79	2.79	2.79	2.80	2.79
Portfolio turnover rate <sup>(3)</sup>	% 3.38	7.97	6.25	5.46	5.64

	Years ended December 31,				
75/75 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 19	18	20	17	17
Net asset value per unit <sup>(1)</sup>	\$ 12.84	11.90	13.10	11.73	11.24
Units issued and outstanding (000's) <sup>(1)</sup>	1	1	1	1	1
Management fees	% 0.60	0.60	0.60	0.60	0.60
Management expense ratio <sup>(2)</sup>	% 1.47	1.47	1.47	1.47	1.47
Management expense ratio before waivers	% 1.47	1.47	1.47	1.47	1.47
Portfolio turnover rate <sup>(3)</sup>	% 3.38	7.97	6.25	5.46	5.64

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

# BMO Monthly Income GIF

## Supplementary Information (cont'd)

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

December 31, 2023

Years ended December 31,

75/100 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 198	164	72	56	44
Net asset value per unit <sup>(1)</sup>	\$ 12.64	11.75	12.97	11.64	11.18
Units issued and outstanding (000's) <sup>(1)</sup>	16	14	6	5	4
Management fees	% 0.60	0.60	0.60	0.60	0.60
Management expense ratio <sup>(2)</sup>	% 1.75	1.75	1.75	1.75	1.75
Management expense ratio before waivers	% 1.75	1.75	1.75	1.75	1.75
Portfolio turnover rate <sup>(3)</sup>	% 3.38	7.97	6.25	5.46	5.64

Years ended December 31,

100/100 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 241	251	250	225	217
Net asset value per unit <sup>(1)</sup>	\$ 12.37	11.55	12.79	11.53	11.12
Units issued and outstanding (000's) <sup>(1)</sup>	19	22	20	20	20
Management fees	% 0.60	0.60	0.60	0.60	0.60
Management expense ratio <sup>(2)</sup>	% 2.13	2.12	2.12	2.12	2.13
Management expense ratio before waivers	% 2.13	2.12	2.12	2.12	2.13
Portfolio turnover rate <sup>(3)</sup>	% 3.38	7.97	6.25	5.46	5.64

75/75 Class F Prestige Units	Period ended December 31, 2023 <sup>(5)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 3
Net asset value per unit <sup>(1)</sup>	\$ 10.40
Units issued and outstanding (000's) <sup>(1)</sup>	0
Management fees	% 0.38
Management expense ratio <sup>(2)</sup>	% 1.22
Management expense ratio before waivers	% 1.22
Portfolio turnover rate <sup>(3)</sup>	% 3.38

<sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

<sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund.

<sup>(4)</sup> The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.

<sup>(5)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.

† Effective May 11, 2020, the management fee rate was reduced from 1.46% to 1.37%.

†† Effective October 16, 2023, the management fee rate was reduced from 1.46% to 1.29%.

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

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

**BMO Asset Allocation GIF**



## STATEMENT OF FINANCIAL POSITION

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

As at	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	470	304
Investments		
Non-derivative financial assets	26,284	19,389
Subscriptions receivable	117	444
<b>Total assets</b>	<b>26,871</b>	<b>20,137</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Redemptions payable	120	236
Accrued expenses	170	135
<b>Total liabilities</b>	<b>290</b>	<b>371</b>
<b>Net assets held for the benefit of policyowners</b>	<b>26,581</b>	<b>19,766</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	1,765	1,522
75/100 Class A Units	2,034	1,556
100/100 Class A Units	3,909	3,492
75/75 Class A Prestige Units	4,325	2,227
75/100 Class A Prestige Units	6,109	3,782
100/100 Class A Prestige Units	7,804	6,831
75/75 Class F Units	60	142
75/100 Class F Units	266	11
100/100 Class F Units	219	203
75/75 Class F Prestige Units	90	—
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 11.88	\$ 11.02
75/100 Class A Units	\$ 11.66	\$ 10.83
100/100 Class A Units	\$ 11.40	\$ 10.63
75/75 Class A Prestige Units	\$ 11.56	\$ 10.69
75/100 Class A Prestige Units	\$ 11.47	\$ 10.63
100/100 Class A Prestige Units	\$ 11.68	\$ 10.85
75/75 Class F Units	\$ 12.56	\$ 11.53
75/100 Class F Units	\$ 12.41	\$ 11.40
100/100 Class F Units	\$ 12.13	\$ 11.19
75/75 Class F Prestige Units	\$ 10.40	\$ —

## STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	December 31, 2023	December 31, 2022
<b>INCOME</b>		
Interest income	22	11
Distributions received from investment trusts	832	1,578
Other changes in fair value of investments and derivatives		
Net realized loss	(26)	(10)
Change in unrealized appreciation (depreciation)	1,559	(3,287)
Net gain (loss) in fair value of investments and derivatives	2,387	(1,708)
<b>Total income (loss)</b>	<b>2,387</b>	<b>(1,708)</b>
<b>EXPENSES</b>		
Management fees (note 7)	363	282
Fixed administration fees (note 7)	65	51
Insurance fees (note 7)	211	167
Interest charges	0	0
<b>Total expenses</b>	<b>639</b>	<b>500</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>	<b>1,748</b>	<b>(2,208)</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	134	(170)
75/100 Class A Units	130	(169)
100/100 Class A Units	256	(400)
75/75 Class A Prestige Units	264	(161)
75/100 Class A Prestige Units	382	(430)
100/100 Class A Prestige Units	538	(860)
75/75 Class F Units	12	(11)
75/100 Class F Units	15	(2)
100/100 Class F Units	17	(5)
75/75 Class F Prestige Units	0	—
<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	0.94	(1.40)
75/100 Class A Units	0.80	(1.24)
100/100 Class A Units	0.74	(1.38)
75/75 Class A Prestige Units	0.97	(1.03)
75/100 Class A Prestige Units	0.82	(1.42)
100/100 Class A Prestige Units	0.79	(1.43)
75/75 Class F Units	1.02	(1.41)
75/100 Class F Units	0.80	(1.42)
100/100 Class F Units	0.94	(0.81)
75/75 Class F Prestige Units	0.39	—

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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	1,522	1,386
Increase (decrease) in net assets held for the benefit of policyowners	134	(170)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	2,169	2,362
Withdrawal of withdrawable units	(2,060)	(2,056)
<b>Net increase from withdrawable unit transactions</b>	109	306
<b>Net increase in net assets held for the benefit of policyowners</b>	243	136
<b>Net assets held for the benefit of policyowners</b>	1,765	1,522
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	1,556	1,359
Increase (decrease) in net assets held for the benefit of policyowners	130	(169)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3,003	2,430
Withdrawal of withdrawable units	(2,655)	(2,064)
<b>Net increase from withdrawable unit transactions</b>	348	366
<b>Net increase in net assets held for the benefit of policyowners</b>	478	197
<b>Net assets held for the benefit of policyowners</b>	2,034	1,556

## 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>	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	3,492	3,110
Increase (decrease) in net assets held for the benefit of policyowners	256	(400)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	2,300	3,047
Withdrawal of withdrawable units	(2,139)	(2,265)
<b>Net increase from withdrawable unit transactions</b>	161	782
<b>Net increase in net assets held for the benefit of policyowners</b>	417	382
<b>Net assets held for the benefit of policyowners</b>	3,909	3,492
<b>75/75 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	2,227	1,240
Increase (decrease) in net assets held for the benefit of policyowners	264	(161)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,963	1,826
Withdrawal of withdrawable units	(129)	(678)
<b>Net increase from withdrawable unit transactions</b>	1,834	1,148
<b>Net increase in net assets held for the benefit of policyowners</b>	2,098	987
<b>Net assets held for the benefit of policyowners</b>	4,325	2,227

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>	December 31, 2023	December 31, 2022
<b>75/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	3,782	2,581
Increase (decrease) in net assets held for the benefit of policyowners	382	(430)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	2,419	2,087
Withdrawal of withdrawable units	(474)	(456)
<b>Net increase from withdrawable unit transactions</b>	1,945	1,631
<b>Net increase in net assets held for the benefit of policyowners</b>	2,327	1,201
<b>Net assets held for the benefit of policyowners</b>	6,109	3,782
<b>100/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	6,831	6,754
Increase (decrease) in net assets held for the benefit of policyowners	538	(860)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,814	1,979
Withdrawal of withdrawable units	(1,379)	(1,042)
<b>Net increase from withdrawable unit transactions</b>	435	937
<b>Net increase in net assets held for the benefit of policyowners</b>	973	77
<b>Net assets held for the benefit of policyowners</b>	7,804	6,831

## 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>	December 31, 2023	December 31, 2022
<b>75/75 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	142	104
Increase (decrease) in net assets held for the benefit of policyowners	12	(11)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	—	49
Withdrawal of withdrawable units	(94)	—
<b>Net (decrease) increase from withdrawable unit transactions</b>	(94)	49
<b>Net (decrease) increase in net assets held for the benefit of policyowners</b>	(82)	38
<b>Net assets held for the benefit of policyowners</b>	60	142
<b>75/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	11	13
Increase (decrease) in net assets held for the benefit of policyowners	15	(2)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	240	—
<b>Net increase from withdrawable unit transactions</b>	240	—
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	255	(2)
<b>Net assets held for the benefit of policyowners</b>	266	11
<b>100/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	203	12
Increase (decrease) in net assets held for the benefit of policyowners	17	(5)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	—	196
Withdrawal of withdrawable units	(1)	(0)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(1)	196
<b>Net increase in net assets held for the benefit of policyowners</b>	16	191
<b>Net assets held for the benefit of policyowners</b>	219	203

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>	December 31, 2023	December 31, 2022
<b>75/75 Class F Prestige 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	0	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	90	—
<b>Net increase from withdrawable unit transactions</b>	90	—
<b>Net increase in net assets held for the benefit of policyowners</b>	90	—
<b>Net assets held for the benefit of policyowners</b>	90	—
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	19,766	16,559
Increase (decrease) in net assets held for the benefit of policyowners	1,748	(2,208)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	13,998	13,976
Withdrawal of withdrawable units	(8,931)	(8,561)
<b>Net increase from withdrawable unit transactions</b>	5,067	5,415
<b>Net increase in net assets held for the benefit of policyowners</b>	6,815	3,207
<b>Net assets held for the benefit of policyowners</b>	26,581	19,766

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

<b>STATEMENT OF CASH FLOWS</b> <i>(All amounts in thousands of Canadian dollars)</i>			<b>SCHEDULE OF INVESTMENT PORTFOLIO</b> <i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>For the periods ended</i>	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>As at December 31, 2023</b>	<b>Number of Units</b>	<b>Cost* (\$)</b>	<b>Fair Value (\$)</b>
<b>Cash flows from operating activities</b>			<b>HOLDINGS IN INVESTMENT FUND</b>			
Increase (decrease) in net assets held for the benefit of policyowners	1,748	(2,208)	<b>Canadian Balanced Fund — 98.9%</b>			
Adjustments for:			BMO Asset Allocation Fund, Series I			
Net realized loss on sale of investments and derivatives	26	10		1,793,459	26,541	26,284
Change in unrealized (appreciation) depreciation of investments and derivatives	(1,559)	3,287	<b>Total Investment Portfolio — 98.9%</b>			
Increase in accrued expenses	35	26			<b>26,541</b>	<b>26,284</b>
Non-cash distributions from investment trusts	(832)	(1,578)	Other Assets Less Liabilities — 1.1%			
Purchases of investments	(5,430)	(5,850)	<b>Net assets held for the benefit of policyowners — 100.0%</b>			
Proceeds from sale and maturity of investments	900	950				<b>26,581</b>
<b>Net cash used in operating activities</b>	<b>(5,112)</b>	<b>(5,363)</b>				
<b>Cash flows from financing activities</b>						
Proceeds from issuances of withdrawable units	8,014	7,933				
Amounts paid on withdrawal of withdrawable units	(2,736)	(2,723)				
<b>Net cash from financing activities</b>	<b>5,278</b>	<b>5,210</b>				
Net increase (decrease) in cash	166	(153)				
Cash at beginning of period	304	457				
<b>Cash at end of period</b>	<b>470</b>	<b>304</b>				
<b>Supplementary Information:</b>						
Interest received, net of withholding taxes*	22	11				
Interest expense paid*	0	0				

\*These items are from operating activities

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

# BMO Asset Allocation GIF

## Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2023

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

**Fair value measurement**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

**Cash**

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

**Other assets and liabilities**

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

**Investments in subsidiaries, joint ventures and associates**

Subsidiaries are entities over which the Funds have control through their exposure or rights to variable returns from their investment, and have the ability to affect those returns through their power over the entity. The Funds have determined that they are an investment entity and as such, they account for subsidiaries, if any, at fair value. Joint ventures are investments 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**

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 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.

**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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

#### **Portfolio turnover ratio**

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

#### **Income taxes**

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

#### **4. Units and unit transactions**

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

#### **5. Critical accounting judgements and estimates**

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

##### **Accounting judgements:**

##### **Functional and presentation currency**

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

**Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

**6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

**7. Related party transactions**

**Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

**Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

**Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

**Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

**Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

**8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

**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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

# BMO Asset Allocation GIF

## Notes to the Financial Statements

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)  
December 31, 2023

### Fund and Class information

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

Class	Date Established
75/75 Class A Units	May 14, 2018
75/100 Class A Units	May 14, 2018
100/100 Class A Units	May 14, 2018
75/75 Class A Prestige Units	May 6, 2019
75/100 Class A Prestige Units	May 6, 2019
100/100 Class A Prestige Units	May 14, 2018
75/75 Class F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
100/100 Class F Units	May 14, 2018
75/75 Class F Prestige Units	November 17, 2023

### 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)	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	138	111
Issued for cash	192	211
Withdrawn during the period	(181)	(184)
Units issued and outstanding, end of period	149	138
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	144	110
Issued for cash	267	212
Withdrawn during the period	(237)	(178)
Units issued and outstanding, end of period	174	144
<b>100/100 Class A Units</b>		
Units issued and outstanding, beginning of period	328	256
Issued for cash	210	278
Withdrawn during the period	(195)	(206)
Units issued and outstanding, end of period	343	328
<b>75/75 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	208	103
Issued for cash	178	169
Withdrawn during the period	(12)	(64)
Units issued and outstanding, end of period	374	208

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>75/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	356	214
Issued for cash	220	184
Withdrawn during the period	(43)	(42)
Units issued and outstanding, end of period	533	356

<b>100/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	629	547
Issued for cash	162	176
Withdrawn during the period	(123)	(94)
Units issued and outstanding, end of period	668	629

<b>75/75 Class F Units</b>		
Units issued and outstanding, beginning of period	12	8
Issued for cash	—	4
Withdrawn during the period	(7)	—
Units issued and outstanding, end of period	5	12

<b>75/100 Class F Units</b>		
Units issued and outstanding, beginning of period	1	1
Issued for cash	20	—
Units issued and outstanding, end of period	21	1

<b>100/100 Class F Units</b>		
Units issued and outstanding, beginning of period	18	1
Issued for cash	—	17
Withdrawn during the period	(0)	(0)
Units issued and outstanding, end of period	18	18

<b>75/75 Class F Prestige Units</b>		
Units issued and outstanding, beginning of period	—	—
Issued for cash	9	—
Units issued and outstanding, end of period	9	—

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023		
Class	Number of Units	Value of Units (\$)
100/100 Class A Units	1,000	11
75/75 Class A Prestige Units	2,035	24
75/100 Class A Prestige Units	2,029	23
100/100 Class A Prestige Units	1,000	12
75/75 Class F Units	1,000	13
75/100 Class F Units	1,000	12
100/100 Class F Units	1,000	12
75/75 Class F Prestige Units	250	3

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

# BMO Asset Allocation GIF

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

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)  
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As at December 31, 2022			
Class	Number of Units	Value of Units (\$)	
100/100 Class A Units	1,000	11	
75/75 Class A Prestige Units	2,035	22	
75/100 Class A Prestige Units	2,029	22	
100/100 Class A Prestige Units	1,000	11	
75/75 Class F Units	1,000	12	
75/100 Class F Units	1,000	11	
100/100 Class F Units	1,000	11	

### Financial instruments risk

The Fund invests in the BMO Asset Allocation Fund ("underlying fund"). The investment objective of the underlying fund is to provide a balance between income and growth in the value of the capital invested over the long term. The underlying fund invests in Canadian equities and fixed income securities.

### Currency risk

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

As at December 31, 2023					
Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
U.S. Dollar	47	801	(351)	497	1.9

As at December 31, 2022					
Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
U.S. Dollar	53	443	(110)	386	2.0

As at December 31, 2023 and December 31, 2022, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, respectively, with all other variables held constant, the Net Assets of the Fund could possibly have decreased or increased, respectively, by approximately \$25 (December 31, 2022 — \$19). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### Interest rate risk

The Fund's exposure, through its investment in the underlying fund, to interest rate risk, by remaining term to maturity, is summarized in the following table:

Number of years	Interest Rate Exposure as at	
	December 31, 2023	December 31, 2022
Less than one year	1,345	1,519
One to three years	1,610	1,393
Three to five years	1,518	838
Five to ten years	3,878	2,680
Greater than ten years	2,694	2,020
<b>Total</b>	<b>11,045</b>	<b>8,450</b>

As at December 31, 2023 and December 31, 2022, if the prevailing interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, the Net Assets of the Fund could possibly have decreased or increased, respectively, by approximately \$683 (December 31, 2022 — \$501). The Fund's interest rate sensitivity was determined based on portfolio weighted duration. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invests in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, composed of 50% S&P/TSX Composite Total Return Index and 50% FTSE Canada Universe Bond Index, had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$2,689 (December 31, 2022 — \$1,938). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

### Credit risk

The Fund's exposure, through its investment in the underlying fund, to credit risk, grouped by credit ratings, is summarized in the following table:

Credit Rating	As a % of Net Assets as at	
	December 31, 2023	December 31, 2022
R-1 High	2.6	6.0
R-1 Low	—	1.0
AAA	6.2	4.1
AA	4.8	4.9
A	13.0	12.3
BBB	14.1	13.6
BB	0.7	0.8
B	0.1	0.1
<b>Total</b>	<b>41.5</b>	<b>42.8</b>

### Fair value hierarchy

The 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

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

# BMO Asset Allocation GIF

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

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

### As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	26,284	—	—	26,284

### As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	19,389	—	—	19,389

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at December 31, 2023	As at December 31, 2022
BMO Asset Allocation Fund, Series I	26,284	19,389

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

BMO Asset Allocation Fund, Series I	1.79%	1.33%
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### Increase or decrease in net assets held for the benefit of policyowners per unit

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

For the periods ended	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	134	(170)
Weighted average units outstanding during the period (in thousands of units)	143	122
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.94	(1.40)
<b>75/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	130	(169)
Weighted average units outstanding during the period (in thousands of units)	162	135
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.80	(1.24)

For the periods ended	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	256	(400)
Weighted average units outstanding during the period (in thousands of units)	345	292
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.74	(1.38)
<b>75/75 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	264	(161)
Weighted average units outstanding during the period (in thousands of units)	271	156
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.97	(1.03)
<b>75/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	382	(430)
Weighted average units outstanding during the period (in thousands of units)	464	302
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.82	(1.42)
<b>100/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	538	(860)
Weighted average units outstanding during the period (in thousands of units)	682	599
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.79	(1.43)
<b>75/75 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	12	(11)
Weighted average units outstanding during the period (in thousands of units)	12	8
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.02	(1.41)
<b>75/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	15	(2)
Weighted average units outstanding during the period (in thousands of units)	18	1
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.80	(1.42)
<b>100/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	17	(5)
Weighted average units outstanding during the period (in thousands of units)	18	7
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.94	(0.81)

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

# BMO Asset Allocation GIF

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

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

December 31, 2023

<i>For the periods ended</i>	December 31, 2023	December 31, 2022
<b>75/75 Class F Prestige Units</b>		
Increase in net assets held for the benefit of policyowners	0	—
Weighted average units outstanding during the period (in thousands of units)	0	—
Increase in net assets held for the benefit of policyowners per unit	0.39	—

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2023 and December 31, 2022.

### Concentration risk

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

<i>As at</i>	December 31, 2023	December 31, 2022
<b>Money Market Investments</b>		
Federal	2.6%	6.0%
Provincial	—%	1.0%
<b>Canadian Bonds &amp; Debentures</b>		
Federal Bonds	5.1%	4.1%
Provincial Bonds	9.9%	10.0%
Corporate Bonds & Debentures	19.1%	17.4%
Asset-Backed Securities	0.1%	0.1%
<b>Foreign Bonds &amp; Debentures</b>		
Australia	0.5%	0.5%
France	0.1%	0.1%
United Kingdom	0.2%	0.4%
United States	3.9%	3.1%
<b>Canadian Equities</b>		
Communication Services	1.1%	0.9%
Consumer Discretionary	0.6%	0.7%
Consumer Staples	2.0%	1.9%
Energy	7.0%	6.0%
Financials	11.0%	11.3%
Health Care	0.1%	0.1%
Industrials	4.5%	4.3%
Information Technology	3.4%	2.2%
Materials	4.3%	4.6%
Real Estate	1.3%	1.2%
Utilities	1.8%	2.6%
<b>Foreign Equities</b>		
United States	1.8%	2.1%
<b>Holdings in Investment Funds</b>		
Canadian Equity Funds	2.0%	3.0%
Emerging Markets Equity Funds	1.9%	1.5%

<i>As at</i>	December 31, 2023	December 31, 2022
Global Equity Funds	1.9%	2.9%
International Equity Funds	5.5%	3.1%
U.S. Equity Funds	6.4%	6.0%
U.S. Fixed Income Funds	0.4%	—%
<b>Swaps</b>		
Credit Default Swaps	(0.0)%	0.0%
<b>Other Assets less Liabilities</b>		
	1.5%	2.9%
	<b>100.0%</b>	<b>100.0%</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

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

# BMO Asset Allocation GIF

## Supplementary Information

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

December 31, 2023

### Financial Highlights

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

Years ended December 31,					
75/75 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 1,765	1,522	1,386	493	507
Net asset value per unit <sup>(1)</sup>	\$ 11.88	11.02	12.49	11.24	10.67
Units issued and outstanding (000's) <sup>(1)</sup>	149	138	111	44	48
Management fees	% 1.60	1.60	1.60	1.60	1.60
Management expense ratio <sup>(2)</sup>	% 2.55	2.50	2.49	2.50	2.58
Management expense ratio before waivers	% 2.55	2.50	2.49	2.50	2.58
Portfolio turnover rate <sup>(3)</sup>	% 3.91	5.43	3.96	18.13	1.75

Years ended December 31,					
75/100 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 2,034	1,556	1,359	1,056	696
Net asset value per unit <sup>(1)</sup>	\$ 11.66	10.83	12.32	11.13	10.60
Units issued and outstanding (000's) <sup>(1)</sup>	174	144	110	95	66
Management fees	% 1.60	1.60	1.60	1.60	1.60
Management expense ratio <sup>(2)</sup>	% 2.82	2.81	2.80	2.81	2.84
Management expense ratio before waivers	% 2.82	2.81	2.80	2.81	2.84
Portfolio turnover rate <sup>(3)</sup>	% 3.91	5.43	3.96	18.13	1.75

Years ended December 31,					
100/100 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 3,909	3,492	3,110	1,567	1,295
Net asset value per unit <sup>(1)</sup>	\$ 11.40	10.63	12.14	10.99	10.52
Units issued and outstanding (000's) <sup>(1)</sup>	343	328	256	143	123
Management fees	% 1.60	1.60	1.60	1.60	1.60
Management expense ratio <sup>(2)</sup>	% 3.19	3.19	3.21	3.22	3.30
Management expense ratio before waivers	% 3.19	3.19	3.21	3.22	3.30
Portfolio turnover rate <sup>(3)</sup>	% 3.91	5.43	3.96	18.13	1.75

Years ended December 31,					
75/75 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 4,325	2,227	1,240	1,049	915
Net asset value per unit <sup>(1)</sup>	\$ 11.56	10.69	12.09	10.88	10.32
Units issued and outstanding (000's) <sup>(1)</sup>	374	208	103	96	89
Management fees	% 1.24 <sup>++</sup>	1.46	1.46	1.46	1.46
Management expense ratio <sup>(2)</sup>	% 2.33	2.43	2.43	2.45	2.45
Management expense ratio before waivers	% 2.33	2.43	2.43	2.45	2.45
Portfolio turnover rate <sup>(3)</sup>	% 3.91	5.43	3.96	18.13	1.75

Years ended December 31,					
75/100 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 6,109	3,782	2,581	834	504
Net asset value per unit <sup>(1)</sup>	\$ 11.47	10.63	12.06	10.86	10.31
Units issued and outstanding (000's) <sup>(1)</sup>	533	356	214	77	49
Management fees	% 1.37	1.37	1.37	1.37 <sup>+</sup>	1.46
Management expense ratio <sup>(2)</sup>	% 2.57	2.57	2.49	2.52	2.57
Management expense ratio before waivers	% 2.57	2.57	2.49	2.52	2.57
Portfolio turnover rate <sup>(3)</sup>	% 3.91	5.43	3.96	18.13	1.75

Years ended December 31,					
100/100 Class A Prestige Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 7,804	6,831	6,754	2,764	2,973
Net asset value per unit <sup>(1)</sup>	\$ 11.68	10.85	12.35	11.16	10.60
Units issued and outstanding (000's) <sup>(1)</sup>	668	629	547	248	281
Management fees	% 1.25	1.25	1.25	1.25	1.25
Management expense ratio <sup>(2)</sup>	% 2.83	2.84	2.81	2.77	2.86
Management expense ratio before waivers	% 2.83	2.84	2.81	2.77	2.86
Portfolio turnover rate <sup>(3)</sup>	% 3.91	5.43	3.96	18.13	1.75

Years ended December 31,					
75/75 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 60	142	104	78	73
Net asset value per unit <sup>(1)</sup>	\$ 12.56	11.53	12.94	11.53	10.84
Units issued and outstanding (000's) <sup>(1)</sup>	5	12	8	7	7
Management fees	% 0.60	0.60	0.60	0.60	0.60
Management expense ratio <sup>(2)</sup>	% 1.47	1.47	1.47	1.47	1.47
Management expense ratio before waivers	% 1.47	1.47	1.47	1.47	1.47
Portfolio turnover rate <sup>(3)</sup>	% 3.91	5.43	3.96	18.13	1.75

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

# BMO Asset Allocation GIF

## Supplementary Information (cont'd)

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

December 31, 2023

Years ended December 31,

75/100 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 266	11	13	11	11
Net asset value per unit <sup>(1)</sup>	\$ 12.41	11.40	12.82	11.46	10.79
Units issued and outstanding (000's) <sup>(1)</sup>	21	1	1	1	1
Management fees	% 0.60	0.60	0.60	0.60	0.60
Management expense ratio <sup>(2)</sup>	% 1.72	1.72	1.72	1.72	1.72
Management expense ratio before waivers	% 1.72	1.72	1.72	1.72	1.72
Portfolio turnover rate <sup>(3)</sup>	% 3.91	5.43	3.96	18.13	1.75

Years ended December 31,

100/100 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 219	203	12	109	11
Net asset value per unit <sup>(1)</sup>	\$ 12.13	11.19	12.64	11.34	10.72
Units issued and outstanding (000's) <sup>(1)</sup>	18	18	1	10	1
Management fees	% 0.60	0.60	0.60	0.60	0.60
Management expense ratio <sup>(2)</sup>	% 2.12	2.13	2.12	2.13	2.12
Management expense ratio before waivers	% 2.12	2.13	2.12	2.13	2.12
Portfolio turnover rate <sup>(3)</sup>	% 3.91	5.43	3.96	18.13	1.75

75/75 Class F Prestige Units	Period ended December 31, 2023 <sup>(5)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 90
Net asset value per unit <sup>(1)</sup>	\$ 10.40
Units issued and outstanding (000's) <sup>(1)</sup>	9
Management fees	% 0.38
Management expense ratio <sup>(2)</sup>	% 1.22
Management expense ratio before waivers	% 1.22
Portfolio turnover rate <sup>(3)</sup>	% 3.91

<sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

<sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund.

<sup>(4)</sup> The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.

<sup>(5)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.

† Effective May 11, 2020, the management fee rate was reduced from 1.46% to 1.37%.

†† Effective October 16, 2023, the management fee rate was reduced from 1.46% to 1.24%.

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



# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

**BMO Dividend GIF**

<b>STATEMENT OF FINANCIAL POSITION</b> <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>			<b>STATEMENT OF COMPREHENSIVE INCOME</b> <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		
As at	December 31, 2023	December 31, 2022	For the periods ended	December 31, 2023	December 31, 2022
<b>ASSETS</b>			<b>INCOME</b>		
<b>CURRENT ASSETS</b>					
Cash	1,141	669	Interest income	54	18
Investments			Distributions received from investment trusts	2,237	1,914
Non-derivative financial assets	76,809	64,262	Other changes in fair value of investments and derivatives		
Subscriptions receivable	298	479	Net realized gain	158	401
<b>Total assets</b>	<b>78,248</b>	<b>65,410</b>	Change in unrealized appreciation (depreciation)	5,032	(7,278)
<b>LIABILITIES</b>			Net gain (loss) in fair value of investments and derivatives	7,481	(4,945)
<b>CURRENT LIABILITIES</b>			<b>Total income (loss)</b>	<b>7,481</b>	<b>(4,945)</b>
Redemptions payable	213	297	<b>EXPENSES</b>		
Accrued expenses	506	466	Management fees (note 7)	1,148	1,057
<b>Total liabilities</b>	<b>719</b>	<b>763</b>	Fixed administration fees (note 7)	197	180
<b>Net assets held for the benefit of policyowners</b>	<b>77,529</b>	<b>64,647</b>	Insurance fees (note 7)	626	578
<b>Net assets held for the benefit of policyowners</b>			Interest charges	1	—
75/75 Class A Units	10,127	8,528	<b>Total expenses</b>	<b>1,972</b>	<b>1,815</b>
75/100 Class A Units	26,808	22,633	<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/75 Class A Prestige Units	12,229	9,746		5,509	(6,760)
75/100 Class A Prestige Units	27,592	22,965	<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/75 Class F Units	141	83	75/75 Class A Units	729	(822)
75/100 Class F Units	629	692	75/100 Class A Units	1,857	(2,534)
75/75 Class F Prestige Units	3	—	75/75 Class A Prestige Units	884	(885)
<b>Net assets held for the benefit of policyowners per unit</b>			75/100 Class A Prestige Units	1,977	(2,460)
75/75 Class A Units	\$ 13.42	\$ 12.42	75/75 Class F Units	9	(13)
75/100 Class A Units	\$ 13.13	\$ 12.20	75/100 Class F Units	53	(46)
75/75 Class A Prestige Units	\$ 12.50	\$ 11.54	75/75 Class F Prestige Units	0	—
75/100 Class A Prestige Units	\$ 12.32	\$ 11.41	<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class F Units	\$ 14.25	\$ 13.05	75/75 Class A Units	0.95	(1.33)
75/100 Class F Units	\$ 13.97	\$ 12.84	75/100 Class A Units	0.94	(1.37)
75/75 Class F Prestige Units	\$ 10.50	\$ —	75/75 Class A Prestige Units	0.99	(1.25)
			75/100 Class A Prestige Units	0.93	(1.25)
			75/75 Class F Units	1.18	(1.33)
			75/100 Class F Units	1.10	(1.22)
			75/75 Class F Prestige Units	0.50	—

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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	8,528	6,408
Increase (decrease) in net assets held for the benefit of policyowners	729	(822)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	6,098	7,985
Withdrawal of withdrawable units	(5,228)	(5,043)
<b>Net increase from withdrawable unit transactions</b>	870	2,942
<b>Net increase in net assets held for the benefit of policyowners</b>	1,599	2,120
<b>Net assets held for the benefit of policyowners</b>	10,127	8,528
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	22,633	21,524
Increase (decrease) in net assets held for the benefit of policyowners	1,857	(2,534)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	16,502	25,000
Withdrawal of withdrawable units	(14,184)	(21,357)
<b>Net increase from withdrawable unit transactions</b>	2,318	3,643
<b>Net increase in net assets held for the benefit of policyowners</b>	4,175	1,109
<b>Net assets held for the benefit of policyowners</b>	26,808	22,633

## 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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	9,746	7,598
Increase (decrease) in net assets held for the benefit of policyowners	884	(885)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	4,141	3,727
Withdrawal of withdrawable units	(2,542)	(694)
<b>Net increase from withdrawable unit transactions</b>	1,599	3,033
<b>Net increase in net assets held for the benefit of policyowners</b>	2,483	2,148
<b>Net assets held for the benefit of policyowners</b>	12,229	9,746
<b>75/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	22,965	20,684
Increase (decrease) in net assets held for the benefit of policyowners	1,977	(2,460)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	8,788	13,653
Withdrawal of withdrawable units	(6,138)	(8,912)
<b>Net increase from withdrawable unit transactions</b>	2,650	4,741
<b>Net increase in net assets held for the benefit of policyowners</b>	4,627	2,281
<b>Net assets held for the benefit of policyowners</b>	27,592	22,965

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>	December 31, 2023	December 31, 2022
<b>75/75 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	83	248
Increase (decrease) in net assets held for the benefit of policyowners	9	(13)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	50	0
Withdrawal of withdrawable units	(1)	(152)
<b>Net increase (decrease) from withdrawable unit transactions</b>	49	(152)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	58	(165)
<b>Net assets held for the benefit of policyowners</b>	141	83
<b>75/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	692	410
Increase (decrease) in net assets held for the benefit of policyowners	53	(46)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	—	341
Withdrawal of withdrawable units	(116)	(13)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(116)	328
<b>Net (decrease) increase in net assets held for the benefit of policyowners</b>	(63)	282
<b>Net assets held for the benefit of policyowners</b>	629	692
<b>75/75 Class F Prestige 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	0	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3	—
<b>Net increase from withdrawable unit transactions</b>	3	—
<b>Net increase in net assets held for the benefit of policyowners</b>	3	—
<b>Net assets held for the benefit of policyowners</b>	3	—

## 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>	December 31, 2023	December 31, 2022
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	64,647	56,872
Increase (decrease) in net assets held for the benefit of policyowners	5,509	(6,760)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	35,582	50,706
Withdrawal of withdrawable units	(28,209)	(36,171)
<b>Net increase from withdrawable unit transactions</b>	7,373	14,535
<b>Net increase in net assets held for the benefit of policyowners</b>	12,882	7,775
<b>Net assets held for the benefit of policyowners</b>	77,529	64,647

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>	December 31, 2023	December 31, 2022
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets held for the benefit of policyowners	5,509	(6,760)
Adjustments for:		
Net realized gain on sale of investments and derivatives	(158)	(401)
Change in unrealized (appreciation) depreciation of investments and derivatives	(5,032)	7,278
Increase in accrued expenses	40	99
Non-cash distributions from investment trusts	(2,237)	(1,914)
Purchases of investments	(8,290)	(17,725)
Proceeds from sale and maturity of investments	3,170	4,040
<b>Net cash used in operating activities</b>	<b>(6,998)</b>	<b>(15,383)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	22,687	33,819
Amounts paid on withdrawal of withdrawable units	(15,217)	(19,101)
<b>Net cash from financing activities</b>	<b>7,470</b>	<b>14,718</b>
Net increase (decrease) in cash	472	(665)
Cash at beginning of period	669	1,334
<b>Cash at end of period</b>	<b>1,141</b>	<b>669</b>
<b>Supplementary Information:</b>		
Interest received, net of withholding taxes*	54	18
Interest expense paid*	1	—

\*These items are from operating activities

## SCHEDULE OF INVESTMENT PORTFOLIO

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

<i>As at December 31, 2023</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUND</b>			
<b>Canadian Equity Fund — 99.1%</b>			
BMO Dividend Fund, Series I	3,960,779	69,782	76,809
<b>Total Investment Portfolio — 99.1%</b>		<b>69,782</b>	<b>76,809</b>
Other Assets Less Liabilities — 0.9%			720
<b>Net assets held for the benefit of policyowners — 100.0%</b>			<b>77,529</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 Dividend GIF**  
**Notes to the Financial Statements**  
*(All amounts in thousands of Canadian dollars)*  
**December 31, 2023**



**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 policyowners. 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
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

**2. Basis of preparation and presentation**

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

**3. Material accounting policy information**

**Financial instruments**

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

**Cost of investments**

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

### **Fair value measurement**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

### **Cash**

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

### **Other assets and liabilities**

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

### **Investments in subsidiaries, joint ventures and associates**

Subsidiaries are entities over which the Funds have control through their exposure or rights to variable returns from their investment, and have the ability to affect those returns through their power over the entity. The Funds have determined that they are an investment entity and as such, they account for subsidiaries, if any, at fair value. Joint ventures are investments 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**

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 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.

### **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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

**Portfolio turnover ratio**

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

**Income taxes**

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

**4. Units and unit transactions**

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

**5. Critical accounting judgements and estimates**

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

**Accounting judgements:****Functional and presentation currency**

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

### **Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

## **6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

## **7. Related party transactions**

### **Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

### **Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

### **Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

### **Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

### **Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

## **8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

### **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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

# BMO Dividend GIF

## Notes to the Financial Statements

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)  
December 31, 2023

### Fund and Class information

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

Class	Date Established
75/75 Class A Units	May 14, 2018
75/100 Class A Units	May 14, 2018
75/75 Class A Prestige Units	May 6, 2019
75/100 Class A Prestige Units	May 6, 2019
75/75 Class F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
75/75 Class F Prestige Units	November 17, 2023

### 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)	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	687	465
Issued for cash	477	609
Withdrawn during the period	(410)	(387)
Units issued and outstanding, end of period	754	687
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	1,856	1,584
Issued for cash	1,322	1,915
Withdrawn during the period	(1,136)	(1,643)
Units issued and outstanding, end of period	2,042	1,856
<b>75/75 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	845	594
Issued for cash	349	308
Withdrawn during the period	(216)	(57)
Units issued and outstanding, end of period	978	845
<b>75/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	2,013	1,632
Issued for cash	752	1,121
Withdrawn during the period	(525)	(740)
Units issued and outstanding, end of period	2,240	2,013
<b>75/75 Class F Units</b>		
Units issued and outstanding, beginning of period	6	17
Issued for cash	4	0
Withdrawn during the period	(0)	(11)
Units issued and outstanding, end of period	10	6

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
Units issued and outstanding, beginning of period	54	29
Issued for cash	—	26
Withdrawn during the period	(9)	(1)
Units issued and outstanding, end of period	45	54

### 75/75 Class F Prestige Units

Units issued and outstanding, beginning of period	—	—
Issued for cash	0	—
Units issued and outstanding, end of period	0	—

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023 Class	Number of Units	Value of Units (\$)
75/75 Class A Prestige Units	2,083	26
75/100 Class A Prestige Units	2,078	26
75/75 Class F Units	1,000	14
75/100 Class F Units	1,000	14
75/75 Class F Prestige Units	250	3

As at December 31, 2022 Class	Number of Units	Value of Units (\$)
75/75 Class A Prestige Units	2,083	24
75/100 Class A Prestige Units	2,078	24
75/75 Class F Units	1,000	13
75/100 Class F Units	1,000	13

### Financial instruments risk

The Fund invests in the BMO Dividend Fund ("underlying fund"). The investment objective of the underlying fund is to provide a high after-tax return, which includes dividend income and capital gains from growth in the capital invested. The underlying fund invests primarily in dividend-yielding common and preferred shares of established Canadian companies.

### Currency risk

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

As at December 31, 2023 Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non- monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
U.S. Dollar	187	19,926	(13,043)	7,070	9.1

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

# BMO Dividend GIF

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

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

December 31, 2023

As at December 31, 2022

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
U.S. Dollar	177	14,346	(9,263)	5,260	8.1

As at December 31, 2023 and December 31, 2022, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, respectively, with all other variables held constant, the Net Assets of the Fund could possibly have decreased or increased, respectively, by approximately \$354 (December 31, 2022 — \$263). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### Interest rate risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to interest rate risk.

### Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invests in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, S&P/TSX Composite Total Return Index, had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$6,075 (December 31, 2022 — \$5,627). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

### Credit risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to credit risk.

### Fair value hierarchy

The 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 observable 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.

As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	76,809	—	—	76,809

As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	64,262	—	—	64,262

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at December 31, 2023	As at December 31, 2022
BMO Dividend Fund, Series I	76,809	64,262

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

BMO Dividend Fund, Series I	0.92%	0.88%
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### Increase or decrease in net assets held for the benefit of policyowners per unit

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

For the periods ended	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	729	(822)
Weighted average units outstanding during the period (in thousands of units)	763	617
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.95	(1.33)
<b>75/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,857	(2,534)
Weighted average units outstanding during the period (in thousands of units)	1,978	1,846
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.94	(1.37)
<b>75/75 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	884	(885)
Weighted average units outstanding during the period (in thousands of units)	898	706
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.99	(1.25)

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

# BMO Dividend GIF

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

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

December 31, 2023

<i>For the periods ended</i>	December 31, 2023	December 31, 2022
<b>75/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,977	(2,460)
Weighted average units outstanding during the period (in thousands of units)	2,130	1,972
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.93	(1.25)
<b>75/75 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	9	(13)
Weighted average units outstanding during the period (in thousands of units)	8	10
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.18	(1.33)
<b>75/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	53	(46)
Weighted average units outstanding during the period (in thousands of units)	49	38
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.10	(1.22)
<b>75/75 Class F Prestige Units</b>		
Increase in net assets held for the benefit of policyowners	0	—
Weighted average units outstanding during the period (in thousands of units)	0	—
Increase in net assets held for the benefit of policyowners per unit	0.50	—

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2023 and December 31, 2022.

### Concentration risk

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

<i>As at</i>	December 31, 2023	December 31, 2022
<b>Money Market Investments</b>		
Federal	2.0%	1.3%
Provincial	0.4%	0.9%
<b>Equities</b>		
Communication Services	3.6%	3.8%
Consumer Discretionary	3.5%	2.8%
Consumer Staples	2.9%	3.7%
Energy	10.3%	8.3%
Financials	35.5%	36.5%
Health Care	3.2%	1.4%

<i>As at</i>	December 31, 2023	December 31, 2022
Industrials	17.0%	15.4%
Information Technology	7.6%	8.6%
Materials	1.7%	2.3%
Real Estate	4.0%	4.7%
Utilities	7.1%	10.1%
<b>Other Assets less Liabilities</b>	<b>1.2%</b>	<b>0.2%</b>
	<b>100.0%</b>	<b>100.0%</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

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

# BMO Dividend GIF

## Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)  
December 31, 2023

### Financial Highlights

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

	Years ended December 31,				
75/75 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 10,127	8,528	6,408	4,119	2,464
Net asset value per unit <sup>(1)</sup>	\$ 13.42	12.42	13.78	11.36	11.36
Units issued and outstanding (000's) <sup>(1)</sup>	754	687	465	363	217
Management fees	% 1.51 <sup>++</sup>	1.60	1.60	1.60	1.60
Management expense ratio <sup>(2)</sup>	% 2.65	2.67	2.68	2.63	2.72
Management expense ratio before waivers	% 2.65	2.67	2.68	2.63	2.72
Portfolio turnover rate <sup>(3)</sup>	% 4.54	6.37	4.46	0.82	1.71

	Years ended December 31,				
75/100 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 26,808	22,633	21,524	16,478	10,426
Net asset value per unit <sup>(1)</sup>	\$ 13.13	12.20	13.59	11.25	11.28
Units issued and outstanding (000's) <sup>(1)</sup>	2,042	1,856	1,584	1,465	924
Management fees	% 1.60	1.60	1.60	1.60	1.60
Management expense ratio <sup>(2)</sup>	% 3.06	3.07	3.07	3.06	3.07
Management expense ratio before waivers	% 3.06	3.07	3.07	3.06	3.07
Portfolio turnover rate <sup>(3)</sup>	% 4.54	6.37	4.46	0.82	1.71

	Years ended December 31,				
75/75 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 12,229	9,746	7,598	4,111	2,705
Net asset value per unit <sup>(1)</sup>	\$ 12.50	11.54	12.78	10.52	10.49
Units issued and outstanding (000's) <sup>(1)</sup>	978	845	594	391	258
Management fees	% 1.15 <sup>+++</sup>	1.42	1.42	1.42	1.42
Management expense ratio <sup>(2)</sup>	% 2.44	2.51	2.53	2.54	2.54
Management expense ratio before waivers	% 2.44	2.51	2.53	2.54	2.54
Portfolio turnover rate <sup>(3)</sup>	% 4.54	6.37	4.46	0.82	1.71

	Years ended December 31,				
75/100 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 27,592	22,965	20,684	10,529	5,701
Net asset value per unit <sup>(1)</sup>	\$ 12.32	11.41	12.67	10.46	10.47
Units issued and outstanding (000's) <sup>(1)</sup>	2,240	2,013	1,632	1,007	544
Management fees	% 1.33	1.33	1.33	1.33 <sup>+</sup>	1.42
Management expense ratio <sup>(2)</sup>	% 2.76	2.76	2.76	2.78	2.85
Management expense ratio before waivers	% 2.76	2.76	2.76	2.78	2.85
Portfolio turnover rate <sup>(3)</sup>	% 4.54	6.37	4.46	0.82	1.71

	Years ended December 31,				
75/75 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 141	83	248	59	58
Net asset value per unit <sup>(1)</sup>	\$ 14.25	13.05	14.31	11.68	11.55
Units issued and outstanding (000's) <sup>(1)</sup>	10	6	17	5	5
Management fees	% 0.60	0.60	0.60	0.60	0.60
Management expense ratio <sup>(2)</sup>	% 1.59	1.53	1.62	1.62	1.62
Management expense ratio before waivers	% 1.59	1.53	1.62	1.62	1.62
Portfolio turnover rate <sup>(3)</sup>	% 4.54	6.37	4.46	0.82	1.71

	Years ended December 31,				
75/100 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 629	692	410	11	11
Net asset value per unit <sup>(1)</sup>	\$ 13.97	12.84	14.14	11.58	11.49
Units issued and outstanding (000's) <sup>(1)</sup>	45	54	29	1	1
Management fees	% 0.60	0.60	0.60	0.60	0.60
Management expense ratio <sup>(2)</sup>	% 1.96	1.95	1.95	1.95	1.95
Management expense ratio before waivers	% 1.96	1.95	1.95	1.95	1.95
Portfolio turnover rate <sup>(3)</sup>	% 4.54	6.37	4.46	0.82	1.71

	Period ended December 31, 2023 <sup>(5)</sup>	
75/75 Class F Prestige Units		
Net asset (000's) <sup>(1)</sup>	\$	3
Net asset value per unit <sup>(1)</sup>	\$	10.50
Units issued and outstanding (000's) <sup>(1)</sup>		0
Management fees	%	0.33
Management expense ratio <sup>(2)</sup>	%	1.31
Management expense ratio before waivers	%	1.31
Portfolio turnover rate <sup>(3)</sup>	%	4.54

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

# BMO Dividend GIF

## Supplementary Information (cont'd)

(All amounts in thousands of Canadian dollars, except per unit data)  
December 31, 2023

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- <sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.
- <sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund.
- <sup>(4)</sup> The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.
- <sup>(5)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.
- <sup>†</sup> Effective May 11, 2020, the management fee rate was reduced from 1.42% to 1.33%.
- <sup>††</sup> Effective October 16, 2023, the management fee rate was reduced from 1.60% to 1.51%.
- <sup>†††</sup> Effective October 16, 2023, the management fee rate was reduced from 1.42% to 1.15%.

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

**BMO Monthly High Income II GIF**



## STATEMENT OF FINANCIAL POSITION

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

As at	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	217	922
Investments		
Non-derivative financial assets	28,781	23,485
Receivable for investments sold	200	—
Subscriptions receivable	28	35
<b>Total assets</b>	<b>29,226</b>	<b>24,442</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Payable for investments purchased	—	150
Redemptions payable	46	43
Accrued expenses	195	168
<b>Total liabilities</b>	<b>241</b>	<b>361</b>
<b>Net assets held for the benefit of policyowners</b>	<b>28,985</b>	<b>24,081</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	7,320	8,415
75/100 Class A Units	6,170	4,135
75/75 Class A Prestige Units	5,947	5,661
75/100 Class A Prestige Units	9,413	5,844
75/75 Class F Units	14	13
75/100 Class F Units	118	13
75/75 Class F Prestige Units	3	—
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 12.84	\$ 12.23
75/100 Class A Units	\$ 12.64	\$ 12.09
75/75 Class A Prestige Units	\$ 13.05	\$ 12.41
75/100 Class A Prestige Units	\$ 12.84	\$ 12.24
75/75 Class F Units	\$ 13.73	\$ 12.95
75/100 Class F Units	\$ 13.48	\$ 12.75
75/75 Class F Prestige Units	\$ 10.40	\$ —

## STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	December 31, 2023	December 31, 2022
<b>INCOME</b>		
Interest income	29	12
Distributions received from investment trusts	1,165	985
Other changes in fair value of investments and derivatives		
Net realized gain	33	195
Change in unrealized appreciation (depreciation)	817	(1,193)
Net gain (loss) in fair value of investments and derivatives	2,044	(1)
<b>Total income (loss)</b>	<b>2,044</b>	<b>(1)</b>
<b>EXPENSES</b>		
Management fees (note 7)	463	356
Fixed administration fees (note 7)	77	58
Insurance fees (note 7)	220	160
Interest charges	0	—
<b>Total expenses</b>	<b>760</b>	<b>574</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>	<b>1,284</b>	<b>(575)</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	385	(199)
75/100 Class A Units	249	(42)
75/75 Class A Prestige Units	287	(223)
75/100 Class A Prestige Units	357	(111)
75/75 Class F Units	1	0
75/100 Class F Units	5	(0)
75/75 Class F Prestige Units	0	—
<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	0.60	(0.35)
75/100 Class A Units	0.57	(0.15)
75/75 Class A Prestige Units	0.59	(0.53)
75/100 Class A Prestige Units	0.56	(0.32)
75/75 Class F Units	0.79	0.00
75/100 Class F Units	1.51	(0.04)
75/75 Class F Prestige Units	0.40	—

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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	8,415	4,342
Increase (decrease) in net assets held for the benefit of policyowners	385	(199)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3,558	10,637
Withdrawal of withdrawable units	(5,038)	(6,365)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(1,480)	4,272
<b>Net (decrease) increase in net assets held for the benefit of policyowners</b>	(1,095)	4,073
<b>Net assets held for the benefit of policyowners</b>	7,320	8,415
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	4,135	3,453
Increase (decrease) in net assets held for the benefit of policyowners	249	(42)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	5,638	5,566
Withdrawal of withdrawable units	(3,852)	(4,842)
<b>Net increase from withdrawable unit transactions</b>	1,786	724
<b>Net increase in net assets held for the benefit of policyowners</b>	2,035	682
<b>Net assets held for the benefit of policyowners</b>	6,170	4,135

## 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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	5,661	3,458
Increase (decrease) in net assets held for the benefit of policyowners	287	(223)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	2,492	4,334
Withdrawal of withdrawable units	(2,493)	(1,908)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(1)	2,426
<b>Net increase in net assets held for the benefit of policyowners</b>	286	2,203
<b>Net assets held for the benefit of policyowners</b>	5,947	5,661
<b>75/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	5,844	3,536
Increase (decrease) in net assets held for the benefit of policyowners	357	(111)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	4,019	3,768
Withdrawal of withdrawable units	(807)	(1,349)
<b>Net increase from withdrawable unit transactions</b>	3,212	2,419
<b>Net increase in net assets held for the benefit of policyowners</b>	3,569	2,308
<b>Net assets held for the benefit of policyowners</b>	9,413	5,844
<b>75/75 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	13	13
Increase in net assets held for the benefit of policyowners	1	0
<b>Net increase in net assets held for the benefit of policyowners</b>	1	0
<b>Net assets held for the benefit of policyowners</b>	14	13

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

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	13	13
Increase (decrease) in net assets held for the benefit of policyowners	5	(0)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	100	—
Withdrawal of withdrawable units	(0)	—
<b>Net increase from withdrawable unit transactions</b>	100	—
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	105	(0)
<b>Net assets held for the benefit of policyowners</b>	118	13
<b>75/75 Class F Prestige 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	0	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3	—
<b>Net increase from withdrawable unit transactions</b>	3	—
<b>Net increase in net assets held for the benefit of policyowners</b>	3	—
<b>Net assets held for the benefit of policyowners</b>	3	—
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	24,081	14,815
Increase (decrease) in net assets held for the benefit of policyowners	1,284	(575)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	15,810	24,305
Withdrawal of withdrawable units	(12,190)	(14,464)
<b>Net increase from withdrawable unit transactions</b>	3,620	9,841
<b>Net increase in net assets held for the benefit of policyowners</b>	4,904	9,266
<b>Net assets held for the benefit of policyowners</b>	28,985	24,081

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>	December 31, 2023	December 31, 2022
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,284	(575)
Adjustments for:		
Net realized gain on sale of investments and derivatives	(33)	(195)
Change in unrealized (appreciation) depreciation of investments and derivatives	(817)	1,193
Increase in accrued expenses	27	69
Non-cash distributions from investment trusts	(1,165)	(985)
Purchases of investments	(5,251)	(10,504)
Proceeds from sale and maturity of investments	1,620	1,590
<b>Net cash used in operating activities</b>	<b>(4,335)</b>	<b>(9,407)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	10,799	15,870
Amounts paid on withdrawal of withdrawable units	(7,169)	(5,781)
<b>Net cash from financing activities</b>	<b>3,630</b>	<b>10,089</b>
Net (decrease) increase in cash	(705)	682
Cash at beginning of period	922	240
<b>Cash at end of period</b>	<b>217</b>	<b>922</b>
<b>Supplementary Information:</b>		
Interest received, net of withholding taxes*	29	12
Interest expense paid*	0	—

\*These items are from operating activities

## SCHEDULE OF INVESTMENT PORTFOLIO

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

<i>As at December 31, 2023</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUND</b>			
<b>Canadian Equity Fund — 99.3%</b>			
BMO Monthly High Income Fund II, Series I	1,372,607	27,328	28,781
<b>Total Investment Portfolio — 99.3%</b>		<b>27,328</b>	<b>28,781</b>
Other Assets Less Liabilities — 0.7%			204
<b>Net assets held for the benefit of policyowners — 100.0%</b>			<b>28,985</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 Monthly High Income II GIF

## Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2023

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

### Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

### Cash

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

### Other assets and liabilities

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

### Investments in subsidiaries, joint ventures and associates

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

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 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.

### 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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

### Portfolio turnover ratio

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

### Income taxes

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

## 4. Units and unit transactions

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

## 5. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

### Accounting judgements:

#### Functional and presentation currency

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

### **Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

## **6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

## **7. Related party transactions**

### **Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

### **Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

### **Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

### **Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

### **Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

## **8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

### 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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

# BMO Monthly High Income II GIF

## Notes to the Financial Statements

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

December 31, 2023

### Fund and Class information

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

Class	Date Established
75/75 Class A Units	May 14, 2018
75/100 Class A Units	May 14, 2018
75/75 Class A Prestige Units	May 6, 2019
75/100 Class A Prestige Units	May 6, 2019
75/75 Class F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
75/75 Class F Prestige Units	November 17, 2023

### 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)	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	688	351
Issued for cash	288	832
Withdrawn during the period	(406)	(495)
Units issued and outstanding, end of period	570	688
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	342	282
Issued for cash	459	446
Withdrawn during the period	(313)	(386)
Units issued and outstanding, end of period	488	342
<b>75/75 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	456	276
Issued for cash	198	329
Withdrawn during the period	(198)	(149)
Units issued and outstanding, end of period	456	456
<b>75/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	477	286
Issued for cash	321	297
Withdrawn during the period	(65)	(106)
Units issued and outstanding, end of period	733	477
<b>75/75 Class F Units</b>		
Units issued and outstanding, beginning of period	1	1
Units issued and outstanding, end of period	1	1

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
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### 75/100 Class F Units

Units issued and outstanding, beginning of period	1	1
Issued for cash	8	—
Withdrawn during the period	(0)	—
Units issued and outstanding, end of period	9	1

### 75/75 Class F Prestige Units

Units issued and outstanding, beginning of period	—	—
Issued for cash	0	—
Units issued and outstanding, end of period	0	—

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023	Number of Units	Value of Units (\$)
Class		
75/75 Class A Prestige Units	2,009	26
75/100 Class A Prestige Units	2,006	26
75/75 Class F Units	1,000	14
75/100 Class F Units	1,000	13
75/75 Class F Prestige Units	250	3

As at December 31, 2022	Number of Units	Value of Units (\$)
Class		
75/75 Class A Prestige Units	2,009	25
75/100 Class A Prestige Units	2,006	25
75/75 Class F Units	1,000	13
75/100 Class F Units	1,000	13

### Financial instruments risk

The Fund invests in the BMO Monthly High Income Fund II ("underlying fund"). The investment objective of the underlying fund is to generate a high level of monthly distributions with moderate volatility by investing primarily in a portfolio of trust units, equity securities and fixed income securities.

### Currency risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to currency risk as the underlying fund invested primarily in Canadian securities.

### Interest rate risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to interest rate risk.

### Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invests in equity securities. Using historical correlation between the Fund's return and

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

# BMO Monthly High Income II GIF

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

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

December 31, 2023

the return of its benchmark, if the benchmark, S&P/TSX Composite Index, had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$2,483 (December 31, 2022 — \$2,342). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

### Credit risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to credit risk.

### Fair value hierarchy

The 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 observable 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.

As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	28,781	—	—	28,781

As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	23,485	—	—	23,485

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at December 31, 2023	As at December 31, 2022
BMO Monthly High Income Fund II, Series I	28,781	23,485

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

BMO Monthly High Income Fund II, Series I	3.89%	2.98%
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### Increase or decrease in net assets held for the benefit of policyowners per unit

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

For the periods ended	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	385	(199)
Weighted average units outstanding during the period (in thousands of units)	644	568
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.60	(0.35)
<b>75/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	249	(42)
Weighted average units outstanding during the period (in thousands of units)	440	279
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.57	(0.15)
<b>75/75 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	287	(223)
Weighted average units outstanding during the period (in thousands of units)	486	421
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.59	(0.53)
<b>75/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	357	(111)
Weighted average units outstanding during the period (in thousands of units)	634	351
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.56	(0.32)
<b>75/75 Class F Units</b>		
Increase in net assets held for the benefit of policyowners	1	0
Weighted average units outstanding during the period (in thousands of units)	1	1
Increase in net assets held for the benefit of policyowners per unit	0.79	0.00
<b>75/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	5	(0)
Weighted average units outstanding during the period (in thousands of units)	4	1
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.51	(0.04)
<b>75/75 Class F Prestige Units</b>		
Increase in net assets held for the benefit of policyowners	0	—
Weighted average units outstanding during the period (in thousands of units)	0	—
Increase in net assets held for the benefit of policyowners per unit	0.40	—

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

# BMO Monthly High Income II GIF

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

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

December 31, 2023

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2023 and December 31, 2022.

### Concentration risk

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

As at	December 31, 2023	December 31, 2022
<b>Money Market Investments</b>		
Federal	2.1%	2.9%
<b>Equities</b>		
Communication Services	4.8%	4.6%
Consumer Discretionary	1.9%	3.5%
Consumer Staples	1.7%	—%
Energy	22.0%	23.5%
Financials	25.8%	28.2%
Health Care	1.7%	2.9%
Industrials	9.5%	6.1%
Information Technology	4.8%	3.8%
Materials	7.3%	4.4%
Real Estate	6.0%	6.4%
Utilities	10.3%	10.9%
<b>Other Assets less Liabilities</b>	<b>2.1%</b>	<b>2.8%</b>
	<b>100.0%</b>	<b>100.0%</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

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

# BMO Monthly High Income II GIF

## Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)  
December 31, 2023



### Financial Highlights

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

Years ended December 31,					
75/75 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 7,320	8,415	4,342	1,089	689
Net asset value per unit <sup>(1)</sup>	\$ 12.84	12.23	12.37	9.67	10.58
Units issued and outstanding (000's) <sup>(1)</sup>	570	688	351	113	65
Management fees	% 1.52 <sup>++</sup>	1.65	1.65	1.65	1.65
Management expense ratio <sup>(2)</sup>	% 2.75	2.82	2.76	2.75	2.77
Management expense ratio before waivers	% 2.75	2.82	2.76	2.75	2.77
Portfolio turnover rate <sup>(3)</sup>	% 6.83	7.44	14.69	18.41	4.57

Years ended December 31,					
75/100 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 6,170	4,135	3,453	4,150	3,469
Net asset value per unit <sup>(1)</sup>	\$ 12.64	12.09	12.26	9.63	10.52
Units issued and outstanding (000's) <sup>(1)</sup>	488	342	282	431	330
Management fees	% 1.65	1.65	1.65	1.65	1.65
Management expense ratio <sup>(2)</sup>	% 3.09	3.11	3.12	3.12	3.13
Management expense ratio before waivers	% 3.09	3.11	3.12	3.12	3.13
Portfolio turnover rate <sup>(3)</sup>	% 6.83	7.44	14.69	18.41	4.57

Years ended December 31,					
75/75 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 5,947	5,661	3,458	754	655
Net asset value per unit <sup>(1)</sup>	\$ 13.05	12.41	12.52	9.77	10.50
Units issued and outstanding (000's) <sup>(1)</sup>	456	456	276	77	62
Management fees	% 1.20 <sup>+++</sup>	1.47	1.47	1.47	1.47
Management expense ratio <sup>(2)</sup>	% 2.54	2.60	2.50	2.50	2.50
Management expense ratio before waivers	% 2.54	2.60	2.50	2.50	2.50
Portfolio turnover rate <sup>(3)</sup>	% 6.83	7.44	14.69	18.41	4.57

Years ended December 31,					
75/100 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 9,413	5,844	3,536	1,956	745
Net asset value per unit <sup>(1)</sup>	\$ 12.84	12.24	12.37	9.69	10.48
Units issued and outstanding (000's) <sup>(1)</sup>	733	477	286	202	71
Management fees	% 1.38	1.38	1.38	1.38 <sup>+</sup>	1.47
Management expense ratio <sup>(2)</sup>	% 2.80	2.80	2.81	2.78	2.85
Management expense ratio before waivers	% 2.80	2.80	2.81	2.78	2.85
Portfolio turnover rate <sup>(3)</sup>	% 6.83	7.44	14.69	18.41	4.57

Years ended December 31,					
75/75 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 14	13	13	10	11
Net asset value per unit <sup>(1)</sup>	\$ 13.73	12.95	12.94	10.02	10.77
Units issued and outstanding (000's) <sup>(1)</sup>	1	1	1	1	1
Management fees	% 0.65	0.65	0.65	0.65	0.65
Management expense ratio <sup>(2)</sup>	% 1.67	1.67	1.67	1.67	1.67
Management expense ratio before waivers	% 1.67	1.67	1.67	1.67	1.67
Portfolio turnover rate <sup>(3)</sup>	% 6.83	7.44	14.69	18.41	4.57

Years ended December 31,					
75/100 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 118	13	13	10	11
Net asset value per unit <sup>(1)</sup>	\$ 13.48	12.75	12.79	9.93	10.71
Units issued and outstanding (000's) <sup>(1)</sup>	9	1	1	1	1
Management fees	% 0.65	0.65	0.65	0.65	0.65
Management expense ratio <sup>(2)</sup>	% 2.00	2.00	2.00	2.00	2.00
Management expense ratio before waivers	% 2.00	2.00	2.00	2.00	2.00
Portfolio turnover rate <sup>(3)</sup>	% 6.83	7.44	14.69	18.41	4.57

		Period ended December 31, 2023 <sup>(5)</sup>
<b>75/75 Class F Prestige Units</b>		
Net asset (000's) <sup>(1)</sup>	\$	3
Net asset value per unit <sup>(1)</sup>	\$	10.40
Units issued and outstanding (000's) <sup>(1)</sup>		0
Management fees	%	0.38
Management expense ratio <sup>(2)</sup>	%	1.36
Management expense ratio before waivers	%	1.36
Portfolio turnover rate <sup>(3)</sup>	%	6.83

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

# BMO Monthly High Income II GIF

## Supplementary Information (cont'd)

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

December 31, 2023

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<sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

<sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund.

<sup>(4)</sup> The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.

<sup>(5)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.

<sup>†</sup> Effective May 11, 2020, the management fee rate was reduced from 1.47% to 1.38%.

<sup>††</sup> Effective October 16, 2023, the management fee rate was reduced from 1.65% to 1.52%.

<sup>†††</sup> Effective October 16, 2023, the management fee rate was reduced from 1.47% to 1.20%.

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

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

**BMO Tactical Balanced GIF**

<b>STATEMENT OF FINANCIAL POSITION</b>		
<i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		
As at	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	276	425
Investments		
Non-derivative financial assets	21,639	23,160
Subscriptions receivable	0	6
<b>Total assets</b>	<b>21,915</b>	<b>23,591</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Redemptions payable	9	15
Accrued expenses	139	152
<b>Total liabilities</b>	<b>148</b>	<b>167</b>
<b>Net assets held for the benefit of policyowners</b>	<b>21,767</b>	<b>23,424</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	3,710	3,998
75/100 Class A Units	5,124	5,485
75/75 Class A Prestige Units	5,255	5,363
75/100 Class A Prestige Units	7,586	8,495
75/75 Class F Units	78	73
75/100 Class F Units	11	10
75/75 Class F Prestige Units	3	—
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 10.51	\$ 9.97
75/100 Class A Units	\$ 10.33	\$ 9.83
75/75 Class A Prestige Units	\$ 10.57	\$ 10.01
75/100 Class A Prestige Units	\$ 10.50	\$ 9.96
75/75 Class F Units	\$ 11.18	\$ 10.49
75/100 Class F Units	\$ 10.98	\$ 10.33
75/75 Class F Prestige Units	\$ 10.40	\$ —

<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
<i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		
For the periods ended	December 31, 2023	December 31, 2022
<b>INCOME</b>		
Interest income	0	1
Distributions received from investment trusts	—	851
Other changes in fair value of investments and derivatives		
Net realized loss	(93)	(305)
Change in unrealized appreciation (depreciation)	1,832	(1,848)
Net gain (loss) in fair value of investments and derivatives	1,739	(1,301)
<b>Total income (loss)</b>	<b>1,739</b>	<b>(1,301)</b>
<b>EXPENSES</b>		
Management fees (note 7)	376	428
Fixed administration fees (note 7)	64	72
Insurance fees (note 7)	155	179
Interest charges	1	1
<b>Total expenses</b>	<b>596</b>	<b>680</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>	<b>1,143</b>	<b>(1,981)</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	198	(317)
75/100 Class A Units	262	(427)
75/75 Class A Prestige Units	278	(400)
75/100 Class A Prestige Units	399	(832)
75/75 Class F Units	5	(4)
75/100 Class F Units	1	(1)
75/75 Class F Prestige Units	0	—
<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	0.52	(0.77)
75/100 Class A Units	0.50	(0.73)
75/75 Class A Prestige Units	0.53	(0.70)
75/100 Class A Prestige Units	0.50	(0.82)
75/75 Class F Units	0.69	(0.57)
75/100 Class F Units	0.65	(0.59)
75/75 Class F Prestige Units	0.40	—

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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	3,998	4,994
Increase (decrease) in net assets held for the benefit of policyowners	198	(317)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	824	1,008
Withdrawal of withdrawable units	(1,310)	(1,687)
<b>Net decrease from withdrawable unit transactions</b>	(486)	(679)
<b>Net decrease in net assets held for the benefit of policyowners</b>	(288)	(996)
<b>Net assets held for the benefit of policyowners</b>	3,710	3,998
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	5,485	6,870
Increase (decrease) in net assets held for the benefit of policyowners	262	(427)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,286	3,094
Withdrawal of withdrawable units	(1,909)	(4,052)
<b>Net decrease from withdrawable unit transactions</b>	(623)	(958)
<b>Net decrease in net assets held for the benefit of policyowners</b>	(361)	(1,385)
<b>Net assets held for the benefit of policyowners</b>	5,124	5,485

## 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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	5,363	6,935
Increase (decrease) in net assets held for the benefit of policyowners	278	(400)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	537	426
Withdrawal of withdrawable units	(923)	(1,598)
<b>Net decrease from withdrawable unit transactions</b>	(386)	(1,172)
<b>Net decrease in net assets held for the benefit of policyowners</b>	(108)	(1,572)
<b>Net assets held for the benefit of policyowners</b>	5,255	5,363
<b>75/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	8,495	11,742
Increase (decrease) in net assets held for the benefit of policyowners	399	(832)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	900	2,617
Withdrawal of withdrawable units	(2,208)	(5,032)
<b>Net decrease from withdrawable unit transactions</b>	(1,308)	(2,415)
<b>Net decrease in net assets held for the benefit of policyowners</b>	(909)	(3,247)
<b>Net assets held for the benefit of policyowners</b>	7,586	8,495
<b>75/75 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	73	77
Increase (decrease) in net assets held for the benefit of policyowners	5	(4)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	5	(4)
<b>Net assets held for the benefit of policyowners</b>	78	73

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>	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	10	11
Increase (decrease) in net assets held for the benefit of policyowners	1	(1)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	1	(1)
<b>Net assets held for the benefit of policyowners</b>	11	10
<b>75/75 Class F Prestige 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	0	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3	—
<b>Net increase from withdrawable unit transactions</b>	3	—
<b>Net increase in net assets held for the benefit of policyowners</b>	3	—
<b>Net assets held for the benefit of policyowners</b>	3	—
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	23,424	30,629
Increase (decrease) in net assets held for the benefit of policyowners	1,143	(1,981)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3,550	7,145
Withdrawal of withdrawable units	(6,350)	(12,369)
<b>Net decrease from withdrawable unit transactions</b>	(2,800)	(5,224)
<b>Net decrease in net assets held for the benefit of policyowners</b>	(1,657)	(7,205)
<b>Net assets held for the benefit of policyowners</b>	21,767	23,424

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

<b>STATEMENT OF CASH FLOWS</b> <i>(All amounts in thousands of Canadian dollars)</i>			<b>SCHEDULE OF INVESTMENT PORTFOLIO</b> <i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>For the periods ended</i>	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>As at December 31, 2023</b>	<b>Number of Units</b>	<b>Cost* (\$)</b>	<b>Fair Value (\$)</b>
<b>Cash flows from operating activities</b>			<b>HOLDINGS IN INVESTMENT FUND</b>			
Increase (decrease) in net assets held for the benefit of policyowners	1,143	(1,981)	<b>Global Balanced Fund — 99.4%</b>			
Adjustments for:			BMO Tactical Balanced ETF Fund, Series I	2,084,200	21,151	21,639
Net realized loss on sale of investments and derivatives	93	305	<b>Total Investment Portfolio — 99.4%</b>		<b>21,151</b>	<b>21,639</b>
Change in unrealized (appreciation) depreciation of investments and derivatives	(1,832)	1,848	Other Assets Less Liabilities — 0.6%			128
Decrease in accrued expenses	(13)	(53)	<b>Net assets held for the benefit of policyowners — 100.0%</b>			<b>21,767</b>
Non-cash distributions from investment trusts	—	(851)				
Purchases of investments	(480)	(1,627)				
Proceeds from sale and maturity of investments	3,740	7,065				
<b>Net cash from operating activities</b>	<b>2,651</b>	<b>4,706</b>				
<b>Cash flows from financing activities</b>						
Proceeds from issuances of withdrawable units	1,997	4,384				
Amounts paid on withdrawal of withdrawable units	(4,797)	(9,645)				
<b>Net cash used in financing activities</b>	<b>(2,800)</b>	<b>(5,261)</b>				
Net decrease in cash	(149)	(555)				
Cash at beginning of period	425	980				
<b>Cash at end of period</b>	<b>276</b>	<b>425</b>				
<b>Supplementary Information:</b>						
Interest received, net of withholding taxes*	0	1				
Interest expense paid*	1	1				

\*These items are from operating activities

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

# BMO Tactical Balanced GIF

## Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)  
December 31, 2023

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

**Fair value measurement**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

**Cash**

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

**Other assets and liabilities**

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

**Investments in subsidiaries, joint ventures and associates**

Subsidiaries are entities over which the Funds have control through their exposure or rights to variable returns from their investment, and have the ability to affect those returns through their power over the entity. The Funds have determined that they are an investment entity and as such, they account for subsidiaries, if any, at fair value. Joint ventures are investments 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**

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 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.

**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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

#### **Portfolio turnover ratio**

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

#### **Income taxes**

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

#### **4. Units and unit transactions**

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

#### **5. Critical accounting judgements and estimates**

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

##### **Accounting judgements:**

##### **Functional and presentation currency**

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

**Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

**6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

**7. Related party transactions**

**Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

**Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

**Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

**Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

**Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

**8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

**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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.



# BMO Tactical Balanced GIF

## Notes to the Financial Statements

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

December 31, 2023

### Fund and Class information

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

Class	Date Established
75/75 Class A Units	May 14, 2018
75/100 Class A Units	May 14, 2018
75/75 Class A Prestige Units	May 6, 2019
75/100 Class A Prestige Units	May 6, 2019
75/75 Class F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
75/75 Class F Prestige Units	November 17, 2023

### 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)	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	401	470
Issued for cash	81	99
Withdrawn during the period	(129)	(168)
Units issued and outstanding, end of period	353	401
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	558	654
Issued for cash	128	311
Withdrawn during the period	(190)	(407)
Units issued and outstanding, end of period	496	558
<b>75/75 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	536	650
Issued for cash	52	41
Withdrawn during the period	(91)	(155)
Units issued and outstanding, end of period	497	536
<b>75/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	852	1,105
Issued for cash	89	259
Withdrawn during the period	(218)	(512)
Units issued and outstanding, end of period	723	852
<b>75/75 Class F Units</b>		
Units issued and outstanding, beginning of period	7	7
Units issued and outstanding, end of period	7	7
<b>75/100 Class F Units</b>		
Units issued and outstanding, beginning of period	1	1
Units issued and outstanding, end of period	1	1

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
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### 75/75 Class F Prestige Units

Units issued and outstanding, beginning of period	—	—
Issued for cash	0	—
Units issued and outstanding, end of period	0	—

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023	Number of Units	Value of Units (\$)
75/75 Class A Prestige Units	1,998	21
75/100 Class A Prestige Units	1,995	21
75/75 Class F Units	1,000	11
75/100 Class F Units	1,000	11
75/75 Class F Prestige Units	250	3

As at December 31, 2022	Number of Units	Value of Units (\$)
75/75 Class A Prestige Units	1,998	20
75/100 Class A Prestige Units	1,995	20
75/75 Class F Units	1,000	10
75/100 Class F Units	1,000	10

### Financial instruments risk

The Fund invests in the BMO Tactical Balanced ETF Fund ("underlying fund"). The investment objective of the underlying fund is to provide long-term capital growth and preserve the capital invested by investing primarily in a diversified portfolio of global equity and fixed income exchange traded funds.

### Currency risk

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

As at December 31, 2023	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Currencies					
Euro	0	—	—	0	0.0
U.S. Dollar	293	12,872	(8,212)	4,953	22.8
<b>Total</b>	<b>293</b>	<b>12,872</b>	<b>(8,212)</b>	<b>4,953</b>	<b>22.8</b>

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

# BMO Tactical Balanced GIF

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

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)  
December 31, 2023

As at December 31, 2022

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Euro	0	—	—	0	0.0
U.S. Dollar	281	14,510	(16,121)	(1,331)	(5.7)
<b>Total</b>	<b>281</b>	<b>14,510</b>	<b>(16,121)</b>	<b>(1,331)</b>	<b>(5.7)</b>

As at December 31, 2023 and December 31, 2022, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, respectively, with all other variables held constant, the Net Assets of the Fund could possibly have decreased or increased, respectively, by approximately \$248 (December 31, 2022 — \$67). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### Interest rate risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to interest rate risk.

### Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invests in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, composed of 40% Bloomberg Global Aggregate Bond Index (C\$) and 60% MSCI World Index (C\$), had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$1,870 (December 31, 2022 — \$1,626). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

### Credit risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to credit risk.

### Fair value hierarchy

The 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 observable 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.

As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	21,639	—	—	21,639

As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	23,160	—	—	23,160

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at December 31, 2023	As at December 31, 2022
BMO Tactical Balanced ETF Fund, Series I	21,639	23,160

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

BMO Tactical Balanced ETF Fund, Series I	11.77%	10.01%
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### Increase or decrease in net assets held for the benefit of policyowners per unit

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

For the periods ended	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	198	(317)
Weighted average units outstanding during the period (in thousands of units)	383	414
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.52	(0.77)
<b>75/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	262	(427)
Weighted average units outstanding during the period (in thousands of units)	526	584
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.50	(0.73)
<b>75/75 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	278	(400)
Weighted average units outstanding during the period (in thousands of units)	523	574
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.53	(0.70)

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

# BMO Tactical Balanced GIF

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

Fund Specific Information (All amounts in thousands of Canadian dollars, except per unit data)  
December 31, 2023

<i>For the periods ended</i>	December 31, 2023	December 31, 2022
<b>75/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	399	(832)
Weighted average units outstanding during the period (in thousands of units)	805	1,018
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.50	(0.82)
<b>75/75 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	5	(4)
Weighted average units outstanding during the period (in thousands of units)	7	7
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.69	(0.57)
<b>75/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1	(1)
Weighted average units outstanding during the period (in thousands of units)	1	1
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.65	(0.59)
<b>75/75 Class F Prestige Units</b>		
Increase in net assets held for the benefit of policyowners	0	—
Weighted average units outstanding during the period (in thousands of units)	0	—
Increase in net assets held for the benefit of policyowners per unit	0.40	—

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2023 and December 31, 2022.

### Concentration risk

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

<i>As at</i>	December 31, 2023	December 31, 2022
<b>Holdings in Investment Funds</b>		
Canadian Fixed Income Funds	1.2%	—%
Emerging Markets Equity Funds	26.2%	19.3%
Emerging Markets Fixed Income Funds	—%	11.2%
Global Equity Funds	8.7%	12.5%
International Equity Funds	10.8%	29.0%
U.S. Equity Funds	34.0%	18.1%
U.S. Fixed Income Funds	17.5%	10.8%
<b>Derivatives</b>		
Purchased Put Option Contracts	2.0%	—%

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

<i>As at</i>	December 31, 2023	December 31, 2022
Written Call Option Contracts	(1.5)%	—%
<b>Other Assets less Liabilities</b>	<b>1.1%</b>	<b>(0.9)%</b>
	<b>100.0%</b>	<b>100.0%</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

# BMO Tactical Balanced GIF

## Supplementary Information

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

December 31, 2023

### Financial Highlights

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

	Years ended December 31,				
75/75 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 3,710	3,998	4,994	5,914	3,090
Net asset value per unit <sup>(1)</sup>	\$ 10.51	9.97	10.62	10.33	10.09
Units issued and outstanding (000's) <sup>(1)</sup>	353	401	470	572	306
Management fees	% 1.51 <sup>††</sup>	1.60	1.60	1.60	1.60
Management expense ratio <sup>(2)</sup>	% 2.54	2.57	2.57	2.52	2.61
Management expense ratio before waivers	% 2.54	2.57	2.57	2.52	2.61
Portfolio turnover rate <sup>(3)</sup>	% 2.12	6.33	6.54	3.34	7.02

	Years ended December 31,				
75/100 Class A Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 5,124	5,485	6,870	10,097	5,562
Net asset value per unit <sup>(1)</sup>	\$ 10.33	9.83	10.51	10.26	10.05
Units issued and outstanding (000's) <sup>(1)</sup>	496	558	654	984	554
Management fees	% 1.60	1.60	1.60	1.60	1.60
Management expense ratio <sup>(2)</sup>	% 2.85	2.87	2.87	2.86	2.93
Management expense ratio before waivers	% 2.85	2.87	2.87	2.86	2.93
Portfolio turnover rate <sup>(3)</sup>	% 2.12	6.33	6.54	3.34	7.02

	Years ended December 31,				
75/75 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 5,255	5,363	6,935	6,377	4,655
Net asset value per unit <sup>(1)</sup>	\$ 10.57	10.01	10.66	10.37	10.12
Units issued and outstanding (000's) <sup>(1)</sup>	497	536	650	615	460
Management fees	% 1.38 <sup>†††</sup>	1.46	1.46	1.46	1.46
Management expense ratio <sup>(2)</sup>	% 2.43	2.46	2.45	2.46	2.46
Management expense ratio before waivers	% 2.43	2.46	2.45	2.46	2.46
Portfolio turnover rate <sup>(3)</sup>	% 2.12	6.33	6.54	3.34	7.02

	Years ended December 31,				
75/100 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 7,586	8,495	11,742	13,257	7,999
Net asset value per unit <sup>(1)</sup>	\$ 10.50	9.96	10.63	10.34	10.11
Units issued and outstanding (000's) <sup>(1)</sup>	723	852	1,105	1,282	791
Management fees	% 1.37	1.37	1.37	1.37 <sup>†</sup>	1.46
Management expense ratio <sup>(2)</sup>	% 2.61	2.63	2.60	2.60	2.67
Management expense ratio before waivers	% 2.61	2.63	2.60	2.60	2.67
Portfolio turnover rate <sup>(3)</sup>	% 2.12	6.33	6.54	3.34	7.02

	Years ended December 31,				
75/75 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 78	73	77	74	84
Net asset value per unit <sup>(1)</sup>	\$ 11.18	10.49	11.05	10.64	10.29
Units issued and outstanding (000's) <sup>(1)</sup>	7	7	7	7	8
Management fees	% 0.60	0.60	0.60	0.60	0.60
Management expense ratio <sup>(2)</sup>	% 1.47	1.47	1.47	1.47	1.47
Management expense ratio before waivers	% 1.47	1.47	1.47	1.47	1.47
Portfolio turnover rate <sup>(3)</sup>	% 2.12	6.33	6.54	3.34	7.02

	Years ended December 31,				
75/100 Class F Units	2023	2022	2021	2020	2019
Net asset (000's) <sup>(1)</sup>	\$ 11	10	11	10	10
Net asset value per unit <sup>(1)</sup>	\$ 10.98	10.33	10.93	10.55	10.23
Units issued and outstanding (000's) <sup>(1)</sup>	1	1	1	1	1
Management fees	% 0.60	0.60	0.60	0.60	0.60
Management expense ratio <sup>(2)</sup>	% 1.78	1.78	1.78	1.77	1.77
Management expense ratio before waivers	% 1.78	1.78	1.78	1.77	1.77
Portfolio turnover rate <sup>(3)</sup>	% 2.12	6.33	6.54	3.34	7.02

	Period ended December 31, 2023 <sup>(5)</sup>	
75/75 Class F Prestige Units		
Net asset (000's) <sup>(1)</sup>	\$	3
Net asset value per unit <sup>(1)</sup>	\$	10.40
Units issued and outstanding (000's) <sup>(1)</sup>		0
Management fees	%	0.51
Management expense ratio <sup>(2)</sup>	%	1.37
Management expense ratio before waivers	%	1.37
Portfolio turnover rate <sup>(3)</sup>	%	2.12

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

# BMO Tactical Balanced GIF

## Supplementary Information (cont'd)

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

December 31, 2023

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<sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

<sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund.

<sup>(4)</sup> The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.

<sup>(5)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.

<sup>†</sup> Effective May 11, 2020, the management fee rate was reduced from 1.46% to 1.37%.

<sup>††</sup> Effective October 16, 2023, the management fee rate was reduced from 1.60% to 1.51%.

<sup>†††</sup> Effective October 16, 2023, the management fee rate was reduced from 1.46% to 1.38%.

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

**BMO Sustainable Global Balanced GIF**  
(Formerly BMO Global Balanced GIF)

**STATEMENT OF FINANCIAL POSITION**  
(All amounts in thousands of Canadian dollars, except per unit data)

As at	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	175	240
Investments		
Non-derivative financial assets	21,789	21,928
Subscriptions receivable	73	—
<b>Total assets</b>	<b>22,037</b>	<b>22,168</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Redemptions payable	88	4
Accrued expenses	147	154
<b>Total liabilities</b>	<b>235</b>	<b>158</b>
<b>Net assets held for the benefit of policyowners</b>	<b>21,802</b>	<b>22,010</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	1,082	957
75/100 Class A Units	3,971	4,199
100/100 Class A Units	3,020	3,035
75/75 Class A Prestige Units	1,929	2,030
75/100 Class A Prestige Units	7,117	7,030
100/100 Class A Prestige Units	4,411	4,513
75/75 Class F Units	11	10
75/100 Class F Units	247	226
100/100 Class F Units	11	10
75/75 Class F Prestige Units	3	—
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 10.54	\$ 9.76
75/100 Class A Units	\$ 10.44	\$ 9.70
100/100 Class A Units	\$ 10.17	\$ 9.49
75/75 Class A Prestige Units	\$ 10.63	\$ 9.83
75/100 Class A Prestige Units	\$ 10.53	\$ 9.76
100/100 Class A Prestige Units	\$ 10.54	\$ 9.79
75/75 Class F Units	\$ 11.09	\$ 10.17
75/100 Class F Units	\$ 10.99	\$ 10.09
100/100 Class F Units	\$ 10.76	\$ 9.93
75/75 Class F Prestige Units	\$ 10.39	\$ —

**STATEMENT OF COMPREHENSIVE INCOME**  
(All amounts in thousands of Canadian dollars, except per unit data)

For the periods ended	December 31, 2023	December 31, 2022
<b>INCOME</b>		
Interest income	0	3
Distributions received from investment trusts	117	—
Other changes in fair value of investments and derivatives		
Net realized loss	(291)	(210)
Change in unrealized appreciation (depreciation)	2,386	(3,231)
Net gain (loss) in fair value of investments and derivatives	2,212	(3,438)
<b>Total income (loss)</b>	<b>2,212</b>	<b>(3,438)</b>
<b>EXPENSES</b>		
Management fees (note 7)	358	361
Fixed administration fees (note 7)	61	61
Insurance fees (note 7)	187	188
Interest charges	0	0
<b>Total expenses</b>	<b>606</b>	<b>610</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>	<b>1,606</b>	<b>(4,048)</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	78	(202)
75/100 Class A Units	290	(884)
100/100 Class A Units	212	(610)
75/75 Class A Prestige Units	151	(286)
75/100 Class A Prestige Units	534	(1,260)
100/100 Class A Prestige Units	318	(759)
75/75 Class F Units	1	(2)
75/100 Class F Units	21	(43)
100/100 Class F Units	1	(2)
75/75 Class F Prestige Units	0	—
<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	0.73	(1.92)
75/100 Class A Units	0.72	(1.99)
100/100 Class A Units	0.66	(1.92)
75/75 Class A Prestige Units	0.82	(1.53)
75/100 Class A Prestige Units	0.75	(1.81)
100/100 Class A Prestige Units	0.72	(1.71)
75/75 Class F Units	0.92	(1.90)
75/100 Class F Units	0.90	(1.91)
100/100 Class F Units	0.83	(1.93)
75/75 Class F Prestige Units	0.39	—

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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	957	1,149
Increase (decrease) in net assets held for the benefit of policyowners	78	(202)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	275	1,564
Withdrawal of withdrawable units	(228)	(1,554)
<b>Net increase from withdrawable unit transactions</b>	47	10
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	125	(192)
<b>Net assets held for the benefit of policyowners</b>	1,082	957
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	4,199	5,217
Increase (decrease) in net assets held for the benefit of policyowners	290	(884)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	922	3,552
Withdrawal of withdrawable units	(1,440)	(3,686)
<b>Net decrease from withdrawable unit transactions</b>	(518)	(134)
<b>Net decrease in net assets held for the benefit of policyowners</b>	(228)	(1,018)
<b>Net assets held for the benefit of policyowners</b>	3,971	4,199

## 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>	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	3,035	3,284
Increase (decrease) in net assets held for the benefit of policyowners	212	(610)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	398	2,239
Withdrawal of withdrawable units	(625)	(1,878)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(227)	361
<b>Net decrease in net assets held for the benefit of policyowners</b>	(15)	(249)
<b>Net assets held for the benefit of policyowners</b>	3,020	3,035
<b>75/75 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	2,030	1,369
Increase (decrease) in net assets held for the benefit of policyowners	151	(286)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	88	1,219
Withdrawal of withdrawable units	(340)	(272)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(252)	947
<b>Net (decrease) increase in net assets held for the benefit of policyowners</b>	(101)	661
<b>Net assets held for the benefit of policyowners</b>	1,929	2,030

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>	December 31, 2023	December 31, 2022
<b>75/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	7,030	7,119
Increase (decrease) in net assets held for the benefit of policyowners	534	(1,260)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	717	2,733
Withdrawal of withdrawable units	(1,164)	(1,562)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(447)	1,171
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	87	(89)
<b>Net assets held for the benefit of policyowners</b>	7,117	7,030
<b>100/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	4,513	4,233
Increase (decrease) in net assets held for the benefit of policyowners	318	(759)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	139	1,431
Withdrawal of withdrawable units	(559)	(392)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(420)	1,039
<b>Net (decrease) increase in net assets held for the benefit of policyowners</b>	(102)	280
<b>Net assets held for the benefit of policyowners</b>	4,411	4,513
<b>75/75 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	10	12
Increase (decrease) in net assets held for the benefit of policyowners	1	(2)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	1	(2)
<b>Net assets held for the benefit of policyowners</b>	11	10

## 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>	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	226	274
Increase (decrease) in net assets held for the benefit of policyowners	21	(43)
<b>Withdrawable unit transactions</b>		
Withdrawal of withdrawable units	—	(5)
<b>Net decrease from withdrawable unit transactions</b>	—	(5)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	21	(48)
<b>Net assets held for the benefit of policyowners</b>	247	226
<b>100/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	10	12
Increase (decrease) in net assets held for the benefit of policyowners	1	(2)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	1	(2)
<b>Net assets held for the benefit of policyowners</b>	11	10
<b>75/75 Class F Prestige 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	0	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3	—
<b>Net increase from withdrawable unit transactions</b>	3	—
<b>Net increase in net assets held for the benefit of policyowners</b>	3	—
<b>Net assets held for the benefit of policyowners</b>	3	—

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

# BMO Sustainable Global Balanced GIF

(Formerly BMO Global Balanced GIF)

(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>	December 31, 2023	December 31, 2022
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	22,010	22,669
Increase (decrease) in net assets held for the benefit of policyowners	1,606	(4,048)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	2,542	12,738
Withdrawal of withdrawable units	(4,356)	(9,349)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(1,814)	3,389
<b>Net decrease in net assets held for the benefit of policyowners</b>	(208)	(659)
<b>Net assets held for the benefit of policyowners</b>	21,802	22,010

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

# BMO Sustainable Global Balanced GIF

(Formerly BMO Global Balanced GIF)



(cont'd)

## STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	December 31, 2023	December 31, 2022
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,606	(4,048)
Adjustments for:		
Net realized loss on sale of investments and derivatives	291	210
Change in unrealized (appreciation) depreciation of investments and derivatives	(2,386)	3,231
(Decrease) increase in accrued expenses	(7)	5
Non-cash distributions from investment trusts	(117)	—
Purchases of investments	(129)	(4,744)
Proceeds from sale and maturity of investments	2,480	1,450
<b>Net cash from (used in) operating activities</b>	<b>1,738</b>	<b>(3,896)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	1,383	7,536
Amounts paid on withdrawal of withdrawable units	(3,186)	(4,058)
<b>Net cash (used in) from financing activities</b>	<b>(1,803)</b>	<b>3,478</b>
Net decrease in cash	(65)	(418)
Cash at beginning of period	240	658
<b>Cash at end of period</b>	<b>175</b>	<b>240</b>
<b>Supplementary Information:</b>		
Interest received, net of withholding taxes*	0	3
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 December 31, 2023</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUND</b>			
<b>Global Balanced Fund — 99.9%</b>			
BMO Sustainable Global Balanced Fund, Series I	1,761,857	23,019	21,789
<b>Total Investment Portfolio — 99.9%</b>		<b>23,019</b>	<b>21,789</b>
Other Assets Less Liabilities — 0.1%			13
<b>Net assets held for the benefit of policyowners — 100.0%</b>			<b>21,802</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 Sustainable Global Balanced GIF (Formerly BMO Global Balanced GIF)

## Notes to the Financial Statements

December 31, 2023

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

## Notes to the Financial Statements

December 31, 2023 (cont'd)

Realized gains and losses on disposition are determined based on the cost of the investments

### Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

### Cash

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

### Other assets and liabilities

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

### Investments in subsidiaries, joint ventures and associates

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

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 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.

### 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.

**Notes to the Financial Statements**

December 31, 2023 (cont'd)

**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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

**Portfolio turnover ratio**

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

**Income taxes**

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

**4. Units and unit transactions**

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

**5. Critical accounting judgements and estimates**

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

**Accounting judgements:**

**Functional and presentation currency**

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

**Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

**6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

**7. Related party transactions**

**Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

**Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

**Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

**Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

**Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

**8. Financial 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.

**Notes to the Financial Statements**

December 31, 2023 (cont'd)

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**a) Currency risk**

Currency risk is the risk that the fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

**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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.



# BMO Sustainable Global Balanced GIF

## Notes to the Financial Statements (Formerly BMO Global Balanced GIF)

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

December 31, 2023



### Fund and Class information and significant events

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

Class	Date Established
75/75 Class A Units	May 6, 2019
75/100 Class A Units	May 6, 2019
100/100 Class A Units	May 6, 2019
75/75 Class A Prestige Units	May 6, 2019
75/100 Class A Prestige Units	May 6, 2019
100/100 Class A Prestige Units	May 6, 2019
75/75 Class F Units	May 6, 2019
75/100 Class F Units	May 6, 2019
100/100 Class F Units	May 6, 2019
75/75 Class F Prestige Units	November 17, 2023

### Fund name change

Effective June 13, 2022, the name of the Fund changed from BMO Global Balanced GIF to BMO Sustainable Global Balanced GIF.

### 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)	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	98	98
Issued for cash	27	151
Withdrawn during the period	(22)	(151)
Units issued and outstanding, end of period	103	98
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	433	447
Issued for cash	92	350
Withdrawn during the period	(145)	(364)
Units issued and outstanding, end of period	380	433
<b>100/100 Class A Units</b>		
Units issued and outstanding, beginning of period	320	287
Issued for cash	41	222
Withdrawn during the period	(64)	(189)
Units issued and outstanding, end of period	297	320

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>75/75 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	207	116
Issued for cash	8	118
Withdrawn during the period	(34)	(27)
Units issued and outstanding, end of period	181	207

<b>75/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	721	608
Issued for cash	71	269
Withdrawn during the period	(116)	(156)
Units issued and outstanding, end of period	676	721

<b>100/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	461	360
Issued for cash	14	140
Withdrawn during the period	(56)	(39)
Units issued and outstanding, end of period	419	461

<b>75/75 Class F Units</b>		
Units issued and outstanding, beginning of period	1	1
Units issued and outstanding, end of period	1	1

<b>75/100 Class F Units</b>		
Units issued and outstanding, beginning of period	22	23
Withdrawn during the period	—	(1)
Units issued and outstanding, end of period	22	22

<b>100/100 Class F Units</b>		
Units issued and outstanding, beginning of period	1	1
Units issued and outstanding, end of period	1	1

<b>75/75 Class F Prestige Units</b>		
Units issued and outstanding, beginning of period	—	—
Issued for cash	0	—
Units issued and outstanding, end of period	0	—

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023 Class	Number of Units	Value of Units (\$)
100/100 Class A Units	1,000	10
75/75 Class A Prestige Units	1,000	11
75/100 Class A Prestige Units	1,000	11
100/100 Class A Prestige Units	1,000	11
75/75 Class F Units	1,000	11
75/100 Class F Units	1,000	11
100/100 Class F Units	1,000	11
75/75 Class F Prestige Units	250	3

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

# BMO Sustainable Global Balanced GIF

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

### (Formerly BMO Global Balanced GIF)

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

December 31, 2023



As at December 31, 2022		
Class	Number of Units	Value of Units (\$)
100/100 Class A Units	1,000	9
75/75 Class A Prestige Units	1,000	10
75/100 Class A Prestige Units	1,000	10
100/100 Class A Prestige Units	1,000	10
75/75 Class F Units	1,000	10
75/100 Class F Units	1,000	10
100/100 Class F Units	1,000	10

### Financial instruments risk

The Fund invests in the BMO Sustainable Global Balanced Fund ("underlying fund"). The investment objective of the underlying fund is to provide long-term capital growth consistent with the preservation of capital by investing primarily in a balanced portfolio of global equity and fixed income securities using a responsible investment approach.

### Currency risk

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

As at December 31, 2023

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Australian Dollar	13	388	(108)	293	1.3
Danish Krone	1	178	—	179	0.8
Euro	72	3,633	(2,137)	1,568	7.2
Japanese Yen	34	1,188	(449)	773	3.5
Mexican Peso	12	491	(496)	7	0.0
New Zealand Dollar	(713)	862	(870)	(721)	(3.3)
Norwegian Krone	0	—	—	0	0.0
Pound Sterling	166	1,136	(990)	312	1.4
South African Rand	(153)	358	(206)	(1)	(0.0)
South Korean Won	0	—	—	0	0.0
Swiss Franc	3	40	(40)	3	0.0
U.S. Dollar	261	12,368	(3,244)	9,385	43.0
<b>Total</b>	<b>(304)</b>	<b>20,642</b>	<b>(8,540)</b>	<b>11,798</b>	<b>53.9</b>

As at December 31, 2022

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Australian Dollar	12	357	—	369	1.7
Danish Krone	9	335	—	344	1.6
Euro	43	3,231	(2,113)	1,161	5.3

As at December 31, 2022

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Japanese Yen	47	1,936	(844)	1,139	5.2
Mexican Peso	4	395	(395)	3	0.0
New Zealand Dollar	0	—	—	0	0.0
Norwegian Krone	0	—	—	0	0.0
Pound Sterling	22	1,249	(755)	516	2.3
South African Rand	1	91	(92)	—	—
South Korean Won	0	—	—	0	0.0
Swiss Franc	10	264	(34)	240	1.1
U.S. Dollar	261	12,562	(4,188)	8,636	39.2
<b>Total</b>	<b>409</b>	<b>20,420</b>	<b>(8,421)</b>	<b>12,408</b>	<b>56.4</b>

As at December 31, 2023 and December 31, 2022, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, respectively, with all other variables held constant, the Net Assets of the Fund could possibly have decreased or increased, respectively, by approximately \$590 (December 31, 2022 — \$620). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### Interest rate risk

The Fund's exposure, through its investment in the underlying fund, to interest rate risk, by remaining term to maturity, is summarized in the following table:

Number of years	Interest Rate Exposure as at	
	December 31, 2023	December 31, 2022
Less than one year	888	1,012
One to three years	1,808	2,552
Three to five years	1,172	969
Five to ten years	3,426	2,542
Greater than ten years	1,333	1,515
<b>Total</b>	<b>8,627</b>	<b>8,590</b>

As at December 31, 2023 and December 31, 2022, if the prevailing interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, the Net Assets of the Fund could possibly have decreased or increased, respectively, by approximately \$502 (December 31, 2022 — \$514). The Fund's interest rate sensitivity was determined based on portfolio weighted duration. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invests in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, composed of 50% MSCI All Country World Index (C\$) and 50% Bloomberg

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

# BMO Sustainable Global Balanced GIF

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

### (Formerly BMO Global Balanced GIF)

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

December 31, 2023



Global Aggregate Bond Index (C\$ Hedged), had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$2,724 (December 31, 2022 — \$2,466). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

#### Credit risk

The Fund's exposure, through its investment in the underlying fund, to credit risk, grouped by credit ratings, is summarized in the following table:

Credit Rating	As a % of Net Assets as at	
	December 31, 2023	December 31, 2022
AAA	15.8	17.0
AA	6.8	4.3
A	7.0	9.4
BBB	8.2	7.8
BB	1.8	0.6
<b>Total</b>	<b>39.6</b>	<b>39.1</b>

#### Fair value hierarchy

The 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 observable 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.

#### As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	21,789	—	—	21,789

#### As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	21,928	—	—	21,928

#### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

#### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at December 31, 2023	As at December 31, 2022
BMO Sustainable Global Balanced Fund, Series I	21,789	21,928

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

BMO Sustainable Global Balanced Fund, Series I	36.50%	33.93%
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#### Increase or decrease in net assets held for the benefit of policyowners per unit

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

	December 31, 2023	December 31, 2022
<i>For the periods ended</i>		
<b>75/75 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	78	(202)
Weighted average units outstanding during the period (in thousands of units)	106	105
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.73	(1.92)
<b>75/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	290	(884)
Weighted average units outstanding during the period (in thousands of units)	402	443
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.72	(1.99)
<b>100/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	212	(610)
Weighted average units outstanding during the period (in thousands of units)	322	319
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.66	(1.92)
<b>75/75 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	151	(286)
Weighted average units outstanding during the period (in thousands of units)	184	186
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.82	(1.53)

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

# BMO Sustainable Global Balanced GIF

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

### (Formerly BMO Global Balanced GIF)

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

December 31, 2023



<i>For the periods ended</i>	December 31, 2023	December 31, 2022
<b>75/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	534	(1,260)
Weighted average units outstanding during the period (in thousands of units)	714	695
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.75	(1.81)
<b>100/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	318	(759)
Weighted average units outstanding during the period (in thousands of units)	444	444
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.72	(1.71)
<b>75/75 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1	(2)
Weighted average units outstanding during the period (in thousands of units)	1	1
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.92	(1.90)
<b>75/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	21	(43)
Weighted average units outstanding during the period (in thousands of units)	22	23
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.90	(1.91)
<b>100/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1	(2)
Weighted average units outstanding during the period (in thousands of units)	1	1
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.83	(1.93)
<b>75/75 Class F Prestige Units</b>		
Increase in net assets held for the benefit of policyowners	0	—
Weighted average units outstanding during the period (in thousands of units)	0	—
Increase in net assets held for the benefit of policyowners per unit	0.39	—

#### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2023 and December 31, 2022.

#### Concentration risk

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

<i>As at</i>	December 31, 2023	December 31, 2022
<b>Foreign Bonds &amp; Debentures</b>		
Australia	0.5%	0.0%
Austria	1.6%	1.2%
Belgium	0.5%	0.7%
Canada	2.0%	1.8%
China	1.1%	1.0%
Denmark	0.2%	0.4%
France	0.5%	0.7%
Germany	0.9%	1.9%
Japan	2.1%	3.8%
Luxembourg	0.3%	0.2%
Mexico	2.4%	1.9%
Netherlands	0.3%	0.8%
New Zealand	4.0%	—%
Portugal	—%	0.1%
Qatar	0.5%	0.4%
South Africa	1.6%	0.4%
South Korea	0.4%	0.6%
Spain	0.7%	0.8%
Supranational	1.3%	1.1%
Sweden	0.5%	0.4%
Switzerland	0.2%	0.6%
United Arab Emirates	1.1%	1.0%
United Kingdom	3.5%	2.1%
United States	13.4%	17.1%
<b>Foreign Equities</b>		
Australia	1.3%	1.6%
Brazil	1.3%	—%
Canada	1.1%	1.2%
Denmark	0.8%	1.5%
France	1.7%	0.9%
Germany	1.0%	0.6%
India	1.7%	1.9%
Ireland	2.4%	1.8%
Japan	3.4%	5.0%
Netherlands	0.9%	1.8%
Switzerland	0.9%	1.1%
Taiwan	1.3%	1.1%
United Kingdom	1.5%	4.7%
United States	37.6%	32.8%
<b>Other Assets less Liabilities</b>	<b>3.5%</b>	<b>5.0%</b>
	<b>100.0%</b>	<b>100.0%</b>

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

# BMO Sustainable Global Balanced GIF

Notes to the Financial Statements (cont'd)

(Formerly BMO Global Balanced GIF)

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

December 31, 2023

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## Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

# BMO Sustainable Global Balanced GIF

(Formerly BMO Global Balanced GIF)

## Supplementary Information

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

December 31, 2023



### Financial Highlights

Years ended December 31,

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

Years ended December 31,					
75/75 Class A Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 1,082	957	1,149	468	180
Net asset value per unit <sup>(1)</sup>	\$ 10.54	9.76	11.72	11.13	10.40
Units issued and outstanding (000's) <sup>(1)</sup>	103	98	98	42	17
Management fees	% 1.56 <sup>++</sup>	1.65	1.65	1.65	1.65
Management expense ratio <sup>(2)</sup>	% 2.56	2.65	2.66	2.67	2.67
Management expense ratio before waivers	% 2.56	2.65	2.66	2.67	2.67
Portfolio turnover rate <sup>(3)</sup>	% 0.60	6.71	3.24	8.93	2.31

Years ended December 31,					
75/100 Class A Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 3,971	4,199	5,217	3,006	950
Net asset value per unit <sup>(1)</sup>	\$ 10.44	9.70	11.66	11.11	10.41
Units issued and outstanding (000's) <sup>(1)</sup>	380	433	447	271	91
Management fees	% 1.65	1.65	1.65	1.65	1.65
Management expense ratio <sup>(2)</sup>	% 2.86	2.87	2.87	2.88	2.88
Management expense ratio before waivers	% 2.86	2.87	2.87	2.88	2.88
Portfolio turnover rate <sup>(3)</sup>	% 0.60	6.71	3.24	8.93	2.31

Years ended December 31,					
100/100 Class A Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 3,020	3,035	3,284	1,459	972
Net asset value per unit <sup>(1)</sup>	\$ 10.17	9.49	11.46	10.94	10.36
Units issued and outstanding (000's) <sup>(1)</sup>	297	320	287	133	94
Management fees	% 1.65	1.65	1.65	1.65	1.65
Management expense ratio <sup>(2)</sup>	% 3.27	3.28	3.30	3.31	3.32
Management expense ratio before waivers	% 3.27	3.28	3.30	3.31	3.32
Portfolio turnover rate <sup>(3)</sup>	% 0.60	6.71	3.24	8.93	2.31

75/75 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 1,929	2,030	1,369	380	73
Net asset value per unit <sup>(1)</sup>	\$ 10.63	9.83	11.77	11.16	10.42
Units issued and outstanding (000's) <sup>(1)</sup>	181	207	116	34	7
Management fees	% 1.38 <sup>+++</sup>	1.47	1.47	1.47	1.47
Management expense ratio <sup>(2)</sup>	% 2.37	2.42	2.42	2.45	2.45
Management expense ratio before waivers	% 2.37	2.42	2.42	2.45	2.45
Portfolio turnover rate <sup>(3)</sup>	% 0.60	6.71	3.24	8.93	2.31

Years ended December 31,					
75/100 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 7,117	7,030	7,119	2,186	1,036
Net asset value per unit <sup>(1)</sup>	\$ 10.53	9.76	11.70	11.12	10.40
Units issued and outstanding (000's) <sup>(1)</sup>	676	721	608	197	100
Management fees	% 1.42	1.42	1.42	1.42 <sup>1</sup>	1.47
Management expense ratio <sup>(2)</sup>	% 2.59	2.59	2.60	2.68	2.72
Management expense ratio before waivers	% 2.59	2.59	2.60	2.68	2.72
Portfolio turnover rate <sup>(3)</sup>	% 0.60	6.71	3.24	8.93	2.31

Years ended December 31,					
100/100 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 4,411	4,513	4,233	1,859	292
Net asset value per unit <sup>(1)</sup>	\$ 10.54	9.79	11.77	11.23	10.38
Units issued and outstanding (000's) <sup>(1)</sup>	419	461	360	166	28
Management fees	% 1.30	1.30	1.30	1.30	1.30
Management expense ratio <sup>(2)</sup>	% 2.85	2.86	2.92	2.92	2.95
Management expense ratio before waivers	% 2.85	2.86	2.92	2.92	2.95
Portfolio turnover rate <sup>(3)</sup>	% 0.60	6.71	3.24	8.93	2.31

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

# BMO Sustainable Global Balanced GIF

(Formerly BMO Global Balanced GIF)

## Supplementary Information (cont'd)

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

December 31, 2023



### Years ended December 31,

75/75 Class F Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 11	10	12	11	11
Net asset value per unit <sup>(1)</sup>	\$ 11.09	10.17	12.07	11.34	10.48
Units issued and outstanding (000's) <sup>(1)</sup>	1	1	1	1	1
Management fees	% 0.65	0.65	0.65	0.65	0.65
Management expense ratio <sup>(2)</sup>	% 1.53	1.53	1.53	1.53	1.53
Management expense ratio before waivers	% 1.53	1.53	1.53	1.53	1.53
Portfolio turnover rate <sup>(3)</sup>	% 0.60	6.71	3.24	8.93	2.31

### Years ended December 31,

75/100 Class F Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 247	226	274	261	143
Net asset value per unit <sup>(1)</sup>	\$ 10.99	10.09	11.99	11.29	10.46
Units issued and outstanding (000's) <sup>(1)</sup>	22	22	23	23	14
Management fees	% 0.65	0.65	0.65	0.65	0.65
Management expense ratio <sup>(2)</sup>	% 1.66	1.67	1.66	1.79	1.79
Management expense ratio before waivers	% 1.66	1.67	1.66	1.79	1.79
Portfolio turnover rate <sup>(3)</sup>	% 0.60	6.71	3.24	8.93	2.31

### Years ended December 31,

100/100 Class F Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 11	10	12	11	10
Net asset value per unit <sup>(1)</sup>	\$ 10.76	9.93	11.86	11.22	10.44
Units issued and outstanding (000's) <sup>(1)</sup>	1	1	1	1	1
Management fees	% 0.65	0.65	0.65	0.65	0.65
Management expense ratio <sup>(2)</sup>	% 2.18	2.18	2.18	2.18	2.18
Management expense ratio before waivers	% 2.18	2.18	2.18	2.18	2.18
Portfolio turnover rate <sup>(3)</sup>	% 0.60	6.71	3.24	8.93	2.31

### Period ended December 31, 2023<sup>(5)</sup>

75/75 Class F Prestige Units	Period ended December 31, 2023 <sup>(5)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 3
Net asset value per unit <sup>(1)</sup>	\$ 10.39
Units issued and outstanding (000's) <sup>(1)</sup>	0
Management fees	% 0.56
Management expense ratio <sup>(2)</sup>	% 1.42
Management expense ratio before waivers	% 1.42
Portfolio turnover rate <sup>(3)</sup>	% 0.60

<sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

<sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund.

<sup>(4)</sup> The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.

<sup>(5)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.

<sup>†</sup> Effective May 11, 2020, the management fee rate was reduced from 1.47% to 1.42%.

<sup>††</sup> Effective October 16, 2023, the management fee rate was reduced from 1.65% to 1.56%.

<sup>†††</sup> Effective October 16, 2023, the management fee rate was reduced from 1.47% to 1.38%.

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

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

## BMO Low Volatility International Equity ETF GIF



**STATEMENT OF FINANCIAL POSITION**  
(All amounts in thousands of Canadian dollars, except per unit data)

As at	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	5	156
Investments		
Non-derivative financial assets	8,939	8,169
Receivable for investments sold	99	—
Subscriptions receivable	50	5
Distribution receivable from investment trusts	61	59
<b>Total assets</b>	<b>9,154</b>	<b>8,389</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Redemptions payable	70	12
Accrued expenses	52	46
<b>Total liabilities</b>	<b>122</b>	<b>58</b>
<b>Net assets held for the benefit of policyowners</b>	<b>9,032</b>	<b>8,331</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	2,024	2,058
75/100 Class A Units	1,664	1,554
75/75 Class A Prestige Units	1,675	1,499
75/100 Class A Prestige Units	3,635	3,192
75/75 Class F Units	10	9
75/100 Class F Units	21	19
75/75 Class F Prestige Units	3	—
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 9.68	\$ 9.02
75/100 Class A Units	\$ 9.56	\$ 8.94
75/75 Class A Prestige Units	\$ 9.79	\$ 9.10
75/100 Class A Prestige Units	\$ 9.68	\$ 9.00
75/75 Class F Units	\$ 10.21	\$ 9.41
75/100 Class F Units	\$ 10.04	\$ 9.29
75/75 Class F Prestige Units	\$ 10.27	\$ —

**STATEMENT OF COMPREHENSIVE INCOME**  
(All amounts in thousands of Canadian dollars, except per unit data)

For the periods ended	December 31, 2023	December 31, 2022
<b>INCOME</b>		
Interest income	1	0
Distributions received from investment trusts	245	229
Other changes in fair value of investments and derivatives		
Net realized loss	(43)	(73)
Change in unrealized appreciation (depreciation)	627	(960)
Net gain (loss) in fair value of investments and derivatives	830	(804)
<b>Total income (loss)</b>	<b>830</b>	<b>(804)</b>
<b>EXPENSES</b>		
Management fees (note 7)	108	99
Fixed administration fees (note 7)	26	23
Insurance fees (note 7)	74	63
Interest charges	0	—
Commissions and other portfolio transaction costs (note 7)	1	1
<b>Total expenses</b>	<b>209</b>	<b>186</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>	<b>621</b>	<b>(990)</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	152	(283)
75/100 Class A Units	108	(199)
75/75 Class A Prestige Units	120	(304)
75/100 Class A Prestige Units	238	(202)
75/75 Class F Units	1	(1)
75/100 Class F Units	2	(1)
75/75 Class F Prestige Units	0	—
<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	0.69	(1.20)
75/100 Class A Units	0.62	(1.12)
75/75 Class A Prestige Units	0.72	(1.42)
75/100 Class A Prestige Units	0.59	(0.74)
75/75 Class F Units	0.80	(1.07)
75/100 Class F Units	0.76	(1.14)
75/75 Class F Prestige Units	0.27	—

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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	2,058	2,434
Increase (decrease) in net assets held for the benefit of policyowners	152	(283)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,191	1,166
Withdrawal of withdrawable units	(1,377)	(1,259)
<b>Net decrease from withdrawable unit transactions</b>	(186)	(93)
<b>Net decrease in net assets held for the benefit of policyowners</b>	(34)	(376)
<b>Net assets held for the benefit of policyowners</b>	2,024	2,058
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	1,554	1,735
Increase (decrease) in net assets held for the benefit of policyowners	108	(199)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,160	1,627
Withdrawal of withdrawable units	(1,158)	(1,609)
<b>Net increase from withdrawable unit transactions</b>	2	18
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	110	(181)
<b>Net assets held for the benefit of policyowners</b>	1,664	1,554

**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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	1,499	2,433
Increase (decrease) in net assets held for the benefit of policyowners	120	(304)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	742	693
Withdrawal of withdrawable units	(686)	(1,323)
<b>Net increase (decrease) from withdrawable unit transactions</b>	56	(630)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	176	(934)
<b>Net assets held for the benefit of policyowners</b>	1,675	1,499
<b>75/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	3,192	2,245
Increase (decrease) in net assets held for the benefit of policyowners	238	(202)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	855	1,454
Withdrawal of withdrawable units	(650)	(305)
<b>Net increase from withdrawable unit transactions</b>	205	1,149
<b>Net increase in net assets held for the benefit of policyowners</b>	443	947
<b>Net assets held for the benefit of policyowners</b>	3,635	3,192
<b>75/75 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	9	10
Increase (decrease) in net assets held for the benefit of policyowners	1	(1)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	1	(1)
<b>Net assets held for the benefit of policyowners</b>	10	9

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>	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	19	10
Increase (decrease) in net assets held for the benefit of policyowners	2	(1)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	—	10
<b>Net increase from withdrawable unit transactions</b>	—	10
<b>Net increase in net assets held for the benefit of policyowners</b>	2	9
<b>Net assets held for the benefit of policyowners</b>	21	19
<b>75/75 Class F Prestige 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	0	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3	—
<b>Net increase from withdrawable unit transactions</b>	3	—
<b>Net increase in net assets held for the benefit of policyowners</b>	3	—
<b>Net assets held for the benefit of policyowners</b>	3	—
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	8,331	8,867
Increase (decrease) in net assets held for the benefit of policyowners	621	(990)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3,951	4,950
Withdrawal of withdrawable units	(3,871)	(4,496)
<b>Net increase from withdrawable unit transactions</b>	80	454
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	701	(536)
<b>Net assets held for the benefit of policyowners</b>	9,032	8,331

*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>	December 31, 2023	December 31, 2022
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets held for the benefit of policyowners	621	(990)
Adjustments for:		
Net realized loss on sale of investments and derivatives	43	73
Change in unrealized (appreciation) depreciation of investments and derivatives	(627)	960
Increase in distribution receivable from investment trusts	(2)	(5)
Increase (decrease) in accrued expenses	6	(1)
Purchases of investments	(1,248)	(1,357)
Proceeds from sale and maturity of investments	963	760
<b>Net cash used in operating activities</b>	<b>(244)</b>	<b>(560)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	2,336	2,603
Amounts paid on withdrawal of withdrawable units	(2,243)	(2,066)
<b>Net cash from financing activities</b>	<b>93</b>	<b>537</b>
Net decrease in cash	(151)	(23)
Cash at beginning of period	156	179
<b>Cash at end of period</b>	<b>5</b>	<b>156</b>
<b>Supplementary Information:</b>		
Interest received, net of withholding taxes*	1	0
Distributions received from investment trusts*	243	224
Interest expense paid*	0	—

\*These items are from operating activities

**SCHEDULE OF INVESTMENT PORTFOLIO**

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

<i>As at December 31, 2023</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUND</b>			
<b>International Equity Fund — 99.0%</b>			
BMO Low Volatility International Equity ETF	377,523	9,144	8,939
<b>Total Investment Portfolio — 99.0%</b>		<b>9,144</b>	<b>8,939</b>
Other Assets Less Liabilities — 1.0%			93
<b>Net assets held for the benefit of policyowners — 100.0%</b>			<b>9,032</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

(All amounts in thousands of Canadian dollars)

December 31, 2023

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

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

*(All amounts in thousands of Canadian dollars)*

December 31, 2023

Realized gains and losses on disposition are determined based on the cost of the investments

**Fair value measurement**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

**Cash**

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

**Other assets and liabilities**

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

**Investments in subsidiaries, joint ventures and associates**

Subsidiaries are entities over which the Funds have control through their exposure or rights to variable returns from their investment, and have the ability to affect those returns through their power over the entity. The Funds have determined that they are an investment entity and as such, they account for subsidiaries, if any, at fair value. Joint ventures are investments 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**

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 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.

**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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

**Portfolio turnover ratio**

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

**Income taxes**

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

**4. Units and unit transactions**

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

**5. Critical accounting judgements and estimates**

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

**Accounting judgements:****Functional and presentation currency**

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

#### **Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

### **6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

### **7. Related party transactions**

#### **Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

#### **Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

#### **Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

#### **Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

#### **Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

### **8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

**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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

## Notes to the Financial Statements

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

December 31, 2023

### Fund and Class information

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

Class	Date Established
75/75 Class A Units	May 6, 2019
75/100 Class A Units	May 6, 2019
75/75 Class A Prestige Units	May 6, 2019
75/100 Class A Prestige Units	May 6, 2019
75/75 Class F Units	May 6, 2019
75/100 Class F Units	May 6, 2019
75/75 Class F Prestige Units	November 17, 2023

### 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)	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	228	239
Issued for cash	127	128
Withdrawn during the period	(146)	(139)
Units issued and outstanding, end of period	209	228
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	174	172
Issued for cash	123	187
Withdrawn during the period	(123)	(185)
Units issued and outstanding, end of period	174	174
<b>75/75 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	165	238
Issued for cash	78	75
Withdrawn during the period	(72)	(148)
Units issued and outstanding, end of period	171	165
<b>75/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	354	221
Issued for cash	90	167
Withdrawn during the period	(68)	(34)
Units issued and outstanding, end of period	376	354
<b>75/75 Class F Units</b>		
Units issued and outstanding, beginning of period	1	1
Units issued and outstanding, end of period	1	1

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
Units issued and outstanding, beginning of period	2	1
Issued for cash	—	1
Units issued and outstanding, end of period	2	2

### 75/75 Class F Prestige Units

Units issued and outstanding, beginning of period	—	—
Issued for cash	0	—
Units issued and outstanding, end of period	0	—

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023	Number of Units	Value of Units (\$)
Class		
75/75 Class A Prestige Units	1,000	10
75/100 Class A Prestige Units	1,000	10
75/75 Class F Units	1,000	10
75/100 Class F Units	1,000	10
75/75 Class F Prestige Units	250	3

As at December 31, 2022	Number of Units	Value of Units (\$)
Class		
75/75 Class A Prestige Units	1,000	9
75/100 Class A Prestige Units	1,000	9
75/75 Class F Units	1,000	9
75/100 Class F Units	1,000	9

### Financial instruments risk

The Fund invests in the BMO Low Volatility International Equity ETF ("underlying fund"). The investment objective of the underlying fund is to provide exposure to a low beta weighted portfolio of international stocks in developed countries outside of North America. Beta measures the security's sensitivity to market movements. The underlying fund utilizes a rules based methodology to build a portfolio of less market sensitive stocks from a universe of international large cap stocks. The underlying portfolio is rebalanced in June and reconstituted in December.

### Currency risk

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

As at December 31, 2023	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Currencies					
Australian Dollar	6	474	—	480	5.3

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

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

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

December 31, 2023

As at December 31, 2023

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Danish Krone	6	305	—	311	3.4
Euro	75	3,847	—	3,922	43.4
Hong Kong Dollar	7	329	—	336	3.7
Israeli Shekel	0	79	—	79	0.9
Japanese Yen	4	1,685	—	1,689	18.7
Pound Sterling	24	1,427	—	1,451	16.1
Singapore Dollar	0	—	—	0	0.0
Swedish Krona	10	188	—	198	2.2
Swiss Franc	24	460	—	484	5.4
U.S. Dollar	6	110	—	116	1.3
<b>Total</b>	<b>162</b>	<b>8,904</b>	<b>—</b>	<b>9,066</b>	<b>100.4</b>

As at December 31, 2022

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Australian Dollar	2	505	—	507	6.1
Danish Krone	4	219	—	223	2.7
Euro	16	3,516	—	3,532	42.4
Hong Kong Dollar	2	366	—	368	4.4
Japanese Yen	10	1,577	—	1,587	19.0
Pound Sterling	9	1,300	—	1,309	15.7
Singapore Dollar	—	0	—	0	0.0
Swedish Krona	3	83	—	86	1.0
Swiss Franc	6	455	—	461	5.5
U.S. Dollar	1	109	—	110	1.3
<b>Total</b>	<b>53</b>	<b>8,130</b>	<b>—</b>	<b>8,183</b>	<b>98.1</b>

As at December 31, 2023 and December 31, 2022, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, respectively, with all other variables held constant, the Net Assets of the Fund could possibly have decreased or increased, respectively, by approximately \$453 (December 31, 2022 — \$409). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### Interest rate risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to interest rate risk.

### Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invests in equity securities. Using historical correlation between the Fund's

return and the return of its benchmark, if the benchmark, MSCI EAFE Index, had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$663 (December 31, 2022 — \$662). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

### Credit risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to credit risk.

### Fair value hierarchy

The 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 observable 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.

As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	8,939	—	—	8,939

As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	8,169	—	—	8,169

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at December 31, 2023	As at December 31, 2022
BMO Low Volatility International Equity ETF	8,939	8,169

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

BMO Low Volatility International Equity ETF	2.49%	2.26%
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### Increase or decrease in net assets held for the benefit of policyowners per unit

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

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

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

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

December 31, 2023

<i>For the periods ended</i>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	152	(283)
Weighted average units outstanding during the period (in thousands of units)	221	236
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.69	(1.20)
<b>75/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	108	(199)
Weighted average units outstanding during the period (in thousands of units)	173	178
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.62	(1.12)
<b>75/75 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	120	(304)
Weighted average units outstanding during the period (in thousands of units)	167	215
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.72	(1.42)
<b>75/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	238	(202)
Weighted average units outstanding during the period (in thousands of units)	402	275
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.59	(0.74)
<b>75/75 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1	(1)
Weighted average units outstanding during the period (in thousands of units)	1	1
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.80	(1.07)
<b>75/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	2	(1)
Weighted average units outstanding during the period (in thousands of units)	2	1
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.76	(1.14)
<b>75/75 Class F Prestige Units</b>		
Increase in net assets held for the benefit of policyowners	0	—
Weighted average units outstanding during the period (in thousands of units)	0	—
Increase in net assets held for the benefit of policyowners per unit	0.27	—

### Brokerage commissions

<i>For the periods ended</i>	December 31, 2023 (\$)	December 31, 2022 (\$)
Total brokerage amounts paid	1	1
Total brokerage amounts paid to related parties	—	—

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>	December 31, 2023	December 31, 2022
<b>Foreign Equities</b>		
Australia	5.2%	6.1%
Belgium	1.1%	2.3%
Colombia	—%	2.6%
Denmark	3.4%	1.3%
Finland	1.5%	12.1%
France	12.1%	10.8%
Germany	10.8%	4.7%
Hong Kong	3.9%	—%
Ireland	1.3%	1.1%
Israel	1.9%	1.0%
Italy	4.9%	4.1%
Japan	18.6%	18.9%
Luxembourg	0.9%	—%
Macau	—%	1.2%
Netherlands	4.8%	3.8%
Spain	3.7%	4.3%
Sweden	2.1%	1.0%
Switzerland	5.1%	5.5%
United Kingdom	15.8%	15.6%
United States	1.5%	1.2%
<b>Other Assets less Liabilities</b>	<b>1.4%</b>	<b>2.4%</b>
	<b>100.0%</b>	<b>100.0%</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

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

# BMO Low Volatility International Equity ETF GIF

## Supplementary Information

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

December 31, 2023



### Financial Highlights

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

Years ended December 31,					
75/75 Class A Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 2,024	2,058	2,434	955	310
Net asset value per unit <sup>(1)</sup>	\$ 9.68	9.02	10.16	9.91	10.14
Units issued and outstanding (000's) <sup>(1)</sup>	209	228	239	96	31
Management fees	% 1.51 <sup>++</sup>	1.60	1.60	1.60	1.60
Management expense ratio <sup>(2)</sup>	% 2.68	2.70	2.68	2.68	2.68
Management expense ratio before waivers	% 2.68	2.70	2.68	2.68	2.68
Portfolio turnover rate <sup>(3)</sup>	% 12.00	9.62	5.98	14.37	0.60

Years ended December 31,					
75/100 Class A Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 1,664	1,554	1,735	1,436	528
Net asset value per unit <sup>(1)</sup>	\$ 9.56	8.94	10.08	9.86	10.12
Units issued and outstanding (000's) <sup>(1)</sup>	174	174	172	146	52
Management fees	% 1.60	1.60	1.60	1.60	1.60
Management expense ratio <sup>(2)</sup>	% 3.00	3.00	2.99	2.95	2.94
Management expense ratio before waivers	% 3.00	3.00	2.99	2.95	2.94
Portfolio turnover rate <sup>(3)</sup>	% 12.00	9.62	5.98	14.37	0.60

Years ended December 31,					
75/75 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 1,675	1,499	2,433	673	282
Net asset value per unit <sup>(1)</sup>	\$ 9.79	9.10	10.22	9.94	10.16
Units issued and outstanding (000's) <sup>(1)</sup>	171	165	238	68	28
Management fees	% 1.33 <sup>+++</sup>	1.42	1.42	1.42	1.42
Management expense ratio <sup>(2)</sup>	% 2.46	2.50	2.43	2.44	2.42
Management expense ratio before waivers	% 2.46	2.50	2.43	2.44	2.42
Portfolio turnover rate <sup>(3)</sup>	% 12.00	9.62	5.98	14.37	0.60

Years ended December 31,					
75/100 Class A Prestige Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 3,635	3,192	2,245	1,589	1,080
Net asset value per unit <sup>(1)</sup>	\$ 9.68	9.00	10.14	9.89	10.13
Units issued and outstanding (000's) <sup>(1)</sup>	376	354	221	161	107
Management fees	% 1.33	1.33	1.33	1.33 <sup>+</sup>	1.42
Management expense ratio <sup>(2)</sup>	% 2.73	2.72	2.70	2.71	2.76
Management expense ratio before waivers	% 2.73	2.72	2.70	2.71	2.76
Portfolio turnover rate <sup>(3)</sup>	% 12.00	9.62	5.98	14.37	0.60

Years ended December 31,					
75/75 Class F Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 10	9	10	10	10
Net asset value per unit <sup>(1)</sup>	\$ 10.21	9.41	10.47	10.10	10.22
Units issued and outstanding (000's) <sup>(1)</sup>	1	1	1	1	1
Management fees	% 0.60	0.60	0.60	0.60	0.60
Management expense ratio <sup>(2)</sup>	% 1.56	1.55	1.57	1.48	1.53
Management expense ratio before waivers	% 1.56	1.55	1.57	1.48	1.53
Portfolio turnover rate <sup>(3)</sup>	% 12.00	9.62	5.98	14.37	0.60

Years ended December 31,					
75/100 Class F Units	2023	2022	2021	2020	2019 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 21	19	10	10	10
Net asset value per unit <sup>(1)</sup>	\$ 10.04	9.29	10.38	10.04	10.19
Units issued and outstanding (000's) <sup>(1)</sup>	2	2	1	1	1
Management fees	% 0.60	0.60	0.60	0.60	0.60
Management expense ratio <sup>(2)</sup>	% 1.91	1.91	1.92	1.82	1.88
Management expense ratio before waivers	% 1.91	1.91	1.92	1.82	1.88
Portfolio turnover rate <sup>(3)</sup>	% 12.00	9.62	5.98	14.37	0.60

		Period ended December 31, 2023 <sup>(5)</sup>
75/75 Class F Prestige Units		
Net asset (000's) <sup>(1)</sup>	\$	3
Net asset value per unit <sup>(1)</sup>	\$	10.27
Units issued and outstanding (000's) <sup>(1)</sup>		0
Management fees	%	0.51
Management expense ratio <sup>(2)</sup>	%	-4.15
Management expense ratio before waivers	%	-4.15
Portfolio turnover rate <sup>(3)</sup>	%	12.00

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

# BMO Low Volatility International Equity ETF GIF

## Supplementary Information (cont'd)

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

December 31, 2023

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- <sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.
- <sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund.
- <sup>(4)</sup> The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.
- <sup>(5)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.
- <sup>†</sup> Effective May 11, 2020, the management fee rate was reduced from 1.42% to 1.33%.
- <sup>††</sup> Effective October 16, 2023, the management fee rate was reduced from 1.60% to 1.51%.
- <sup>†††</sup> Effective October 16, 2023, the management fee rate was reduced from 1.42% to 1.33%.

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

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

## BMO Concentrated Global Balanced GIF

**STATEMENT OF FINANCIAL POSITION**

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

As at	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	2,225	1,274
Investments		
Non-derivative financial assets	84,783	67,787
Subscriptions receivable	302	33
<b>Total assets</b>	<b>87,310</b>	<b>69,094</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Payable for investments purchased	600	—
Redemptions payable	215	56
Accrued expenses	571	458
<b>Total liabilities</b>	<b>1,386</b>	<b>514</b>
<b>Net assets held for the benefit of policyowners</b>	<b>85,924</b>	<b>68,580</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	6,698	5,663
75/100 Class A Units	13,174	9,825
100/100 Class A Units	13,159	9,686
75/75 Class A Prestige Units	8,492	7,771
75/100 Class A Prestige Units	22,675	17,208
100/100 Class A Prestige Units	19,576	17,058
75/75 Class F Units	105	752
75/100 Class F Units	795	404
100/100 Class F Units	463	213
75/75 Class F Prestige Units	787	—
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 10.74	\$ 9.74
75/100 Class A Units	\$ 10.65	\$ 9.69
100/100 Class A Units	\$ 10.52	\$ 9.60
75/75 Class A Prestige Units	\$ 10.84	\$ 9.81
75/100 Class A Prestige Units	\$ 10.75	\$ 9.75
100/100 Class A Prestige Units	\$ 10.66	\$ 9.69
75/75 Class F Units	\$ 11.19	\$ 10.04
75/100 Class F Units	\$ 11.09	\$ 9.98
100/100 Class F Units	\$ 10.93	\$ 9.87
75/75 Class F Prestige Units	\$ 10.31	\$ —

**STATEMENT OF COMPREHENSIVE INCOME**

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

For the periods ended	December 31, 2023	December 31, 2022
<b>INCOME</b>		
Interest income	72	22
Distributions received from investment trusts	1,491	1,210
Other changes in fair value of investments and derivatives		
Net realized gain (loss)	4	(282)
Change in unrealized appreciation (depreciation)	7,921	(9,227)
Net gain (loss) in fair value of investments and derivatives	9,488	(8,277)
<b>Total income (loss)</b>	<b>9,488</b>	<b>(8,277)</b>
<b>EXPENSES</b>		
Management fees (note 7)	1,277	1,056
Fixed administration fees (note 7)	219	180
Insurance fees (note 7)	665	539
Interest charges	1	0
<b>Total expenses</b>	<b>2,162</b>	<b>1,775</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>	<b>7,326</b>	<b>(10,052)</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	606	(873)
75/100 Class A Units	1,057	(1,467)
100/100 Class A Units	1,035	(1,335)
75/75 Class A Prestige Units	787	(1,380)
75/100 Class A Prestige Units	1,910	(2,192)
100/100 Class A Prestige Units	1,748	(2,608)
75/75 Class F Units	68	(105)
75/100 Class F Units	60	(91)
100/100 Class F Units	35	(1)
75/75 Class F Prestige Units	20	—
<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	1.03	(1.54)
75/100 Class A Units	0.93	(1.51)
100/100 Class A Units	0.87	(1.45)
75/75 Class A Prestige Units	1.05	(1.74)
75/100 Class A Prestige Units	1.00	(1.44)
100/100 Class A Prestige Units	0.92	(1.54)
75/75 Class F Units	0.99	(1.48)
75/100 Class F Units	1.17	(1.60)
100/100 Class F Units	0.97	(0.11)
75/75 Class F Prestige Units	0.29	—

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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	5,663	6,119
Increase (decrease) in net assets held for the benefit of policyowners	606	(873)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3,846	2,777
Withdrawal of withdrawable units	(3,417)	(2,360)
<b>Net increase from withdrawable unit transactions</b>	429	417
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	1,035	(456)
<b>Net assets held for the benefit of policyowners</b>	6,698	5,663
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	9,825	9,719
Increase (decrease) in net assets held for the benefit of policyowners	1,057	(1,467)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	9,100	8,957
Withdrawal of withdrawable units	(6,808)	(7,384)
<b>Net increase from withdrawable unit transactions</b>	2,292	1,573
<b>Net increase in net assets held for the benefit of policyowners</b>	3,349	106
<b>Net assets held for the benefit of policyowners</b>	13,174	9,825

## 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>	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	9,686	9,376
Increase (decrease) in net assets held for the benefit of policyowners	1,035	(1,335)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	9,106	6,885
Withdrawal of withdrawable units	(6,668)	(5,240)
<b>Net increase from withdrawable unit transactions</b>	2,438	1,645
<b>Net increase in net assets held for the benefit of policyowners</b>	3,473	310
<b>Net assets held for the benefit of policyowners</b>	13,159	9,686
<b>75/75 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	7,771	9,376
Increase (decrease) in net assets held for the benefit of policyowners	787	(1,380)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	2,391	2,253
Withdrawal of withdrawable units	(2,457)	(2,478)
<b>Net decrease from withdrawable unit transactions</b>	(66)	(225)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	721	(1,605)
<b>Net assets held for the benefit of policyowners</b>	8,492	7,771

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>	December 31, 2023	December 31, 2022
<b>75/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	17,208	15,874
Increase (decrease) in net assets held for the benefit of policyowners	1,910	(2,192)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	6,650	6,564
Withdrawal of withdrawable units	(3,093)	(3,038)
<b>Net increase from withdrawable unit transactions</b>	3,557	3,526
<b>Net increase in net assets held for the benefit of policyowners</b>	5,467	1,334
<b>Net assets held for the benefit of policyowners</b>	22,675	17,208
<b>100/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	17,058	18,294
Increase (decrease) in net assets held for the benefit of policyowners	1,748	(2,608)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	5,806	4,309
Withdrawal of withdrawable units	(5,036)	(2,937)
<b>Net increase from withdrawable unit transactions</b>	770	1,372
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	2,518	(1,236)
<b>Net assets held for the benefit of policyowners</b>	19,576	17,058

## 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>	December 31, 2023	December 31, 2022
<b>75/75 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	752	812
Increase (decrease) in net assets held for the benefit of policyowners	68	(105)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	50	45
Withdrawal of withdrawable units	(765)	(0)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(715)	45
<b>Net decrease in net assets held for the benefit of policyowners</b>	(647)	(60)
<b>Net assets held for the benefit of policyowners</b>	105	752
<b>75/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	404	660
Increase (decrease) in net assets held for the benefit of policyowners	60	(91)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	331	103
Withdrawal of withdrawable units	—	(268)
<b>Net increase (decrease) from withdrawable unit transactions</b>	331	(165)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	391	(256)
<b>Net assets held for the benefit of policyowners</b>	795	404

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>	December 31, 2023	December 31, 2022
<b>100/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	213	18
Increase (decrease) in net assets held for the benefit of policyowners	35	(1)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	216	196
Withdrawal of withdrawable units	(1)	(0)
<b>Net increase from withdrawable unit transactions</b>	215	196
<b>Net increase in net assets held for the benefit of policyowners</b>	250	195
<b>Net assets held for the benefit of policyowners</b>	463	213
<b>75/75 Class F Prestige 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	20	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	767	—
<b>Net increase from withdrawable unit transactions</b>	767	—
<b>Net increase in net assets held for the benefit of policyowners</b>	787	—
<b>Net assets held for the benefit of policyowners</b>	787	—
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	68,580	70,248
Increase (decrease) in net assets held for the benefit of policyowners	7,326	(10,052)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	38,263	32,089
Withdrawal of withdrawable units	(28,245)	(23,705)
<b>Net increase from withdrawable unit transactions</b>	10,018	8,384
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	17,344	(1,668)
<b>Net assets held for the benefit of policyowners</b>	85,924	68,580

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

STATEMENT OF CASH FLOWS			SCHEDULE OF INVESTMENT PORTFOLIO			
<i>(All amounts in thousands of Canadian dollars)</i>			<i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>For the periods ended</i>	December 31, 2023	December 31, 2022	<i>As at December 31, 2023</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>Cash flows from operating activities</b>			<b>HOLDINGS IN INVESTMENT FUND</b>			
Increase (decrease) in net assets held for the benefit of policyowners	7,326	(10,052)	<b>Global Balanced Fund — 98.7%</b>			
Adjustments for:			BMO Concentrated Global Balanced Fund,			
Net realized (gain) loss on sale of investments and derivatives	(4)	282	Series I			
Change in unrealized (appreciation) depreciation of investments and derivatives	(7,921)	9,227	7,725,820	80,928	84,783	
Increase in accrued expenses	113	14	<b>Total Investment Portfolio — 98.7%</b>			
Non-cash distributions from investment trusts	(1,491)	(1,210)	<b>80,928 84,783</b>			
Purchases of investments	(9,020)	(10,710)	Other Assets Less Liabilities — 1.3%			
Proceeds from sale and maturity of investments	2,040	3,900	<b>Net assets held for the benefit</b>			
<b>Net cash used in operating activities</b>	<b>(8,957)</b>	<b>(8,549)</b>	<b>of policyowners — 100.0%</b>			
			<b>85,924</b>			
<b>Cash flows from financing activities</b>			<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.</b>			
Proceeds from issuances of withdrawable units	23,971	19,853				
Amounts paid on withdrawal of withdrawable units	(14,063)	(11,302)				
<b>Net cash from financing activities</b>	<b>9,908</b>	<b>8,551</b>				
Net increase in cash	951	2				
Cash at beginning of period	1,274	1,272				
<b>Cash at end of period</b>	<b>2,225</b>	<b>1,274</b>				
<b>Supplementary Information:</b>						
Interest received, net of withholding taxes*	72	22				
Interest expense paid*	1	0				

\*These items are from operating activities

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

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

### Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

### Cash

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

### Other assets and liabilities

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

### Investments in subsidiaries, joint ventures and associates

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

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 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.

### 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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

### Portfolio turnover ratio

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

### Income taxes

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

## 4. Units and unit transactions

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

## 5. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

### Accounting judgements:

#### Functional and presentation currency

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

### **Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

## **6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

## **7. Related party transactions**

### **Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

### **Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

### **Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

### **Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

### **Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

## **8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

### 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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

## Notes to the Financial Statements

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

December 31, 2023

### Fund and Class information

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

Class	Date Established
75/75 Class A Units	May 8, 2020
75/100 Class A Units	May 8, 2020
100/100 Class A Units	May 8, 2020
75/75 Class A Prestige Units	May 8, 2020
75/100 Class A Prestige Units	May 8, 2020
100/100 Class A Prestige Units	May 8, 2020
75/75 Class F Units	May 8, 2020
75/100 Class F Units	May 8, 2020
100/100 Class F Units	May 8, 2020
75/75 Class F Prestige Units	November 17, 2023

### 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)	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	581	540
Issued for cash	375	276
Withdrawn during the period	(332)	(235)
Units issued and outstanding, end of period	624	581
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	1,014	860
Issued for cash	886	906
Withdrawn during the period	(663)	(752)
Units issued and outstanding, end of period	1,237	1,014
<b>100/100 Class A Units</b>		
Units issued and outstanding, beginning of period	1,009	834
Issued for cash	904	714
Withdrawn during the period	(662)	(539)
Units issued and outstanding, end of period	1,251	1,009
<b>75/75 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	792	823
Issued for cash	230	226
Withdrawn during the period	(239)	(257)
Units issued and outstanding, end of period	783	792

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>75/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	1,765	1,400
Issued for cash	643	669
Withdrawn during the period	(299)	(304)
Units issued and outstanding, end of period	2,109	1,765

<b>100/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	1,760	1,619
Issued for cash	569	441
Withdrawn during the period	(492)	(300)
Units issued and outstanding, end of period	1,837	1,760

<b>75/75 Class F Units</b>		
Units issued and outstanding, beginning of period	75	70
Issued for cash	4	5
Withdrawn during the period	(70)	(0)
Units issued and outstanding, end of period	9	75

<b>75/100 Class F Units</b>		
Units issued and outstanding, beginning of period	40	57
Issued for cash	32	10
Withdrawn during the period	—	(27)
Units issued and outstanding, end of period	72	40

<b>100/100 Class F Units</b>		
Units issued and outstanding, beginning of period	22	2
Issued for cash	21	20
Withdrawn during the period	(1)	(0)
Units issued and outstanding, end of period	42	22

<b>75/75 Class F Prestige Units</b>		
Units issued and outstanding, beginning of period	—	—
Issued for cash	76	—
Units issued and outstanding, end of period	76	—

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023 Class	Number of Units	Value of Units (\$)
75/75 Class A Units	250	3
75/100 Class A Units	250	3
100/100 Class A Units	250	3
75/75 Class A Prestige Units	250	3
75/100 Class A Prestige Units	250	3
100/100 Class A Prestige Units	250	3
75/75 Class F Units	250	3
75/100 Class F Units	250	3
100/100 Class F Units	250	3
75/75 Class F Prestige Units	250	3

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

# BMO Concentrated Global Balanced GIF

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

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

December 31, 2023



As at December 31, 2022 Class	Number of Units	Value of Units (\$)
75/75 Class A Units	250	2
75/100 Class A Units	250	2
100/100 Class A Units	250	2
75/75 Class A Prestige Units	250	2
75/100 Class A Prestige Units	250	2
100/100 Class A Prestige Units	250	2
75/75 Class F Units	250	3
75/100 Class F Units	250	2
100/100 Class F Units	250	2

### Financial instruments risk

The Fund invests in the BMO Concentrated Global Balanced Fund ("underlying fund"). The investment objective of the underlying fund is to provide a competitive total rate of return, comprised of capital gains and income from interest and dividends, while maintaining a lower level of volatility than pure equity funds by investing primarily in a diversified portfolio of both Canadian and foreign equity and fixed income securities with no restrictions on the capital appreciation of the issuers.

### Currency risk

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

As at December 31, 2023	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
<b>Currencies</b>					
Danish Krone	3	6,675	—	6,678	7.8
Euro	34	8,552	(3,335)	5,251	6.1
Japanese Yen	0	1,005	—	1,005	1.2
Pound Sterling	24	5,084	(2,330)	2,778	3.2
South African Rand	3	130	(134)	(1)	(0.0)
Swiss Franc	23	1,662	—	1,685	2.0
U.S. Dollar	(30)	33,077	(1,664)	31,383	36.5
<b>Total</b>	<b>57</b>	<b>56,185</b>	<b>(7,463)</b>	<b>48,779</b>	<b>56.8</b>

As at December 31, 2022	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
<b>Currencies</b>					
Danish Krone	23	5,771	—	5,794	8.4
Euro	59	7,724	(3,504)	4,279	6.2
Japanese Yen	—	1,756	—	1,756	2.6
Norwegian Krone	0	—	—	0	0.0

As at December 31, 2022	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
<b>Currencies</b>					
Pound Sterling	23	3,976	(2,001)	1,998	2.9
South African Rand	2	79	(81)	—	—
Swiss Franc	26	1,607	—	1,633	2.4
U.S. Dollar	124	26,795	(2,142)	24,777	36.1
<b>Total</b>	<b>257</b>	<b>47,708</b>	<b>(7,728)</b>	<b>40,237</b>	<b>58.6</b>

As at December 31, 2023 and December 31, 2022, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, respectively, with all other variables held constant, the Net Assets of the Fund could possibly have decreased or increased, respectively, by approximately \$2,439 (December 31, 2022 — \$2,012). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### Interest rate risk

The Fund's exposure, through its investment in the underlying fund, to interest rate risk, by remaining term to maturity, is summarized in the following table:

Number of years	Interest Rate Exposure as at	
	December 31, 2023	December 31, 2022
Less than one year	1,473	1,311
One to three years	6,936	5,993
Three to five years	6,823	5,163
Five to ten years	12,589	9,806
Greater than ten years	7,591	5,204
<b>Total</b>	<b>35,412</b>	<b>27,477</b>

As at December 31, 2023 and December 31, 2022, if the prevailing interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, the Net Assets of the Fund could possibly have decreased or increased, respectively, by approximately \$2,518 (December 31, 2022 — \$1,866). The Fund's interest rate sensitivity was determined based on portfolio weighted duration. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invests in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, composed of 40% FTSE Canada All Government Bond Index and 60% MSCI World (C\$), had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$7,860 (December 31, 2022 — \$5,874). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

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

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

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

December 31, 2023

### Credit risk

The Fund's exposure, through its investment in the underlying fund, to credit risk, grouped by credit ratings, is summarized in the following table:

Credit Rating	As a % of Net Assets as at	
	December 31, 2023	December 31, 2022
R-1 High	0.9	1.4
AAA	8.9	8.3
AA	13.1	8.3
A	11.1	12.8
BBB	3.9	4.7
BB	2.0	2.7
B	1.3	1.3
Unrated	-0.1	0.5
<b>Total</b>	<b>41.1</b>	<b>40.0</b>

### Fair value hierarchy

The 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 observable 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.

#### As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	84,783	—	—	84,783

#### As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	67,787	—	—	67,787

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at December 31, 2023	As at December 31, 2022
BMO Concentrated Global Balanced Fund, Series I	84,783	67,787

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

	As at December 31, 2023	As at December 31, 2022
BMO Concentrated Global Balanced Fund, Series I	19.03%	17.55%

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

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

For the periods ended	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	606	(873)
Weighted average units outstanding during the period (in thousands of units)	590	568
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.03	(1.54)
<b>75/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,057	(1,467)
Weighted average units outstanding during the period (in thousands of units)	1,134	969
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.93	(1.51)
<b>100/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,035	(1,335)
Weighted average units outstanding during the period (in thousands of units)	1,196	918
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.87	(1.45)
<b>75/75 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	787	(1,380)
Weighted average units outstanding during the period (in thousands of units)	751	793
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.05	(1.74)
<b>75/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,910	(2,192)
Weighted average units outstanding during the period (in thousands of units)	1,910	1,522
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.00	(1.44)

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

# BMO Concentrated Global Balanced GIF

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

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

December 31, 2023



<i>For the periods ended</i>	December 31, 2023	December 31, 2022	<i>As at</i>	December 31, 2023	December 31, 2022
<b>100/100 Class A Prestige Units</b>			Provincial Bonds	22.6%	19.4%
Increase (decrease) in net assets held for the benefit of policyowners	1,748	(2,608)	Municipal Bonds	0.2%	—%
Weighted average units outstanding during the period (in thousands of units)	1,904	1,694	Corporate Bonds & Debentures	—%	0.2%
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.92	(1.54)	<b>Foreign Bonds &amp; Debentures</b>		
<b>75/75 Class F Units</b>			Australia	0.1%	0.1%
Increase (decrease) in net assets held for the benefit of policyowners	68	(105)	Belgium	0.1%	0.2%
Weighted average units outstanding during the period (in thousands of units)	69	71	Brazil	—%	0.0%
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.99	(1.48)	China	0.1%	0.1%
<b>75/100 Class F Units</b>			Denmark	—%	0.2%
Increase (decrease) in net assets held for the benefit of policyowners	60	(91)	Dominican Republic	—%	0.1%
Weighted average units outstanding during the period (in thousands of units)	51	57	Finland	0.1%	0.1%
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.17	(1.60)	France	0.6%	1.1%
<b>100/100 Class F Units</b>			Germany	0.6%	0.4%
Increase (decrease) in net assets held for the benefit of policyowners	35	(1)	India	0.1%	0.2%
Weighted average units outstanding during the period (in thousands of units)	36	8	Ireland	0.3%	0.3%
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.97	(0.11)	Italy	0.4%	0.3%
<b>75/75 Class F Prestige Units</b>			Japan	—%	0.1%
Increase in net assets held for the benefit of policyowners	20	—	Luxembourg	0.4%	0.3%
Weighted average units outstanding during the period (in thousands of units)	70	—	Mexico	—%	0.1%
Increase in net assets held for the benefit of policyowners per unit	0.29	—	Norway	0.2%	0.1%
<b>Brokerage commissions</b>			Netherlands	0.5%	0.6%
There were no brokerage commissions charged to the Fund during the periods ended December 31, 2023 and December 31, 2022.			Qatar	—%	0.1%
<b>Concentration risk</b>			South Africa	0.2%	0.2%
The following is a summary of the Fund's concentration risk through its investment in the underlying fund:			Spain	0.5%	0.5%
			Supranational	—%	0.1%
			Sweden	—%	0.1%
			Switzerland	0.1%	0.1%
			United Arab Emirates	0.1%	0.2%
			United Kingdom	2.0%	2.0%
			United States	2.4%	3.3%
			<b>Canadian Equities</b>		
			Materials	0.1%	0.1%
			<b>Foreign Equities</b>		
			China	1.9%	2.9%
			Denmark	7.8%	8.3%
			France	6.1%	6.2%
			Japan	1.2%	2.6%
			Switzerland	1.9%	2.4%
			United Kingdom	3.3%	3.0%
			United States	34.6%	33.1%
			<b>Swaps</b>		
			Credit Default Swaps	(0.1)%	—%
			<b>Other Assets less Liabilities</b>		
				2.0%	1.3%
				<b>100.0%</b>	<b>100.0%</b>
<b>Money Market Investments</b>					
Federal	0.9%	1.4%			
<b>Canadian Bonds &amp; Debentures</b>					
Federal Bonds	8.7%	8.2%			

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

# BMO Concentrated Global Balanced GIF

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

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

December 31, 2023

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### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

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

# BMO Concentrated Global Balanced GIF

## Supplementary Information

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

December 31, 2023



### Financial Highlights

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

	Years ended December 31,			
	2023	2022	2021	2020 <sup>(4)</sup>
<b>75/75 Class A Units</b>				
Net asset (000's) <sup>(1)</sup>	\$ 6,698	5,663	6,119	2,506
Net asset value per unit <sup>(1)</sup>	\$ 10.74	9.74	11.33	10.57
Units issued and outstanding (000's) <sup>(1)</sup>	624	581	540	237
Management fees	% 1.56 <sup>†</sup>	1.65	1.65	1.65
Management expense ratio <sup>(2)</sup>	% 2.58	2.61	2.63	2.62
Management expense ratio before waivers	% 2.58	2.61	2.63	2.62
Portfolio turnover rate <sup>(3)</sup>	% 2.65	6.04	1.71	—

	Years ended December 31,			
	2023	2022	2021	2020 <sup>(4)</sup>
<b>75/100 Class A Units</b>				
Net asset (000's) <sup>(1)</sup>	\$ 13,174	9,825	9,719	3,962
Net asset value per unit <sup>(1)</sup>	\$ 10.65	9.69	11.30	10.56
Units issued and outstanding (000's) <sup>(1)</sup>	1,237	1,014	860	375
Management fees	% 1.65	1.65	1.65	1.65
Management expense ratio <sup>(2)</sup>	% 2.85	2.85	2.89	2.88
Management expense ratio before waivers	% 2.85	2.85	2.89	2.88
Portfolio turnover rate <sup>(3)</sup>	% 2.65	6.04	1.71	—

	Years ended December 31,			
	2023	2022	2021	2020 <sup>(4)</sup>
<b>100/100 Class A Units</b>				
Net asset (000's) <sup>(1)</sup>	\$ 13,159	9,686	9,376	2,976
Net asset value per unit <sup>(1)</sup>	\$ 10.52	9.60	11.24	10.54
Units issued and outstanding (000's) <sup>(1)</sup>	1,251	1,009	834	282
Management fees	% 1.65	1.65	1.65	1.65
Management expense ratio <sup>(2)</sup>	% 3.27	3.25	3.22	3.19
Management expense ratio before waivers	% 3.27	3.25	3.22	3.19
Portfolio turnover rate <sup>(3)</sup>	% 2.65	6.04	1.71	—

	Years ended December 31,			
	2023	2022	2021	2020 <sup>(4)</sup>
<b>75/75 Class A Prestige Units</b>				
Net asset (000's) <sup>(1)</sup>	\$ 8,492	7,771	9,376	3,858
Net asset value per unit <sup>(1)</sup>	\$ 10.84	9.81	11.39	10.60
Units issued and outstanding (000's) <sup>(1)</sup>	783	792	823	364
Management fees	% 1.38 <sup>††</sup>	1.47	1.47	1.47
Management expense ratio <sup>(2)</sup>	% 2.37	2.38	2.37	2.38
Management expense ratio before waivers	% 2.37	2.38	2.37	2.38
Portfolio turnover rate <sup>(3)</sup>	% 2.65	6.04	1.71	—

	Years ended December 31,			
	2023	2022	2021	2020 <sup>(4)</sup>
<b>75/100 Class A Prestige Units</b>				
Net asset (000's) <sup>(1)</sup>	\$ 22,675	17,208	15,874	4,088
Net asset value per unit <sup>(1)</sup>	\$ 10.75	9.75	11.34	10.58
Units issued and outstanding (000's) <sup>(1)</sup>	2,109	1,765	1,400	387
Management fees	% 1.42	1.42	1.42	1.42
Management expense ratio <sup>(2)</sup>	% 2.59	2.59	2.64	2.63
Management expense ratio before waivers	% 2.59	2.59	2.64	2.63
Portfolio turnover rate <sup>(3)</sup>	% 2.65	6.04	1.71	—

	Years ended December 31,			
	2023	2022	2021	2020 <sup>(4)</sup>
<b>100/100 Class A Prestige Units</b>				
Net asset (000's) <sup>(1)</sup>	\$ 19,576	17,058	18,294	4,869
Net asset value per unit <sup>(1)</sup>	\$ 10.66	9.69	11.30	10.56
Units issued and outstanding (000's) <sup>(1)</sup>	1,837	1,760	1,619	461
Management fees	% 1.30	1.30	1.30	1.30
Management expense ratio <sup>(2)</sup>	% 2.88	2.85	2.79	2.78
Management expense ratio before waivers	% 2.88	2.85	2.79	2.78
Portfolio turnover rate <sup>(3)</sup>	% 2.65	6.04	1.71	—

	Years ended December 31,			
	2023	2022	2021	2020 <sup>(4)</sup>
<b>75/75 Class F Units</b>				
Net asset (000's) <sup>(1)</sup>	\$ 105	752	812	3
Net asset value per unit <sup>(1)</sup>	\$ 11.19	10.04	11.55	10.66
Units issued and outstanding (000's) <sup>(1)</sup>	9	75	70	0
Management fees	% 0.65	0.65	0.65	0.65
Management expense ratio <sup>(2)</sup>	% 1.50	1.50	1.50	1.50
Management expense ratio before waivers	% 1.50	1.50	1.50	1.50
Portfolio turnover rate <sup>(3)</sup>	% 2.65	6.04	1.71	—

	Years ended December 31,			
	2023	2022	2021	2020 <sup>(4)</sup>
<b>75/100 Class F Units</b>				
Net asset (000's) <sup>(1)</sup>	\$ 795	404	660	629
Net asset value per unit <sup>(1)</sup>	\$ 11.09	9.98	11.50	10.63
Units issued and outstanding (000's) <sup>(1)</sup>	72	40	57	59
Management fees	% 0.65	0.65	0.65	0.65
Management expense ratio <sup>(2)</sup>	% 1.77	1.76	1.76	1.76
Management expense ratio before waivers	% 1.77	1.76	1.76	1.76
Portfolio turnover rate <sup>(3)</sup>	% 2.65	6.04	1.71	—

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

# BMO Concentrated Global Balanced GIF

## Supplementary Information (cont'd)

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

December 31, 2023

Years ended December 31,

100/100 Class F Units	2023	2022	2021	2020 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 463	213	18	3
Net asset value per unit <sup>(1)</sup>	\$ 10.93	9.87	11.43	10.61
Units issued and outstanding (000's) <sup>(1)</sup>	42	22	2	0
Management fees	% 0.65	0.65	0.65	0.65
Management expense ratio <sup>(2)</sup>	% 2.16	2.16	2.16	2.16
Management expense ratio before waivers	% 2.16	2.16	2.16	2.16
Portfolio turnover rate <sup>(3)</sup>	% 2.65	6.04	1.71	—

75/75 Class F Prestige Units	Period ended December 31, 2023 <sup>(5)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 787
Net asset value per unit <sup>(1)</sup>	\$ 10.31
Units issued and outstanding (000's) <sup>(1)</sup>	76
Management fees	% 0.43
Management expense ratio <sup>(2)</sup>	% 1.25
Management expense ratio before waivers	% 1.25
Portfolio turnover rate <sup>(5)</sup>	% 2.65

<sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

<sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund. For the financial period-ended December 31, 2020, no sales of portfolio securities were made by the fund. As a result, the portfolio turnover rate for this period was zero.

<sup>(4)</sup> The information shown in this column is for the period beginning May 8, 2020 (the class' inception date) and ending December 31, 2020.

<sup>(5)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.

† Effective October 16, 2023, the management fee rate was reduced from 1.65% to 1.56%.

†† Effective October 16, 2023, the management fee rate was reduced from 1.47% to 1.38%.

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



# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

## BMO Concentrated Global Equity GIF

<b>STATEMENT OF FINANCIAL POSITION</b> <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>			<b>STATEMENT OF COMPREHENSIVE INCOME</b> <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		
As at	December 31, 2023	December 31, 2022	For the periods ended	December 31, 2023	December 31, 2022
<b>ASSETS</b>			<b>INCOME</b>		
<b>CURRENT ASSETS</b>			<b>Interest income</b>		
Cash	1,312	487		66	11
Investments			<b>Distributions received from investment trusts</b>		
Non-derivative financial assets	69,566	47,174		305	—
Subscriptions receivable	490	57	<b>Other changes in fair value of investments and derivatives</b>		
<b>Total assets</b>	<b>71,368</b>	<b>47,718</b>		169	82
<b>LIABILITIES</b>			<b>Net realized gain</b>		
<b>CURRENT LIABILITIES</b>				8,188	(5,397)
Redemptions payable	271	93	<b>Change in unrealized appreciation (depreciation)</b>		
Accrued expenses	486	353		8,728	(5,304)
<b>Total liabilities</b>	<b>757</b>	<b>446</b>	<b>Net gain (loss) in fair value of investments and derivatives</b>		
<b>Net assets held for the benefit of policyowners</b>				<b>8,728</b>	<b>(5,304)</b>
<b>Net assets held for the benefit of policyowners</b>			<b>Total income (loss)</b>		
75/75 Class A Units	11,909	7,614		<b>1,016</b>	<b>799</b>
75/100 Class A Units	17,900	13,730	<b>Fixed administration fees (note 7)</b>		
75/75 Class A Prestige Units	14,358	9,687		160	124
75/100 Class A Prestige Units	26,023	15,929	<b>Insurance fees (note 7)</b>		
75/75 Class F Units	55	52		542	423
75/100 Class F Units	363	260	<b>Interest charges</b>		
75/75 Class F Prestige Units	3	—		1	—
<b>Net assets held for the benefit of policyowners per unit</b>			<b>Total expenses</b>		
75/75 Class A Units	\$ 13.05	\$ 11.48		<b>1,719</b>	<b>1,346</b>
75/100 Class A Units	\$ 12.92	\$ 11.41	<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/75 Class A Prestige Units	\$ 13.14	\$ 11.53		<b>7,009</b>	<b>(6,650)</b>
75/100 Class A Prestige Units	\$ 13.02	\$ 11.46	<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/75 Class F Units	\$ 13.55	\$ 11.80		<b>1,168</b>	<b>(928)</b>
75/100 Class F Units	\$ 13.40	\$ 11.70		<b>1,910</b>	<b>(2,019)</b>
75/75 Class F Prestige Units	\$ 10.21	\$ —		<b>1,488</b>	<b>(1,278)</b>
				<b>2,397</b>	<b>(2,372)</b>
				<b>7</b>	<b>(0)</b>
				<b>39</b>	<b>(53)</b>
				<b>0</b>	<b>—</b>
			<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
				<b>1.54</b>	<b>(1.58)</b>
				<b>1.49</b>	<b>(1.73)</b>
				<b>1.62</b>	<b>(1.68)</b>
				<b>1.46</b>	<b>(1.70)</b>
				<b>1.72</b>	<b>(0.01)</b>
				<b>1.70</b>	<b>(2.18)</b>
				<b>0.21</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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	7,614	6,561
Increase (decrease) in net assets held for the benefit of policyowners	1,168	(928)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	8,045	5,877
Withdrawal of withdrawable units	(4,918)	(3,896)
<b>Net increase from withdrawable unit transactions</b>	3,127	1,981
<b>Net increase in net assets held for the benefit of policyowners</b>	4,295	1,053
<b>Net assets held for the benefit of policyowners</b>	11,909	7,614
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	13,730	14,628
Increase (decrease) in net assets held for the benefit of policyowners	1,910	(2,019)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	15,597	11,086
Withdrawal of withdrawable units	(13,337)	(9,965)
<b>Net increase from withdrawable unit transactions</b>	2,260	1,121
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	4,170	(898)
<b>Net assets held for the benefit of policyowners</b>	17,900	13,730

## 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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	9,687	9,106
Increase (decrease) in net assets held for the benefit of policyowners	1,488	(1,278)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	4,772	3,046
Withdrawal of withdrawable units	(1,589)	(1,187)
<b>Net increase from withdrawable unit transactions</b>	3,183	1,859
<b>Net increase in net assets held for the benefit of policyowners</b>	4,671	581
<b>Net assets held for the benefit of policyowners</b>	14,358	9,687
<b>75/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	15,929	16,770
Increase (decrease) in net assets held for the benefit of policyowners	2,397	(2,372)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	10,075	5,909
Withdrawal of withdrawable units	(2,378)	(4,378)
<b>Net increase from withdrawable unit transactions</b>	7,697	1,531
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	10,094	(841)
<b>Net assets held for the benefit of policyowners</b>	26,023	15,929

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)

For the periods ended	December 31, 2023	December 31, 2022
<b>75/75 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	52	3
Increase (decrease) in net assets held for the benefit of policyowners	7	(0)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	—	49
Withdrawal of withdrawable units	(4)	—
<b>Net (decrease) increase from withdrawable unit transactions</b>	(4)	49
<b>Net increase in net assets held for the benefit of policyowners</b>	3	49
<b>Net assets held for the benefit of policyowners</b>	55	52
<b>75/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	260	360
Increase (decrease) in net assets held for the benefit of policyowners	39	(53)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	105	—
Withdrawal of withdrawable units	(41)	(47)
<b>Net increase (decrease) from withdrawable unit transactions</b>	64	(47)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	103	(100)
<b>Net assets held for the benefit of policyowners</b>	363	260
<b>75/75 Class F Prestige 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	0	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3	—
<b>Net increase from withdrawable unit transactions</b>	3	—
<b>Net increase in net assets held for the benefit of policyowners</b>	3	—
<b>Net assets held for the benefit of policyowners</b>	3	—

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

(All amounts in thousands of Canadian dollars)

For the periods ended	December 31, 2023	December 31, 2022
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	47,272	47,428
Increase (decrease) in net assets held for the benefit of policyowners	7,009	(6,650)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	38,597	25,967
Withdrawal of withdrawable units	(22,267)	(19,473)
<b>Net increase from withdrawable unit transactions</b>	16,330	6,494
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	23,339	(156)
<b>Net assets held for the benefit of policyowners</b>	70,611	47,272

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

<b>STATEMENT OF CASH FLOWS</b> <i>(All amounts in thousands of Canadian dollars)</i>			<b>SCHEDULE OF INVESTMENT PORTFOLIO</b> <i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>For the periods ended</i>	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>As at December 31, 2023</b>	<b>Number of Units</b>	<b>Cost* (\$)</b>	<b>Fair Value (\$)</b>
<b>Cash flows from operating activities</b>			<b>HOLDINGS IN INVESTMENT FUND</b>			
Increase (decrease) in net assets held for the benefit of policyowners	7,009	(6,650)	<b>Global Equity Fund — 98.5%</b>			
Adjustments for:			BMO Concentrated Global Equity Fund,			
Net realized gain on sale of investments and derivatives	(169)	(82)	Series I			
Change in unrealized (appreciation) depreciation of investments and derivatives	(8,188)	5,397		3,854,590	59,126	69,566
Increase in accrued expenses	133	8	<b>Total Investment Portfolio — 98.5%</b>			
Non-cash distributions from investment trusts	(305)	—	<b>59,126 69,566</b>			
Purchases of investments	(15,530)	(7,720)	Other Assets Less Liabilities — 1.5%			
Proceeds from sale and maturity of investments	1,800	2,200	<b>Net assets held for the benefit</b>			
<b>Net cash used in operating activities</b>	<b>(15,250)</b>	<b>(6,847)</b>	<b>of policyowners — 100.0%</b>			
			<b>70,611</b>			
<b>Cash flows from financing activities</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.			
Proceeds from issuances of withdrawable units	24,905	16,602				
Amounts paid on withdrawal of withdrawable units	(8,830)	(10,214)				
<b>Net cash from financing activities</b>	<b>16,075</b>	<b>6,388</b>				
Net increase (decrease) in cash	825	(459)				
Cash at beginning of period	487	946				
<b>Cash at end of period</b>	<b>1,312</b>	<b>487</b>				
<b>Supplementary Information:</b>						
Interest received, net of withholding taxes*	66	11				
Interest expense paid*	1	—				

\*These items are from operating activities

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

# BMO Concentrated Global Equity GIF

## Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2023

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

### Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

### Cash

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

### Other assets and liabilities

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

### Investments in subsidiaries, joint ventures and associates

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

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 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.

### 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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

### Portfolio turnover ratio

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

### Income taxes

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

## 4. Units and unit transactions

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

## 5. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

### Accounting judgements:

#### Functional and presentation currency

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

### **Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

## **6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

## **7. Related party transactions**

### **Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

### **Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

### **Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

### **Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

### **Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

## **8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

### 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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

# BMO Concentrated Global Equity GIF

## Notes to the Financial Statements

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

December 31, 2023

### Fund and Class information

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

Class	Date Established
75/75 Class A Units	May 8, 2020
75/100 Class A Units	May 8, 2020
75/75 Class A Prestige Units	May 8, 2020
75/100 Class A Prestige Units	May 8, 2020
75/75 Class F Units	May 8, 2020
75/100 Class F Units	May 8, 2020
75/75 Class F Prestige Units	November 17, 2023

### 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)	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	663	491
Issued for cash	644	510
Withdrawn during the period	(394)	(338)
Units issued and outstanding, end of period	913	663
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	1,204	1,098
Issued for cash	1,256	964
Withdrawn during the period	(1,074)	(858)
Units issued and outstanding, end of period	1,386	1,204
<b>75/75 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	840	680
Issued for cash	378	264
Withdrawn during the period	(126)	(104)
Units issued and outstanding, end of period	1,092	840
<b>75/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	1,391	1,257
Issued for cash	803	513
Withdrawn during the period	(195)	(379)
Units issued and outstanding, end of period	1,999	1,391
<b>75/75 Class F Units</b>		
Units issued and outstanding, beginning of period	4	0
Issued for cash	—	4
Withdrawn during the period	(0)	—
Units issued and outstanding, end of period	4	4

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
Units issued and outstanding, beginning of period	22	27
Issued for cash	8	—
Withdrawn during the period	(3)	(5)
Units issued and outstanding, end of period	27	22

### 75/75 Class F Prestige Units

Units issued and outstanding, beginning of period	—	—
Issued for cash	0	—
Units issued and outstanding, end of period	0	—

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023	Number of Units	Value of Units (\$)
Class		
75/75 Class A Units	250	3
75/100 Class A Units	250	3
75/75 Class A Prestige Units	250	3
75/100 Class A Prestige Units	250	3
75/75 Class F Units	250	3
75/100 Class F Units	250	3
75/75 Class F Prestige Units	250	3

As at December 31, 2022	Number of Units	Value of Units (\$)
Class		
75/75 Class A Units	250	3
75/100 Class A Units	250	3
75/75 Class A Prestige Units	250	3
75/100 Class A Prestige Units	250	3
75/75 Class F Units	250	3
75/100 Class F Units	250	3

### Financial instruments risk

The Fund invests in the BMO Concentrated Global Equity Fund ("underlying fund"). The investment objective of the underlying fund is to achieve long-term capital appreciation through investment in a portfolio of high quality equity or equity-related securities of issuers throughout the world. The portfolio manager invests primarily in equity companies that trade on recognized exchanges in countries around the world.

### Currency risk

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

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

# BMO Concentrated Global Equity GIF

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

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

December 31, 2023

As at December 31, 2023

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Danish Krone	40	8,531	—	8,571	12.1
Euro	22	6,951	—	6,973	9.9
Japanese Yen	14	2,504	—	2,518	3.6
Pound Sterling	14	3,313	—	3,327	4.7
Swiss Franc	48	2,523	—	2,571	3.6
U.S. Dollar	21	44,892	—	44,913	63.6
<b>Total</b>	<b>159</b>	<b>68,714</b>	<b>—</b>	<b>68,873</b>	<b>97.5</b>

As at December 31, 2022

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Danish Krone	56	6,121	—	6,177	13.1
Euro	33	4,479	—	4,512	9.5
Japanese Yen	31	2,041	—	2,072	4.4
Pound Sterling	23	2,431	—	2,454	5.2
Swiss Franc	37	2,009	—	2,046	4.3
U.S. Dollar	171	29,569	—	29,740	62.9
<b>Total</b>	<b>351</b>	<b>46,650</b>	<b>—</b>	<b>47,001</b>	<b>99.4</b>

As at December 31, 2023 and December 31, 2022, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, respectively, with all other variables held constant, the Net Assets of the Fund could possibly have decreased or increased, respectively, by approximately \$3,444 (December 31, 2022 — \$2,350). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### Interest rate risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to interest rate risk.

### Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invests in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, MSCI World Total Return Index (Net, C\$), had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$6,489 (December 31, 2022 — \$4,184). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

### Credit risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to credit risk.

### Fair value hierarchy

The 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 observable 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.

As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	69,566	—	—	69,566

As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	47,174	—	—	47,174

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at December 31, 2023	As at December 31, 2022
BMO Concentrated Global Equity Fund, Series I	69,566	47,174

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

BMO Concentrated Global Equity Fund, Series I	2.97%	2.42%
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### Increase or decrease in net assets held for the benefit of policyowners per unit

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

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

# BMO Concentrated Global Equity GIF

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

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

December 31, 2023



<i>For the periods ended</i>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,168	(928)
Weighted average units outstanding during the period (in thousands of units)	759	587
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.54	(1.58)
<b>75/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,910	(2,019)
Weighted average units outstanding during the period (in thousands of units)	1,282	1,164
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.49	(1.73)
<b>75/75 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1,488	(1,278)
Weighted average units outstanding during the period (in thousands of units)	920	759
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.62	(1.68)
<b>75/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	2,397	(2,372)
Weighted average units outstanding during the period (in thousands of units)	1,647	1,397
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.46	(1.70)
<b>75/75 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	7	(0)
Weighted average units outstanding during the period (in thousands of units)	4	0
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.72	(0.01)
<b>75/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	39	(53)
Weighted average units outstanding during the period (in thousands of units)	23	24
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.70	(2.18)
<b>75/75 Class F Prestige Units</b>		
Increase in net assets held for the benefit of policyowners	0	—
Weighted average units outstanding during the period (in thousands of units)	0	—
Increase in net assets held for the benefit of policyowners per unit	0.21	—

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2023 and December 31, 2022.

### Concentration risk

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

<i>As at</i>	December 31, 2023	December 31, 2022
<b>Money Market Investments</b>		
Federal	1.1%	0.8%
<b>Foreign Equities</b>		
China	4.5%	4.8%
Denmark	12.1%	13.0%
France	9.9%	9.5%
Japan	3.5%	4.3%
Switzerland	3.5%	4.3%
United Kingdom	4.8%	5.2%
United States	59.0%	57.6%
<b>Other Assets less Liabilities</b>	<b>1.6%</b>	<b>0.5%</b>
	<b>100.0%</b>	<b>100.0%</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

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

# BMO Concentrated Global Equity GIF

## Supplementary Information

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

December 31, 2023

### Financial Highlights

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

Years ended December 31,				
75/75 Class A Units	2023	2022	2021	2020 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 11,909	7,614	6,561	2,711
Net asset value per unit <sup>(1)</sup>	\$ 13.05	11.48	13.36	11.49
Units issued and outstanding (000's) <sup>(1)</sup>	913	663	491	236
Management fees	% 1.62 <sup>†</sup>	1.75	1.75	1.75
Management expense ratio <sup>(2)</sup>	% 2.94	2.98	3.00	3.01
Management expense ratio before waivers	% 2.94	2.98	3.00	3.01
Portfolio turnover rate <sup>(3)</sup>	% 3.19	4.94	4.68	4.61

Years ended December 31,				
75/100 Class A Units	2023	2022	2021	2020 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 17,900	13,730	14,628	6,286
Net asset value per unit <sup>(1)</sup>	\$ 12.92	11.41	13.32	11.50
Units issued and outstanding (000's) <sup>(1)</sup>	1,386	1,204	1,098	547
Management fees	% 1.75	1.75	1.75	1.75
Management expense ratio <sup>(2)</sup>	% 3.29	3.30	3.32	3.32
Management expense ratio before waivers	% 3.29	3.30	3.32	3.32
Portfolio turnover rate <sup>(3)</sup>	% 3.19	4.94	4.68	4.61

Years ended December 31,				
75/75 Class A Prestige Units	2023	2022	2021	2020 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 14,358	9,687	9,106	3,576
Net asset value per unit <sup>(1)</sup>	\$ 13.14	11.53	13.39	11.50
Units issued and outstanding (000's) <sup>(1)</sup>	1,092	840	680	311
Management fees	% 1.21 <sup>††</sup>	1.57	1.57	1.57
Management expense ratio <sup>(2)</sup>	% 2.67	2.78	2.81	2.81
Management expense ratio before waivers	% 2.67	2.78	2.81	2.81
Portfolio turnover rate <sup>(3)</sup>	% 3.19	4.94	4.68	4.61

Years ended December 31,				
75/100 Class A Prestige Units	2023	2022	2021	2020 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 26,023	15,929	16,770	5,489
Net asset value per unit <sup>(1)</sup>	\$ 13.02	11.46	13.34	11.48
Units issued and outstanding (000's) <sup>(1)</sup>	1,999	1,391	1,257	478
Management fees	% 1.48	1.48	1.48	1.48
Management expense ratio <sup>(2)</sup>	% 2.97	2.96	3.03	3.04
Management expense ratio before waivers	% 2.97	2.96	3.03	3.04
Portfolio turnover rate <sup>(3)</sup>	% 3.19	4.94	4.68	4.61

Years ended December 31,				
75/75 Class F Units	2023	2022	2021	2020 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 55	52	3	3
Net asset value per unit <sup>(1)</sup>	\$ 13.55	11.80	13.59	11.57
Units issued and outstanding (000's) <sup>(1)</sup>	4	4	0	0
Management fees	% 0.75	0.75	0.75	0.75
Management expense ratio <sup>(2)</sup>	% 1.89	1.89	1.89	1.89
Management expense ratio before waivers	% 1.89	1.89	1.89	1.89
Portfolio turnover rate <sup>(3)</sup>	% 3.19	4.94	4.68	4.61

Years ended December 31,				
75/100 Class F Units	2023	2022	2021	2020 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 363	260	360	3
Net asset value per unit <sup>(1)</sup>	\$ 13.40	11.70	13.52	11.54
Units issued and outstanding (000's) <sup>(1)</sup>	27	22	27	0
Management fees	% 0.75	0.75	0.75	0.75
Management expense ratio <sup>(2)</sup>	% 2.20	2.20	2.20	2.21
Management expense ratio before waivers	% 2.20	2.20	2.20	2.21
Portfolio turnover rate <sup>(3)</sup>	% 3.19	4.94	4.68	4.61

		Period ended December 31, 2023 <sup>(5)</sup>
<b>75/75 Class F Prestige Units</b>		
Net asset (000's) <sup>(1)</sup>		\$ 3
Net asset value per unit <sup>(1)</sup>		\$ 10.21
Units issued and outstanding (000's) <sup>(1)</sup>		0
Management fees		% 0.39
Management expense ratio <sup>(2)</sup>		% 1.48
Management expense ratio before waivers		% 1.48
Portfolio turnover rate <sup>(3)</sup>		% 3.19

<sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

<sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund.

<sup>(4)</sup> The information shown in this column is for the period beginning May 8, 2020 (the class' inception date) and ending December 31, 2020.

<sup>(5)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.

<sup>†</sup> Effective October 16, 2023, the management fee rate was reduced from 1.75% to 1.62%.

<sup>††</sup> Effective October 16, 2023, the management fee rate was reduced from 1.57% to 1.21%.

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

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

## BMO Sustainable Opportunities Global Equity GIF

<b>STATEMENT OF FINANCIAL POSITION</b> <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>			<b>STATEMENT OF COMPREHENSIVE INCOME</b> <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		
As at	December 31, 2023	December 31, 2022	For the periods ended	December 31, 2023	December 31, 2022
<b>ASSETS</b>			<b>INCOME</b>		
<b>CURRENT ASSETS</b>			Interest income		
Cash	107	187		—	1
Investments			Other changes in fair value of investments and derivatives		
Non-derivative financial assets	8,467	9,160	Net realized loss	(107)	(18)
Subscriptions receivable	4	66	Change in unrealized appreciation (depreciation)	1,284	(1,283)
<b>Total assets</b>	<b>8,578</b>	<b>9,413</b>	Net gain (loss) in fair value of investments and derivatives	1,177	(1,300)
<b>LIABILITIES</b>			<b>Total income (loss)</b>	<b>1,177</b>	<b>(1,300)</b>
<b>CURRENT LIABILITIES</b>			<b>EXPENSES</b>		
Redemptions payable	32	59	Management fees (note 7)	158	145
Accrued expenses	58	69	Fixed administration fees (note 7)	25	23
<b>Total liabilities</b>	<b>90</b>	<b>128</b>	Insurance fees (note 7)	81	73
<b>Net assets held for the benefit of policyowners</b>	<b>8,488</b>	<b>9,285</b>	Interest charges	0	—
<b>Net assets held for the benefit of policyowners</b>			<b>Total expenses</b>	<b>264</b>	<b>241</b>
75/75 Class A Units	1,411	1,379	<b>Increase (decrease) in net assets held for the benefit of policyowners</b>	<b>913</b>	<b>(1,541)</b>
75/100 Class A Units	2,171	2,003	<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/75 Class A Prestige Units	2,227	2,188	75/75 Class A Units	139	(306)
75/100 Class A Prestige Units	2,671	3,711	75/100 Class A Units	209	(315)
75/75 Class F Units	3	2	75/75 Class A Prestige Units	229	(428)
75/100 Class F Units	2	2	75/100 Class A Prestige Units	335	(490)
75/75 Class F Prestige Units	3	—	75/75 Class F Units	1	(1)
<b>Net assets held for the benefit of policyowners per unit</b>			75/100 Class F Units	0	(1)
75/75 Class A Units	\$ 9.88	\$ 8.92	75/75 Class F Prestige Units	0	—
75/100 Class A Units	\$ 9.77	\$ 8.87	<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Prestige Units	\$ 9.93	\$ 8.95	75/75 Class A Units	0.94	(1.99)
75/100 Class A Prestige Units	\$ 9.84	\$ 8.90	75/100 Class A Units	0.94	(1.51)
75/75 Class F Units	\$ 10.14	\$ 9.07	75/75 Class A Prestige Units	1.01	(2.00)
75/100 Class F Units	\$ 10.06	\$ 9.02	75/100 Class A Prestige Units	0.93	(1.45)
75/75 Class F Prestige Units	\$ 10.40	\$ —	75/75 Class F Units	1.07	(2.13)
			75/100 Class F Units	1.04	(2.15)
			75/75 Class F Prestige Units	0.40	—

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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	1,379	1,424
Increase (decrease) in net assets held for the benefit of policyowners	139	(306)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	380	1,117
Withdrawal of withdrawable units	(487)	(856)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(107)	261
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	32	(45)
<b>Net assets held for the benefit of policyowners</b>	1,411	1,379
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	2,003	1,239
Increase (decrease) in net assets held for the benefit of policyowners	209	(315)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	629	3,413
Withdrawal of withdrawable units	(670)	(2,334)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(41)	1,079
<b>Net increase in net assets held for the benefit of policyowners</b>	168	764
<b>Net assets held for the benefit of policyowners</b>	2,171	2,003

**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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	2,188	2,208
Increase (decrease) in net assets held for the benefit of policyowners	229	(428)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	203	718
Withdrawal of withdrawable units	(393)	(310)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(190)	408
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	39	(20)
<b>Net assets held for the benefit of policyowners</b>	2,227	2,188
<b>75/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	3,711	2,282
Increase (decrease) in net assets held for the benefit of policyowners	335	(490)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	384	2,346
Withdrawal of withdrawable units	(1,759)	(427)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(1,375)	1,919
<b>Net (decrease) increase in net assets held for the benefit of policyowners</b>	(1,040)	1,429
<b>Net assets held for the benefit of policyowners</b>	2,671	3,711
<b>75/75 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	2	3
Increase (decrease) in net assets held for the benefit of policyowners	1	(1)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	1	(1)
<b>Net assets held for the benefit of policyowners</b>	3	2

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>	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	2	3
Increase (decrease) in net assets held for the benefit of policyowners	0	(1)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	0	(1)
<b>Net assets held for the benefit of policyowners</b>	2	2
<b>75/75 Class F Prestige 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	0	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	3	—
<b>Net increase from withdrawable unit transactions</b>	3	—
<b>Net increase in net assets held for the benefit of policyowners</b>	3	—
<b>Net assets held for the benefit of policyowners</b>	3	—
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	9,285	7,159
Increase (decrease) in net assets held for the benefit of policyowners	913	(1,541)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,599	7,594
Withdrawal of withdrawable units	(3,309)	(3,927)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(1,710)	3,667
<b>Net (decrease) increase in net assets held for the benefit of policyowners</b>	(797)	2,126
<b>Net assets held for the benefit of policyowners</b>	8,488	9,285

*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>	December 31, 2023	December 31, 2022
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets held for the benefit of policyowners	913	(1,541)
Adjustments for:		
Net realized loss on sale of investments and derivatives	107	18
Change in unrealized (appreciation) depreciation of investments and derivatives	(1,284)	1,283
(Decrease) increase in accrued expenses	(11)	33
Purchases of investments	(200)	(3,900)
Proceeds from sale and maturity of investments	2,070	150
<b>Net cash from (used in) operating activities</b>	<b>1,595</b>	<b>(3,957)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	1,021	4,515
Amounts paid on withdrawal of withdrawable units	(2,696)	(855)
<b>Net cash (used in) from financing activities</b>	<b>(1,675)</b>	<b>3,660</b>
Net decrease in cash	(80)	(297)
Cash at beginning of period	187	484
<b>Cash at end of period</b>	<b>107</b>	<b>187</b>
<b>Supplementary Information:</b>		
Interest received, net of withholding taxes*	—	1
Interest expense paid*	0	—

\*These items are from operating activities

**SCHEDULE OF INVESTMENT PORTFOLIO**  
(All amounts in thousands of Canadian dollars, unless otherwise noted)

<i>As at December 31, 2023</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUND</b>			
<b>Global Equity Fund — 99.8%</b>			
BMO Sustainable Opportunities Global Equity Fund, Series I	451,594	8,338	8,467
<b>Total Investment Portfolio — 99.8%</b>		<b>8,338</b>	<b>8,467</b>
Other Assets Less Liabilities — 0.2%			21
<b>Net assets held for the benefit of policyowners — 100.0%</b>			<b>8,488</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**

(All amounts in thousands of Canadian dollars)

December 31, 2023

**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 policyowners. 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
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

**2. Basis of preparation and presentation**

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

**3. Material accounting policy information**

**Financial instruments**

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

**Cost of investments**

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

### Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

### Cash

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

### Other assets and liabilities

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

### Investments in subsidiaries, joint ventures and associates

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

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 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.

### 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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

**Portfolio turnover ratio**

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

**Income taxes**

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

**4. Units and unit transactions**

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

**5. Critical accounting judgements and estimates**

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

**Accounting judgements:**

**Functional and presentation currency**

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

### **Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

## **6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

## **7. Related party transactions**

### **Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

### **Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

### **Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

### **Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

### **Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

## **8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

**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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.



# BMO Sustainable Opportunities Global Equity GIF BMO Insurance

## Notes to the Financial Statements

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

December 31, 2023

### Fund and Class information

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

Class	Date Established
75/75 Class A Units	May 7, 2021
75/100 Class A Units	May 7, 2021
75/75 Class A Prestige Units	May 7, 2021
75/100 Class A Prestige Units	May 7, 2021
75/75 Class F Units	May 7, 2021
75/100 Class F Units	May 7, 2021
75/75 Class F Prestige Units	November 17, 2023

### 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)	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	155	128
Issued for cash	40	121
Withdrawn during the period	(52)	(94)
Units issued and outstanding, end of period	143	155
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	226	112
Issued for cash	68	373
Withdrawn during the period	(72)	(259)
Units issued and outstanding, end of period	222	226
<b>75/75 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	245	198
Issued for cash	21	79
Withdrawn during the period	(42)	(32)
Units issued and outstanding, end of period	224	245
<b>75/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	417	205
Issued for cash	41	259
Withdrawn during the period	(186)	(47)
Units issued and outstanding, end of period	272	417
<b>75/75 Class F Units</b>		
Units issued and outstanding, beginning of period	0	0
Units issued and outstanding, end of period	0	0
<b>75/100 Class F Units</b>		
Units issued and outstanding, beginning of period	0	0
Units issued and outstanding, end of period	0	0

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>75/75 Class F Prestige Units</b>		
Units issued and outstanding, beginning of period	—	—
Issued for cash	0	—
Units issued and outstanding, end of period	0	—

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023	Number of Units	Value of Units (\$)
75/75 Class A Units	250	2
75/75 Class A Prestige Units	250	2
75/75 Class F Units	250	3
75/75 Class F Prestige Units	250	3

As at December 31, 2022	Number of Units	Value of Units (\$)
75/75 Class A Units	250	2
75/75 Class A Prestige Units	250	2
75/75 Class F Units	250	2

### Financial instruments risk

The Fund invests in the BMO Sustainable Opportunities Global Equity Fund ("underlying fund"). The investment objective of the underlying fund is to provide long-term growth of capital by investing in a globally diversified portfolio of issuers and excludes investments that are primarily involved in the development and infrastructure of fossil fuels.

### Currency risk

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

As at December 31, 2023	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
<b>Currencies</b>					
Australian Dollar	2	200	—	202	2.4
Danish Krone	1	122	—	123	1.4
Euro	4	1,027	—	1,031	12.1
Japanese Yen	2	497	—	499	5.9
Pound Sterling	—	219	—	219	2.6
Swiss Franc	1	—	—	1	0.0
U.S. Dollar	5	6,272	—	6,277	74.0
<b>Total</b>	<b>15</b>	<b>8,337</b>	<b>—</b>	<b>8,352</b>	<b>98.4</b>

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

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

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

December 31, 2023

As at December 31, 2022

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Australian Dollar	2	268	—	270	2.9
Danish Krone	1	244	—	245	2.6
Euro	3	845	—	848	9.1
Japanese Yen	3	787	—	790	8.5
Norwegian Krone	0	—	—	0	0.0
Pound Sterling	—	373	—	373	4.0
Swiss Franc	1	172	—	173	1.9
U.S. Dollar	10	6,250	—	6,260	67.4
<b>Total</b>	<b>20</b>	<b>8,939</b>	<b>—</b>	<b>8,959</b>	<b>96.4</b>

As at December 31, 2023 and December 31, 2022, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, respectively, with all other variables held constant, the Net Assets of the Fund could possibly have decreased or increased, respectively, by approximately \$418 (December 31, 2022 — \$448). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### Interest rate risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to interest rate risk.

### Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invests in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, MSCI World Index (C\$), had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$947 (December 31, 2022 — \$929). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

### Credit risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to credit risk.

### Fair value hierarchy

The 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 observable inputs to models.

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

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.

As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	8,467	—	—	8,467

As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	9,160	—	—	9,160

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at December 31, 2023	As at December 31, 2022
BMO Sustainable Opportunities Global Equity Fund, Series I	8,467	9,160

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

BMO Sustainable Opportunities Global Equity Fund, Series I	1.58%	1.64%
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### Increase or decrease in net assets held for the benefit of policyowners per unit

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

For the periods ended	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	139	(306)
Weighted average units outstanding during the period (in thousands of units)	148	154
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.94	(1.99)
<b>75/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	209	(315)
Weighted average units outstanding during the period (in thousands of units)	222	209
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.94	(1.51)

# BMO Sustainable Opportunities Global Equity GIF BMO Insurance

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

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

December 31, 2023

<i>For the periods ended</i>	December 31, 2023	December 31, 2022	<i>As at</i>	December 31, 2023	December 31, 2022
<b>75/75 Class A Prestige Units</b>			Denmark	1.4%	2.7%
Increase (decrease) in net assets held for the benefit of policyowners	229	(428)	France	3.1%	1.6%
Weighted average units outstanding during the period (in thousands of units)	227	214	Germany	1.8%	1.1%
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.01	(2.00)	India	2.9%	3.2%
<b>75/100 Class A Prestige Units</b>			Ireland	4.2%	3.2%
Increase (decrease) in net assets held for the benefit of policyowners	335	(490)	Japan	5.9%	8.4%
Weighted average units outstanding during the period (in thousands of units)	359	337	Netherlands	1.5%	3.3%
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.93	(1.45)	Switzerland	1.6%	1.9%
<b>75/75 Class F Units</b>			Taiwan	2.2%	1.9%
Increase (decrease) in net assets held for the benefit of policyowners	1	(1)	United Kingdom	2.6%	8.2%
Weighted average units outstanding during the period (in thousands of units)	0	0	United States	66.3%	57.8%
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.07	(2.13)	<b>Other Assets less Liabilities</b>	(0.1)%	1.6%
<b>75/100 Class F Units</b>				<b>100.0%</b>	<b>100.0%</b>
Increase (decrease) in net assets held for the benefit of policyowners	0	(1)	<b>Offsetting financial assets and financial liabilities</b>		
Weighted average units outstanding during the period (in thousands of units)	0	0	There were no amounts offset as at December 31, 2023 and December 31, 2022.		
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.04	(2.15)			
<b>75/75 Class F Prestige Units</b>					
Increase in net assets held for the benefit of policyowners	0	—			
Weighted average units outstanding during the period (in thousands of units)	0	—			
Increase in net assets held for the benefit of policyowners per unit	0.40	—			

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2023 and December 31, 2022.

### Concentration risk

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

<i>As at</i>	December 31, 2023	December 31, 2022
<b>Foreign Equities</b>		
Australia	2.4%	2.9%
Brazil	2.3%	—%
Canada	1.9%	2.2%

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

# BMO Sustainable Opportunities Global Equity GIF BMO Insurance

## Supplementary Information

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

December 31, 2023

### Financial Highlights

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

	Years ended December 31,		
	2023	2022	2021 <sup>(4)</sup>
<b>75/75 Class A Units</b>			
Net asset (000's) <sup>(1)</sup>	\$ 1,411	1,379	1,424
Net asset value per unit <sup>(1)</sup>	\$ 9.88	8.92	11.12
Units issued and outstanding (000's) <sup>(1)</sup>	143	155	128
Management fees	% 1.75	1.75	1.75
Management expense ratio <sup>(2)</sup>	% 2.92	2.84	2.83
Management expense ratio before waivers	% 2.92	2.84	2.83
Portfolio turnover rate <sup>(3)</sup>	% 2.26	1.91	0.68

	Years ended December 31,		
	2023	2022	2021 <sup>(4)</sup>
<b>75/100 Class A Units</b>			
Net asset (000's) <sup>(1)</sup>	\$ 2,171	2,003	1,239
Net asset value per unit <sup>(1)</sup>	\$ 9.77	8.87	11.10
Units issued and outstanding (000's) <sup>(1)</sup>	222	226	112
Management fees	% 1.75	1.75	1.75
Management expense ratio <sup>(2)</sup>	% 3.30	3.27	3.30
Management expense ratio before waivers	% 3.30	3.27	3.30
Portfolio turnover rate <sup>(3)</sup>	% 2.26	1.91	0.68

	Years ended December 31,		
	2023	2022	2021 <sup>(4)</sup>
<b>75/75 Class A Prestige Units</b>			
Net asset (000's) <sup>(1)</sup>	\$ 2,227	2,188	2,208
Net asset value per unit <sup>(1)</sup>	\$ 9.93	8.95	11.13
Units issued and outstanding (000's) <sup>(1)</sup>	224	245	198
Management fees	% 1.21 <sup>†</sup>	1.57	1.57
Management expense ratio <sup>(2)</sup>	% 2.65	2.65	2.65
Management expense ratio before waivers	% 2.65	2.65	2.65
Portfolio turnover rate <sup>(3)</sup>	% 2.26	1.91	0.68

	Years ended December 31,		
	2023	2022	2021 <sup>(4)</sup>
<b>75/100 Class A Prestige Units</b>			
Net asset (000's) <sup>(1)</sup>	\$ 2,671	3,711	2,282
Net asset value per unit <sup>(1)</sup>	\$ 9.84	8.90	11.11
Units issued and outstanding (000's) <sup>(1)</sup>	272	417	205
Management fees	% 1.48	1.48	1.48
Management expense ratio <sup>(2)</sup>	% 3.00	3.02	3.01
Management expense ratio before waivers	% 3.00	3.02	3.01
Portfolio turnover rate <sup>(3)</sup>	% 2.26	1.91	0.68

Years ended December 31,

	2023	2022	2021 <sup>(4)</sup>
<b>75/75 Class F Units</b>			
Net asset (000's) <sup>(1)</sup>	\$ 3	2	3
Net asset value per unit <sup>(1)</sup>	\$ 10.14	9.07	11.19
Units issued and outstanding (000's) <sup>(1)</sup>	0	0	0
Management fees	% 0.75	0.75	0.75
Management expense ratio <sup>(2)</sup>	% 1.87	1.86	1.86
Management expense ratio before waivers	% 1.87	1.86	1.86
Portfolio turnover rate <sup>(3)</sup>	% 2.26	1.91	0.68

Years ended December 31,

	2023	2022	2021 <sup>(4)</sup>
<b>75/100 Class F Units</b>			
Net asset (000's) <sup>(1)</sup>	\$ 2	2	3
Net asset value per unit <sup>(1)</sup>	\$ 10.06	9.02	11.17
Units issued and outstanding (000's) <sup>(1)</sup>	0	0	0
Management fees	% 0.75	0.75	0.75
Management expense ratio <sup>(2)</sup>	% 2.18	2.17	2.17
Management expense ratio before waivers	% 2.18	2.17	2.17
Portfolio turnover rate <sup>(3)</sup>	% 2.26	1.91	0.68

	Period ended December 31, 2023 <sup>(5)</sup>	
<b>75/75 Class F Prestige Units</b>		
Net asset (000's) <sup>(1)</sup>	\$	3
Net asset value per unit <sup>(1)</sup>	\$	10.40
Units issued and outstanding (000's) <sup>(1)</sup>		0
Management fees	%	0.39
Management expense ratio <sup>(2)</sup>	%	1.46
Management expense ratio before waivers	%	1.46
Portfolio turnover rate <sup>(3)</sup>	%	2.26

<sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

<sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund.

<sup>(4)</sup> The information shown in this column is for the period beginning May 7, 2021 (the class' inception date) and ending December 31, 2021.

<sup>(5)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.

<sup>†</sup> Effective October 16, 2023, the management fee rate was reduced from 1.57% to 1.21%.

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

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

**BMO Balanced ESG ETF GIF**

## STATEMENT OF FINANCIAL POSITION

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

As at	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	100	152
Investments		
Non-derivative financial assets	6,221	3,549
Subscriptions receivable	1	6
Distribution receivable from investment trusts	37	25
<b>Total assets</b>	<b>6,359</b>	<b>3,732</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Redemptions payable	2	5
Accrued expenses	36	21
<b>Total liabilities</b>	<b>38</b>	<b>26</b>
<b>Net assets held for the benefit of policyowners</b>	<b>6,321</b>	<b>3,706</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	480	346
75/100 Class A Units	933	782
100/100 Class A Units	1,353	1,001
75/75 Class A Prestige Units	194	356
75/100 Class A Prestige Units	602	145
100/100 Class A Prestige Units	2,514	862
75/75 Class F Units	3	2
75/100 Class F Units	236	209
100/100 Class F Units	4	3
75/75 Class F Prestige Units	2	—
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 10.28	\$ 9.16
75/100 Class A Units	\$ 10.21	\$ 9.11
100/100 Class A Units	\$ 10.11	\$ 9.06
75/75 Class A Prestige Units	\$ 10.32	\$ 9.17
75/100 Class A Prestige Units	\$ 10.26	\$ 9.14
100/100 Class A Prestige Units	\$ 10.20	\$ 9.11
75/75 Class F Units	\$ 10.56	\$ 9.31
75/100 Class F Units	\$ 10.51	\$ 9.28
100/100 Class F Units	\$ 10.39	\$ 9.21
75/75 Class F Prestige Units	\$ 10.36	\$ —

## STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	December 31, 2023	December 31, 2022
<b>INCOME</b>		
Distributions received from investment trusts	153	79
Other changes in fair value of investments and derivatives		
Net realized loss	(11)	(10)
Change in unrealized appreciation (depreciation)	565	(480)
Net gain (loss) in fair value of investments and derivatives	707	(411)
<b>Total income (loss)</b>	<b>707</b>	<b>(411)</b>
<b>EXPENSES</b>		
Management fees (note 7)	60	37
Fixed administration fees (note 7)	15	9
Insurance fees (note 7)	48	27
Interest charges	0	—
Commissions and other portfolio transaction costs (note 7)	1	1
<b>Total expenses</b>	<b>124</b>	<b>74</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>	<b>583</b>	<b>(485)</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	47	(46)
75/100 Class A Units	99	(86)
100/100 Class A Units	137	(119)
75/75 Class A Prestige Units	30	(42)
75/100 Class A Prestige Units	41	(21)
100/100 Class A Prestige Units	200	(140)
75/75 Class F Units	1	(1)
75/100 Class F Units	27	(29)
100/100 Class F Units	1	(1)
75/75 Class F Prestige Units	0	—
<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	1.06	(1.37)
75/100 Class A Units	1.14	(1.33)
100/100 Class A Units	1.08	(1.43)
75/75 Class A Prestige Units	1.29	(1.29)
75/100 Class A Prestige Units	1.16	(1.47)
100/100 Class A Prestige Units	0.93	(1.53)
75/75 Class F Units	1.25	(1.48)
75/100 Class F Units	1.23	(1.54)
100/100 Class F Units	1.18	(1.31)
75/75 Class F Prestige Units	0.36	—

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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	346	295
Increase (decrease) in net assets held for the benefit of policyowners	47	(46)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	254	394
Withdrawal of withdrawable units	(167)	(297)
<b>Net increase from withdrawable unit transactions</b>	87	97
<b>Net increase in net assets held for the benefit of policyowners</b>	134	51
<b>Net assets held for the benefit of policyowners</b>	480	346
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	782	477
Increase (decrease) in net assets held for the benefit of policyowners	99	(86)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	436	434
Withdrawal of withdrawable units	(384)	(43)
<b>Net increase from withdrawable unit transactions</b>	52	391
<b>Net increase in net assets held for the benefit of policyowners</b>	151	305
<b>Net assets held for the benefit of policyowners</b>	933	782

## 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>	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	1,001	724
Increase (decrease) in net assets held for the benefit of policyowners	137	(119)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	2,116	845
Withdrawal of withdrawable units	(1,901)	(449)
<b>Net increase from withdrawable unit transactions</b>	215	396
<b>Net increase in net assets held for the benefit of policyowners</b>	352	277
<b>Net assets held for the benefit of policyowners</b>	1,353	1,001
<b>75/75 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	356	299
Increase (decrease) in net assets held for the benefit of policyowners	30	(42)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	16	390
Withdrawal of withdrawable units	(208)	(291)
<b>Net (decrease) increase from withdrawable unit transactions</b>	(192)	99
<b>Net (decrease) increase in net assets held for the benefit of policyowners</b>	(162)	57
<b>Net assets held for the benefit of policyowners</b>	194	356

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>	December 31, 2023	December 31, 2022
<b>75/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	145	141
Increase (decrease) in net assets held for the benefit of policyowners	41	(21)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	417	25
Withdrawal of withdrawable units	(1)	—
<b>Net increase from withdrawable unit transactions</b>	416	25
<b>Net increase in net assets held for the benefit of policyowners</b>	457	4
<b>Net assets held for the benefit of policyowners</b>	602	145
<b>100/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	862	749
Increase (decrease) in net assets held for the benefit of policyowners	200	(140)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,834	423
Withdrawal of withdrawable units	(382)	(170)
<b>Net increase from withdrawable unit transactions</b>	1,452	253
<b>Net increase in net assets held for the benefit of policyowners</b>	1,652	113
<b>Net assets held for the benefit of policyowners</b>	2,514	862
<b>75/75 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	2	3
Increase (decrease) in net assets held for the benefit of policyowners	1	(1)
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	1	(1)
<b>Net assets held for the benefit of policyowners</b>	3	2

## 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>	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	209	198
Increase (decrease) in net assets held for the benefit of policyowners	27	(29)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	—	40
<b>Net increase from withdrawable unit transactions</b>	—	40
<b>Net increase in net assets held for the benefit of policyowners</b>	27	11
<b>Net assets held for the benefit of policyowners</b>	236	209
<b>100/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	3	3
Increase (decrease) in net assets held for the benefit of policyowners	1	(1)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	—	1
<b>Net increase from withdrawable unit transactions</b>	—	1
<b>Net increase (decrease) in net assets held for the benefit of policyowners</b>	1	(0)
<b>Net assets held for the benefit of policyowners</b>	4	3
<b>75/75 Class F Prestige 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	0	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	2	—
<b>Net increase from withdrawable unit transactions</b>	2	—
<b>Net increase in net assets held for the benefit of policyowners</b>	2	—
<b>Net assets held for the benefit of policyowners</b>	2	—

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>	December 31, 2023	December 31, 2022
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	3,706	2,889
Increase (decrease) in net assets held for the benefit of policyowners	583	(485)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	5,075	2,552
Withdrawal of withdrawable units	(3,043)	(1,250)
<b>Net increase from withdrawable unit transactions</b>	2,032	1,302
<b>Net increase in net assets held for the benefit of policyowners</b>	2,615	817
<b>Net assets held for the benefit of policyowners</b>	6,321	3,706

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

<b>STATEMENT OF CASH FLOWS</b> <i>(All amounts in thousands of Canadian dollars)</i>			<b>SCHEDULE OF INVESTMENT PORTFOLIO</b> <i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>For the periods ended</i>	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>As at December 31, 2023</b>	<b>Number of Units</b>	<b>Cost* (\$)</b>	<b>Fair Value (\$)</b>
<b>Cash flows from operating activities</b>			<b>HOLDINGS IN INVESTMENT FUND</b>			
Increase (decrease) in net assets held for the benefit of policyowners	583	(485)	<b>Global Balanced Fund — 98.4%</b>			
Adjustments for:			BMO Balanced ESG ETF	186,502	6,052	6,221
Net realized loss on sale of investments and derivatives	11	10	<b>Total Investment Portfolio — 98.4%</b>		<b>6,052</b>	<b>6,221</b>
Change in unrealized (appreciation) depreciation of investments and derivatives	(565)	480	Other Assets Less Liabilities — 1.6%			100
Increase in distribution receivable from investment trusts	(12)	(10)	<b>Net assets held for the benefit of policyowners — 100.0%</b>			<b>6,321</b>
Increase in accrued expenses	15	7				
Non-cash distributions from investment trusts	(25)	—				
Purchases of investments	(2,635)	(1,460)				
Proceeds from sale and maturity of investments	542	251				
<b>Net cash used in operating activities</b>	<b>(2,086)</b>	<b>(1,207)</b>				
<b>Cash flows from financing activities</b>						
Proceeds from issuances of withdrawable units	2,935	1,821				
Amounts paid on withdrawal of withdrawable units	(901)	(519)				
<b>Net cash from financing activities</b>	<b>2,034</b>	<b>1,302</b>				
Net (decrease) increase in cash	(52)	95				
Cash at beginning of period	152	57				
<b>Cash at end of period</b>	<b>100</b>	<b>152</b>				
<b>Supplementary Information:</b>						
Distributions received from investment trusts*	116	69				
Interest expense paid*	0	—				

\* 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.

\*These items are from operating activities

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

# BMO Balanced ESG ETF GIF

## Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2023

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

**Fair value measurement**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

**Cash**

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

**Other assets and liabilities**

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

**Investments in subsidiaries, joint ventures and associates**

Subsidiaries are entities over which the Funds have control through their exposure or rights to variable returns from their investment, and have the ability to affect those returns through their power over the entity. The Funds have determined that they are an investment entity and as such, they account for subsidiaries, if any, at fair value. Joint ventures are investments 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**

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 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.

**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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

#### **Portfolio turnover ratio**

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

#### **Income taxes**

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

#### **4. Units and unit transactions**

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

#### **5. Critical accounting judgements and estimates**

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

##### **Accounting judgements:**

##### **Functional and presentation currency**

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

**Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

**6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

**7. Related party transactions**

**Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

**Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

**Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

**Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

**Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

**8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

**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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

### Fund and Class information

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

Class	Date Established
75/75 Class A Units	May 7, 2021
75/100 Class A Units	May 7, 2021
100/100 Class A Units	May 7, 2021
75/75 Class A Prestige Units	May 7, 2021
75/100 Class A Prestige Units	May 7, 2021
100/100 Class A Prestige Units	May 7, 2021
75/75 Class F Units	May 7, 2021
75/100 Class F Units	May 7, 2021
100/100 Class F Units	May 7, 2021
75/75 Class F Prestige Units	November 17, 2023

### 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)	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	38	27
Issued for cash	26	42
Withdrawn during the period	(17)	(31)
Units issued and outstanding, end of period	47	38
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	86	45
Issued for cash	45	46
Withdrawn during the period	(40)	(5)
Units issued and outstanding, end of period	91	86
<b>100/100 Class A Units</b>		
Units issued and outstanding, beginning of period	110	68
Issued for cash	223	88
Withdrawn during the period	(199)	(46)
Units issued and outstanding, end of period	134	110
<b>75/75 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	39	28
Issued for cash	2	40
Withdrawn during the period	(22)	(29)
Units issued and outstanding, end of period	19	39

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>75/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	16	13
Issued for cash	43	3
Withdrawn during the period	(0)	—
Units issued and outstanding, end of period	59	16

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>100/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	95	70
Issued for cash	191	43
Withdrawn during the period	(39)	(18)
Units issued and outstanding, end of period	247	95

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>75/75 Class F Units</b>		
Units issued and outstanding, beginning of period	0	0
Units issued and outstanding, end of period	0	0

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
Units issued and outstanding, beginning of period	23	18
Issued for cash	—	5
Units issued and outstanding, end of period	23	23

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>100/100 Class F Units</b>		
Units issued and outstanding, beginning of period	0	0
Issued for cash	—	0
Units issued and outstanding, end of period	0	0

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>75/75 Class F Prestige Units</b>		
Units issued and outstanding, beginning of period	—	—
Issued for cash	0	—
Units issued and outstanding, end of period	0	—

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023 Class	Number of Units	Value of Units (\$)
75/75 Class A Units	250	3
100/100 Class A Units	250	3
75/75 Class A Prestige Units	250	3
100/100 Class A Prestige Units	250	3
75/75 Class F Units	250	3
100/100 Class F Units	250	3
75/75 Class F Prestige Units	250	2

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



# BMO Balanced ESG ETF GIF

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

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

December 31, 2023



As at December 31, 2022

Class	Number of Units	Value of Units (\$)
75/75 Class A Units	250	2
100/100 Class A Units	250	2
75/75 Class A Prestige Units	250	2
100/100 Class A Prestige Units	250	2
75/75 Class F Units	250	2
100/100 Class F Units	250	2

### Financial instruments risk

The Fund invests in the BMO Balanced ESG ETF ("underlying fund"). The investment objective of the underlying fund is to provide a balance of income and potential for long-term capital appreciation, primarily by investing in ETFs that have been selected based on ESG factors and that provide exposure to a diversified portfolio of global equity and fixed income securities.

### Currency risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to currency risk as the underlying fund invested primarily in Canadian securities.

### Interest rate risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to interest rate risk.

### Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invests in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, composed of 40% MSCI World Total Return Index, 20% S&P TSX Capped Composite Total Return Index and 40% FTSE Canada Universe Bond Index, had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$659 (December 31, 2022 — \$356). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

### Credit risk

As at December 31, 2023 and December 31, 2022, the Fund did not have significant exposure, through its investment in the underlying fund, to credit risk.

### Fair value hierarchy

The 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 observable 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.

As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	6,221	—	—	6,221

As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	3,549	—	—	3,549

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

	As at December 31, 2023	As at December 31, 2022
<b>Carrying amount</b>		
BMO Balanced ESG ETF	6,221	3,549

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

BMO Balanced ESG ETF	10.96%	7.47%
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### Increase or decrease in net assets held for the benefit of policyowners per unit

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

	December 31, 2023	December 31, 2022
<i>For the periods ended</i>		
<b>75/75 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	47	(46)
Weighted average units outstanding during the period (in thousands of units)	44	34
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.06	(1.37)
<b>75/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	99	(86)
Weighted average units outstanding during the period (in thousands of units)	87	65
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.14	(1.33)

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

# BMO Balanced ESG ETF GIF

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

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

December 31, 2023

For the periods ended	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	137	(119)
Weighted average units outstanding during the period (in thousands of units)	126	83
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.08	(1.43)
<b>75/75 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	30	(42)
Weighted average units outstanding during the period (in thousands of units)	23	33
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.29	(1.29)
<b>75/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	41	(21)
Weighted average units outstanding during the period (in thousands of units)	36	14
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.16	(1.47)
<b>100/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	200	(140)
Weighted average units outstanding during the period (in thousands of units)	216	92
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.93	(1.53)
<b>75/75 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1	(1)
Weighted average units outstanding during the period (in thousands of units)	0	0
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.25	(1.48)
<b>75/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	27	(29)
Weighted average units outstanding during the period (in thousands of units)	23	19
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.23	(1.54)
<b>100/100 Class F Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	1	(1)
Weighted average units outstanding during the period (in thousands of units)	0	0
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.18	(1.31)

For the periods ended	December 31, 2023	December 31, 2022
<b>75/75 Class F Prestige Units</b>		
Increase in net assets held for the benefit of policyowners	0	—
Weighted average units outstanding during the period (in thousands of units)	0	—
Increase in net assets held for the benefit of policyowners per unit	0.36	—

### Brokerage commissions

For the periods ended	December 31, 2023 (\$)	December 31, 2022 (\$)
Total brokerage amounts paid	1	1
Total brokerage amounts paid to related parties	—	—

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:

As at	December 31, 2023	December 31, 2022
<b>Holdings in Investment Funds</b>		
Canadian Equity Funds	14.5%	14.3%
Canadian Fixed Income Funds	34.1%	33.6%
International Equity Funds	13.5%	14.1%
U.S. Equity Funds	31.7%	30.3%
U.S. Fixed Income Funds	4.6%	3.5%
<b>Other Assets less Liabilities</b>	<b>1.6%</b>	<b>4.2%</b>
	<b>100.0%</b>	<b>100.0%</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

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

# BMO Balanced ESG ETF GIF

## Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)  
December 31, 2023



### Financial Highlights

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

	Years ended December 31,		
	2023	2022	2021 <sup>(4)</sup>
<b>75/75 Class A Units</b>			
Net asset (000's) <sup>(1)</sup>	\$ 480	346	295
Net asset value per unit <sup>(1)</sup>	\$ 10.28	9.16	10.72
Units issued and outstanding (000's) <sup>(1)</sup>	47	38	27
Management fees	% 1.40	1.40	1.40
Management expense ratio <sup>(2)</sup>	% 2.24	2.23	2.23
Management expense ratio before waivers	% 2.24	2.23	2.23
Portfolio turnover rate <sup>(3)</sup>	% 10.52	8.23	—

	Years ended December 31,		
	2023	2022	2021 <sup>(4)</sup>
<b>75/100 Class A Units</b>			
Net asset (000's) <sup>(1)</sup>	\$ 933	782	477
Net asset value per unit <sup>(1)</sup>	\$ 10.21	9.11	10.70
Units issued and outstanding (000's) <sup>(1)</sup>	91	86	45
Management fees	% 1.40	1.40	1.40
Management expense ratio <sup>(2)</sup>	% 2.45	2.54	2.55
Management expense ratio before waivers	% 2.45	2.54	2.55
Portfolio turnover rate <sup>(3)</sup>	% 10.52	8.23	—

	Years ended December 31,		
	2023	2022	2021 <sup>(4)</sup>
<b>100/100 Class A Units</b>			
Net asset (000's) <sup>(1)</sup>	\$ 1,353	1,001	724
Net asset value per unit <sup>(1)</sup>	\$ 10.11	9.06	10.68
Units issued and outstanding (000's) <sup>(1)</sup>	134	110	68
Management fees	% 1.40	1.40	1.40
Management expense ratio <sup>(2)</sup>	% 2.92	2.88	2.89
Management expense ratio before waivers	% 2.92	2.88	2.89
Portfolio turnover rate <sup>(3)</sup>	% 10.52	8.23	—

	Years ended December 31,		
	2023	2022	2021 <sup>(4)</sup>
<b>75/75 Class A Prestige Units</b>			
Net asset (000's) <sup>(1)</sup>	\$ 194	356	299
Net asset value per unit <sup>(1)</sup>	\$ 10.32	9.17	10.73
Units issued and outstanding (000's) <sup>(1)</sup>	19	39	28
Management fees	% 1.22	1.22	1.22
Management expense ratio <sup>(2)</sup>	% 2.12	2.11	2.11
Management expense ratio before waivers	% 2.12	2.11	2.11
Portfolio turnover rate <sup>(3)</sup>	% 10.52	8.23	—

	Years ended December 31,		
	2023	2022	2021 <sup>(4)</sup>
<b>75/100 Class A Prestige Units</b>			
Net asset (000's) <sup>(1)</sup>	\$ 602	145	141
Net asset value per unit <sup>(1)</sup>	\$ 10.26	9.14	10.72
Units issued and outstanding (000's) <sup>(1)</sup>	59	16	13
Management fees	% 1.18	1.18	1.18
Management expense ratio <sup>(2)</sup>	% 2.31	2.33	2.31
Management expense ratio before waivers	% 2.31	2.33	2.31
Portfolio turnover rate <sup>(3)</sup>	% 10.52	8.23	—

	Years ended December 31,		
	2023	2022	2021 <sup>(4)</sup>
<b>100/100 Class A Prestige Units</b>			
Net asset (000's) <sup>(1)</sup>	\$ 2,514	862	749
Net asset value per unit <sup>(1)</sup>	\$ 10.20	9.11	10.70
Units issued and outstanding (000's) <sup>(1)</sup>	247	95	70
Management fees	% 1.05	1.05	1.05
Management expense ratio <sup>(2)</sup>	% 2.55	2.57	2.57
Management expense ratio before waivers	% 2.55	2.57	2.57
Portfolio turnover rate <sup>(3)</sup>	% 10.52	8.23	—

	Years ended December 31,		
	2023	2022	2021 <sup>(4)</sup>
<b>75/75 Class F Units</b>			
Net asset (000's) <sup>(1)</sup>	\$ 3	2	3
Net asset value per unit <sup>(1)</sup>	\$ 10.56	9.31	10.79
Units issued and outstanding (000's) <sup>(1)</sup>	0	0	0
Management fees	% 0.40	0.40	0.40
Management expense ratio <sup>(2)</sup>	% 1.19	1.19	1.19
Management expense ratio before waivers	% 1.19	1.19	1.19
Portfolio turnover rate <sup>(3)</sup>	% 10.52	8.23	—

	Years ended December 31,		
	2023	2022	2021 <sup>(4)</sup>
<b>75/100 Class F Units</b>			
Net asset (000's) <sup>(1)</sup>	\$ 236	209	198
Net asset value per unit <sup>(1)</sup>	\$ 10.51	9.28	10.78
Units issued and outstanding (000's) <sup>(1)</sup>	23	23	18
Management fees	% 0.40	0.40	0.40
Management expense ratio <sup>(2)</sup>	% 1.43	1.43	1.43
Management expense ratio before waivers	% 1.43	1.43	1.43
Portfolio turnover rate <sup>(3)</sup>	% 10.52	8.23	—

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

# BMO Balanced ESG ETF GIF

## Supplementary Information (cont'd)

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

December 31, 2023

Years ended December 31,

100/100 Class F Units	2023	2022	2021 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 4	3	3
Net asset value per unit <sup>(1)</sup>	\$ 10.39	9.21	10.75
Units issued and outstanding (000's) <sup>(1)</sup>	0	0	0
Management fees	% 0.40	0.40	0.40
Management expense ratio <sup>(2)</sup>	% 1.87	1.86	1.86
Management expense ratio before waivers	% 1.87	1.86	1.86
Portfolio turnover rate <sup>(3)</sup>	% 10.52	8.23	—

75/75 Class F Prestige Units	Period ended December 31, 2023 <sup>(5)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 2
Net asset value per unit <sup>(1)</sup>	\$ 10.36
Units issued and outstanding (000's) <sup>(1)</sup>	0
Management fees	% 0.31
Management expense ratio <sup>(2)</sup>	% 1.09
Management expense ratio before waivers	% 1.09
Portfolio turnover rate <sup>(3)</sup>	% 10.52

<sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

<sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund. For the financial period-ended December 31, 2021, no sales of portfolio securities were made by the fund. As a result, the portfolio turnover rate for this period was zero.

<sup>(4)</sup> The information shown in this column is for the period beginning May 7, 2021 (the class' inception date) and ending December 31, 2021.

<sup>(5)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.

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

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

## BMO Sustainable Global Multi-Sector Bond GIF

**STATEMENT OF FINANCIAL POSITION**  
(All amounts in thousands of Canadian dollars, except per unit data)

As at	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	174	22
Investments		
Non-derivative financial assets	6,310	898
Subscriptions receivable	101	—
<b>Total assets</b>	<b>6,585</b>	<b>920</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Payable for investments purchased	65	—
Redemptions payable	105	—
Accrued expenses	33	4
<b>Total liabilities</b>	<b>203</b>	<b>4</b>
<b>Net assets held for the benefit of policyowners</b>	<b>6,382</b>	<b>916</b>
<b>Net assets held for the benefit of policyowners</b>		
75/75 Class A Units	1,342	177
75/100 Class A Units	1,169	97
100/100 Class A Units	180	96
75/75 Class A Prestige Units	1,597	485
75/100 Class A Prestige Units	1,820	51
100/100 Class A Prestige Units	264	2
75/75 Class F Units	3	3
75/100 Class F Units	3	3
100/100 Class F Units	2	2
75/75 Class F Prestige Units	2	—
<b>Net assets held for the benefit of policyowners per unit</b>		
75/75 Class A Units	\$ 10.62	\$ 10.00
75/100 Class A Units	\$ 10.59	\$ 9.99
100/100 Class A Units	\$ 10.52	\$ 9.97
75/75 Class A Prestige Units	\$ 10.67	\$ 10.01
75/100 Class A Prestige Units	\$ 10.62	\$ 10.00
100/100 Class A Prestige Units	\$ 10.59	\$ 9.99
75/75 Class F Units	\$ 10.81	\$ 10.06
75/100 Class F Units	\$ 10.78	\$ 10.05
100/100 Class F Units	\$ 10.70	\$ 10.03
75/75 Class F Prestige Units	\$ 10.33	\$ —

**STATEMENT OF COMPREHENSIVE INCOME**  
(All amounts in thousands of Canadian dollars, except per unit data)

For the periods ended	December 31, 2023	December 31, 2022
<b>INCOME</b>		
Distributions received from investment trusts	125	23
Other changes in fair value of investments and derivatives		
Net realized gain	2	—
Change in unrealized appreciation (depreciation)	222	(14)
Net gain in fair value of investments and derivatives	349	9
<b>Total income</b>	<b>349</b>	<b>9</b>
<b>EXPENSES</b>		
Management fees (note 7)	56	3
Fixed administration fees (note 7)	9	2
Insurance fees (note 7)	18	1
<b>Total expenses</b>	<b>83</b>	<b>6</b>
<b>Increase in net assets held for the benefit of policyowners</b>	<b>266</b>	<b>3</b>
<b>Increase (decrease) in net assets held for the benefit of policyowners</b>		
75/75 Class A Units	47	(3)
75/100 Class A Units	53	(0)
100/100 Class A Units	9	(1)
75/75 Class A Prestige Units	75	7
75/100 Class A Prestige Units	69	(0)
100/100 Class A Prestige Units	13	(0)
75/75 Class F Units	0	0
75/100 Class F Units	0	0
100/100 Class F Units	0	0
75/75 Class F Prestige Units	0	—
<b>Increase (decrease) in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	1.11	(0.27)
75/100 Class A Units	0.93	(0.02)
100/100 Class A Units	0.68	(0.60)
75/75 Class A Prestige Units	0.76	0.36
75/100 Class A Prestige Units	0.78	(0.12)
100/100 Class A Prestige Units	0.85	(0.01)
75/75 Class F Units	0.75	0.06
75/100 Class F Units	0.73	0.05
100/100 Class F Units	0.68	0.03
75/75 Class F Prestige Units	0.33	—

**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>	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	177	—
Increase (decrease) in net assets held for the benefit of policyowners	47	(3)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	2,314	656
Withdrawal of withdrawable units	(1,196)	(476)
<b>Net increase from withdrawable unit transactions</b>	1,118	180
<b>Net increase in net assets held for the benefit of policyowners</b>	1,165	177
<b>Net assets held for the benefit of policyowners</b>	1,342	177
<b>75/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	97	—
Increase (decrease) in net assets held for the benefit of policyowners	53	(0)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	2,677	145
Withdrawal of withdrawable units	(1,658)	(48)
<b>Net increase from withdrawable unit transactions</b>	1,019	97
<b>Net increase in net assets held for the benefit of policyowners</b>	1,072	97
<b>Net assets held for the benefit of policyowners</b>	1,169	97

**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>	December 31, 2023	December 31, 2022
<b>100/100 Class A Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	96	—
Increase (decrease) in net assets held for the benefit of policyowners	9	(1)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	428	97
Withdrawal of withdrawable units	(353)	—
<b>Net increase from withdrawable unit transactions</b>	75	97
<b>Net increase in net assets held for the benefit of policyowners</b>	84	96
<b>Net assets held for the benefit of policyowners</b>	180	96
<b>75/75 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	485	—
Increase in net assets held for the benefit of policyowners	75	7
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,302	478
Withdrawal of withdrawable units	(265)	—
<b>Net increase from withdrawable unit transactions</b>	1,037	478
<b>Net increase in net assets held for the benefit of policyowners</b>	1,112	485
<b>Net assets held for the benefit of policyowners</b>	1,597	485

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>	December 31, 2023	December 31, 2022
<b>75/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	51	—
Increase (decrease) in net assets held for the benefit of policyowners	69	(0)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	1,824	51
Withdrawal of withdrawable units	(124)	—
<b>Net increase from withdrawable unit transactions</b>	1,700	51
<b>Net increase in net assets held for the benefit of policyowners</b>	1,769	51
<b>Net assets held for the benefit of policyowners</b>	1,820	51
<b>100/100 Class A Prestige Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	2	—
Increase (decrease) in net assets held for the benefit of policyowners	13	(0)
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	353	2
Withdrawal of withdrawable units	(104)	—
<b>Net increase from withdrawable unit transactions</b>	249	2
<b>Net increase in net assets held for the benefit of policyowners</b>	262	2
<b>Net assets held for the benefit of policyowners</b>	264	2
<b>75/75 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	3	—
Increase in net assets held for the benefit of policyowners	0	0
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	—	3
<b>Net increase from withdrawable unit transactions</b>	—	3
<b>Net increase in net assets held for the benefit of policyowners</b>	0	3
<b>Net assets held for the benefit of policyowners</b>	3	3

**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>	December 31, 2023	December 31, 2022
<b>75/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	3	—
Increase in net assets held for the benefit of policyowners	0	0
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	—	3
<b>Net increase from withdrawable unit transactions</b>	—	3
<b>Net increase in net assets held for the benefit of policyowners</b>	0	3
<b>Net assets held for the benefit of policyowners</b>	3	3
<b>100/100 Class F Units</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	2	—
Increase in net assets held for the benefit of policyowners	0	0
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	—	2
<b>Net increase from withdrawable unit transactions</b>	—	2
<b>Net increase in net assets held for the benefit of policyowners</b>	0	2
<b>Net assets held for the benefit of policyowners</b>	2	2
<b>75/75 Class F Prestige 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	0	—
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	2	—
<b>Net increase from withdrawable unit transactions</b>	2	—
<b>Net increase in net assets held for the benefit of policyowners</b>	2	—
<b>Net assets held for the benefit of policyowners</b>	2	—

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>December 31, 2023</b>	<b>December 31, 2022</b>
<b>Total Fund</b>		
<b>Net assets held for the benefit of policyowners at beginning of period</b>	916	—
Increase in net assets held for the benefit of policyowners	266	3
<b>Withdrawable unit transactions</b>		
Proceeds from withdrawable units issued	8,900	1,437
Withdrawal of withdrawable units	(3,700)	(524)
<b>Net increase from withdrawable unit transactions</b>	5,200	913
<b>Net increase in net assets held for the benefit of policyowners</b>	5,466	916
<b>Net assets held for the benefit of policyowners</b>	6,382	916

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

<b>STATEMENT OF CASH FLOWS</b> <i>(All amounts in thousands of Canadian dollars)</i>		
<i>For the periods ended</i>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>Cash flows from operating activities</b>		
Increase in net assets held for the benefit of policyowners	266	3
Adjustments for:		
Net realized gain on sale of investments and derivatives	(2)	—
Change in unrealized (appreciation) depreciation of investments and derivatives	(222)	14
Increase in accrued expenses	29	4
Non-cash distributions from investment trusts	(125)	(23)
Purchases of investments	(5,248)	(889)
Proceeds from sale and maturity of investments	250	—
<b>Net cash used in operating activities</b>	<b>(5,052)</b>	<b>(891)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuances of withdrawable units	5,694	1,437
Amounts paid on withdrawal of withdrawable units	(490)	(524)
<b>Net cash from financing activities</b>	<b>5,204</b>	<b>913</b>
Net increase in cash	152	22
Cash at beginning of period	22	—
<b>Cash at end of period</b>	<b>174</b>	<b>22</b>

<b>SCHEDULE OF INVESTMENT PORTFOLIO</b> <i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>As at December 31, 2023</i>	<b>Number of Units</b>	<b>Cost* (\$)</b>	<b>Fair Value (\$)</b>
<b>HOLDINGS IN INVESTMENT FUND</b>			
<b>Global Bond Fund — 98.9%</b>			
BMO Sustainable Global Multi-Sector Bond Fund, Series I	652,575	6,102	6,310
<b>Total Investment Portfolio — 98.9%</b>		<b>6,102</b>	<b>6,310</b>
Other Assets Less Liabilities — 1.1%			72
<b>Net assets held for the benefit of policyowners — 100.0%</b>			<b>6,382</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

(All amounts in thousands of Canadian dollars)

December 31, 2023

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

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

*(All amounts in thousands of Canadian dollars)*

December 31, 2023

Realized gains and losses on disposition are determined based on the cost of the investments

**Fair value measurement**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

**Cash**

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

**Other assets and liabilities**

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

**Investments in subsidiaries, joint ventures and associates**

Subsidiaries are entities over which the Funds have control through their exposure or rights to variable returns from their investment, and have the ability to affect those returns through their power over the entity. The Funds have determined that they are an investment entity and as such, they account for subsidiaries, if any, at fair value. Joint ventures are investments 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**

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 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.

**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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

**Portfolio turnover ratio**

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

**Income taxes**

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

**4. Units and unit transactions**

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

**5. Critical accounting judgements and estimates**

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

**Accounting judgements:****Functional and presentation currency**

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

#### **Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

### **6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

### **7. Related party transactions**

#### **Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

#### **Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

#### **Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

#### **Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

#### **Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

### **8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

**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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

**Notes to the Financial Statements**

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

December 31, 2023

**Fund and Class information**

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

Class	Date Established
75/75 Class A Units	June 10, 2022
75/100 Class A Units	June 10, 2022
100/100 Class A Units	June 10, 2022
75/75 Class A Prestige Units	June 10, 2022
75/100 Class A Prestige Units	June 10, 2022
100/100 Class A Prestige Units	June 10, 2022
75/75 Class F Units	June 10, 2022
75/100 Class F Units	June 10, 2022
100/100 Class F Units	June 10, 2022
75/75 Class F Prestige Units	November 17, 2023

**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)	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Units issued and outstanding, beginning of period	18	—
Issued for cash	225	66
Withdrawn during the period	(117)	(48)
Units issued and outstanding, end of period	126	18
<b>75/100 Class A Units</b>		
Units issued and outstanding, beginning of period	10	—
Issued for cash	263	15
Withdrawn during the period	(163)	(5)
Units issued and outstanding, end of period	110	10
<b>100/100 Class A Units</b>		
Units issued and outstanding, beginning of period	10	—
Issued for cash	42	10
Withdrawn during the period	(35)	—
Units issued and outstanding, end of period	17	10
<b>75/75 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	48	—
Issued for cash	128	48
Withdrawn during the period	(26)	—
Units issued and outstanding, end of period	150	48

For the periods ended (in thousands of units)	December 31, 2023	December 31, 2022
<b>75/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	5	—
Issued for cash	178	5
Withdrawn during the period	(12)	—
Units issued and outstanding, end of period	171	5

<b>100/100 Class A Prestige Units</b>		
Units issued and outstanding, beginning of period	0	—
Issued for cash	35	0
Withdrawn during the period	(10)	—
Units issued and outstanding, end of period	25	0

<b>75/75 Class F Units</b>		
Units issued and outstanding, beginning of period	0	—
Issued for cash	—	0
Units issued and outstanding, end of period	0	0

<b>75/100 Class F Units</b>		
Units issued and outstanding, beginning of period	0	—
Issued for cash	—	0
Units issued and outstanding, end of period	0	0

<b>100/100 Class F Units</b>		
Units issued and outstanding, beginning of period	0	—
Issued for cash	—	0
Units issued and outstanding, end of period	0	0

<b>75/75 Class F Prestige Units</b>		
Units issued and outstanding, beginning of period	—	—
Issued for cash	0	—
Units issued and outstanding, end of period	0	—

**Units held by the Company**

The Company held the following units of the Fund:

As at December 31, 2023	Number of Units	Value of Units (\$)
Class		
75/75 Class A Units	250	3
75/100 Class A Units	250	3
100/100 Class A Units	250	3
75/75 Class A Prestige Units	250	3
75/100 Class A Prestige Units	250	3
100/100 Class A Prestige Units	250	3
75/75 Class F Units	250	3
75/100 Class F Units	250	3
100/100 Class F Units	250	2
75/75 Class F Prestige Units	250	2

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



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

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

December 31, 2023

As at December 31, 2022

Class	Number of Units	Value of Units (\$)
75/75 Class A Units	250	2
75/100 Class A Units	250	2
100/100 Class A Units	250	2
75/75 Class A Prestige Units	250	3
75/100 Class A Prestige Units	250	2
100/100 Class A Prestige Units	250	2
75/75 Class F Units	250	3
75/100 Class F Units	250	3
100/100 Class F Units	250	2

**Financial instruments risk**

The Fund invests in the BMO Sustainable Global Multi-Sector Bond Fund ("underlying fund"). The investment objective of the underlying fund is to provide a high level of interest income along with the opportunity for growth by investing primarily in a portfolio of global fixed income securities using a responsible investment approach.

**Currency risk**

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

As at December 31, 2023

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Euro	19	2,808	(2,849)	(22)	(0.3)
Pound Sterling	3	1,707	(1,731)	(21)	(0.3)
South African Rand	(28)	103	(75)	0	0.0
U.S. Dollar	(14)	1,448	(1,411)	23	0.4
<b>Total</b>	<b>(20)</b>	<b>6,066</b>	<b>(6,066)</b>	<b>(20)</b>	<b>(0.2)</b>

As at December 31, 2022

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Euro	6	384	(395)	(5)	(0.5)
Pound Sterling	2	209	(214)	(3)	(0.3)
South African Rand	1	10	(10)	1	0.1
U.S. Dollar	13	287	(303)	(3)	(0.3)
<b>Total</b>	<b>22</b>	<b>890</b>	<b>(922)</b>	<b>(10)</b>	<b>(1.0)</b>

As at December 31, 2023 and December 31, 2022, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, respectively, with all other variables held constant, the Net Assets of the Fund could possibly have decreased or increased,

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

respectively, by approximately \$1 (December 31, 2022 — \$1). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**Interest rate risk**

The Fund's exposure, through its investment in the underlying fund, to interest rate risk, by remaining term to maturity, is summarized in the following table:

Number of years	Interest Rate Exposure as at	
	December 31, 2023	December 31, 2022
Less than one year	26	12
One to three years	1,157	169
Three to five years	1,810	265
Five to ten years	2,717	375
Greater than ten years	412	70
<b>Total</b>	<b>6,122</b>	<b>891</b>

As at December 31, 2023 and December 31, 2022, if the prevailing interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, the Net Assets of the Fund could possibly have decreased or increased, respectively, by approximately \$323 (December 31, 2022 — \$45). The Fund's interest rate sensitivity was determined based on portfolio weighted duration. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**Other market risk**

As at December 31, 2023, the Fund did not have significant exposure, through its investment in the underlying fund, to other market risk as the underlying fund was fully invested in fixed income securities.

**Credit risk**

The Fund's exposure, through its investment in the underlying fund, to credit risk, grouped by credit ratings, is summarized in the following table:

Credit Rating	As a % of Net Assets as at	
	December 31, 2023	December 31, 2022
AAA	—	2.6
AA	4.9	3.0
A	9.0	13.5
BBB	41.8	43.0
BB	24.6	23.5
B	14.6	11.5
CCC	0.1	0.1
Unrated	—	0.4
<b>Total</b>	<b>95.0</b>	<b>97.6</b>

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

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

December 31, 2023

### Fair value hierarchy

The 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 observable 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.

#### As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	6,310	—	—	6,310

#### As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	898	—	—	898

### Transfers between levels

There were no transfers between the levels during the 2023 period (2022 — \$nil).

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at December 31, 2023	As at December 31, 2022
BMO Sustainable Global Multi-Sector Bond Fund, Series I	6,310	898

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

	December 31, 2023	December 31, 2022
BMO Sustainable Global Multi-Sector Bond Fund, Series I	5.66%	0.64%

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

The increase (decrease) in net assets held for the benefit of policyowners per unit for the periods ended December 31, 2023 and December 31, 2022 is calculated as follows:

For the periods ended	December 31, 2023	December 31, 2022
<b>75/75 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	47	(3)
Weighted average units outstanding during the period (in thousands of units)	43	10
Increase (decrease) in net assets held for the benefit of policyowners per unit	1.11	(0.27)

For the periods ended	December 31, 2023	December 31, 2022
<b>75/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	53	(0)
Weighted average units outstanding during the period (in thousands of units)	56	4
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.93	(0.02)
<b>100/100 Class A Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	9	(1)
Weighted average units outstanding during the period (in thousands of units)	13	1
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.68	(0.60)
<b>75/75 Class A Prestige Units</b>		
Increase in net assets held for the benefit of policyowners	75	7
Weighted average units outstanding during the period (in thousands of units)	99	19
Increase in net assets held for the benefit of policyowners per unit	0.76	0.36
<b>75/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	69	(0)
Weighted average units outstanding during the period (in thousands of units)	88	1
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.78	(0.12)
<b>100/100 Class A Prestige Units</b>		
Increase (decrease) in net assets held for the benefit of policyowners	13	(0)
Weighted average units outstanding during the period (in thousands of units)	16	0
Increase (decrease) in net assets held for the benefit of policyowners per unit	0.85	(0.01)
<b>75/75 Class F Units</b>		
Increase in net assets held for the benefit of policyowners	0	0
Weighted average units outstanding during the period (in thousands of units)	0	0
Increase in net assets held for the benefit of policyowners per unit	0.75	0.06
<b>75/100 Class F Units</b>		
Increase in net assets held for the benefit of policyowners	0	0
Weighted average units outstanding during the period (in thousands of units)	0	0
Increase in net assets held for the benefit of policyowners per unit	0.73	0.05

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

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

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

December 31, 2023

<i>For the periods ended</i>	December 31, 2023	December 31, 2022	<i>As at</i>	December 31, 2023	December 31, 2022
<b>100/100 Class F Units</b>			Netherlands	5.0%	4.7%
Increase in net assets held for the benefit of policyowners	0	0	Peru	0.3%	0.2%
Weighted average units outstanding during the period (in thousands of units)	0	0	Portugal	—%	0.3%
Increase in net assets held for the benefit of policyowners per unit	0.68	0.03	Qatar	—%	1.0%
<b>75/75 Class F Prestige Units</b>			Romania	0.4%	0.2%
Increase in net assets held for the benefit of policyowners	0	—	South Africa	2.4%	1.9%
Weighted average units outstanding during the period (in thousands of units)	0	—	South Korea	—%	0.3%
Increase in net assets held for the benefit of policyowners per unit	0.33	—	Spain	4.7%	4.2%
			Supranational	0.4%	0.5%
			Sweden	0.1%	0.6%
			Switzerland	1.0%	0.8%
			United Arab Emirates	1.5%	2.0%
			United Kingdom	20.0%	14.5%
			United States	26.9%	32.8%
			<b>Swaps</b>		
			Credit Default Swaps	(0.9)%	0.2%
			<b>Other Assets less Liabilities</b>	5.0%	2.4%
				<b>100.0%</b>	<b>100.0%</b>

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2023 and December 31, 2022.

### Concentration risk

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

<i>As at</i>	December 31, 2023	December 31, 2022
<b>Foreign Bonds &amp; Debentures</b>		
Armenia	—%	0.4%
Australia	1.0%	0.7%
Belgium	1.6%	1.5%
Bermuda	0.2%	0.4%
Brazil	—%	0.3%
Canada	0.8%	1.6%
Chile	0.2%	0.2%
China	1.3%	0.9%
Denmark	0.4%	1.4%
Dominican Republic	0.4%	0.4%
Finland	0.6%	0.7%
France	7.6%	8.0%
Germany	6.2%	3.2%
Gibraltar	0.4%	—%
Hong Kong	—%	0.5%
India	1.1%	1.4%
Ireland	2.6%	2.8%
Italy	3.4%	2.6%
Japan	—%	1.3%
Luxembourg	3.6%	2.9%
Mexico	0.2%	1.2%
Norway	1.6%	1.0%

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023 and December 31, 2022.

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

# BMO Sustainable Global Multi-Sector Bond GIF

## Supplementary Information

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

December 31, 2023



### Financial Highlights

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

Years ended December 31,

75/75 Class A Units	2023	2022 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 1,342	177
Net asset value per unit <sup>(1)</sup>	\$ 10.62	10.00
Units issued and outstanding (000's) <sup>(1)</sup>	126	18
Management fees	% 1.48 <sup>†</sup>	1.70
Management expense ratio <sup>(2)</sup>	% 2.58	2.69
Management expense ratio before waivers	% 2.58	2.69
Portfolio turnover rate <sup>(3)</sup>	% 7.98	—

Years ended December 31,

75/100 Class A Units	2023	2022 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 1,169	97
Net asset value per unit <sup>(1)</sup>	\$ 10.59	9.99
Units issued and outstanding (000's) <sup>(1)</sup>	110	10
Management fees	% 1.70	1.70
Management expense ratio <sup>(2)</sup>	% 2.90	2.89
Management expense ratio before waivers	% 2.90	2.89
Portfolio turnover rate <sup>(3)</sup>	% 7.98	—

Years ended December 31,

100/100 Class A Units	2023	2022 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 180	96
Net asset value per unit <sup>(1)</sup>	\$ 10.52	9.97
Units issued and outstanding (000's) <sup>(1)</sup>	17	10
Management fees	% 1.70	1.70
Management expense ratio <sup>(2)</sup>	% 3.29	3.29
Management expense ratio before waivers	% 3.29	3.29
Portfolio turnover rate <sup>(3)</sup>	% 7.98	—

Years ended December 31,

75/75 Class A Prestige Units	2023	2022 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 1,597	485
Net asset value per unit <sup>(1)</sup>	\$ 10.67	10.01
Units issued and outstanding (000's) <sup>(1)</sup>	150	48
Management fees	% 1.38 <sup>††</sup>	1.60
Management expense ratio <sup>(2)</sup>	% 2.29	2.36
Management expense ratio before waivers	% 2.29	2.36
Portfolio turnover rate <sup>(3)</sup>	% 7.98	—

75/100 Class A Prestige Units	2023	2022 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 1,820	51
Net asset value per unit <sup>(1)</sup>	\$ 10.62	10.00
Units issued and outstanding (000's) <sup>(1)</sup>	171	5
Management fees	% 1.56	1.56
Management expense ratio <sup>(2)</sup>	% 2.69	2.69
Management expense ratio before waivers	% 2.69	2.69
Portfolio turnover rate <sup>(3)</sup>	% 7.98	—

Years ended December 31,

100/100 Class A Prestige Units	2023	2022 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 264	2
Net asset value per unit <sup>(1)</sup>	\$ 10.59	9.99
Units issued and outstanding (000's) <sup>(1)</sup>	25	0
Management fees	% 1.35	1.35
Management expense ratio <sup>(2)</sup>	% 2.89	2.89
Management expense ratio before waivers	% 2.89	2.89
Portfolio turnover rate <sup>(3)</sup>	% 7.98	—

Years ended December 31,

75/75 Class F Units	2023	2022 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 3	3
Net asset value per unit <sup>(1)</sup>	\$ 10.81	10.06
Units issued and outstanding (000's) <sup>(1)</sup>	0	0
Management fees	% 0.70	0.70
Management expense ratio <sup>(2)</sup>	% 1.51	1.51
Management expense ratio before waivers	% 1.51	1.51
Portfolio turnover rate <sup>(3)</sup>	% 7.98	—

Years ended December 31,

75/100 Class F Units	2023	2022 <sup>(4)</sup>
Net asset (000's) <sup>(1)</sup>	\$ 3	3
Net asset value per unit <sup>(1)</sup>	\$ 10.78	10.05
Units issued and outstanding (000's) <sup>(1)</sup>	0	0
Management fees	% 0.70	0.70
Management expense ratio <sup>(2)</sup>	% 1.72	1.72
Management expense ratio before waivers	% 1.72	1.72
Portfolio turnover rate <sup>(3)</sup>	% 7.98	—

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

# BMO Sustainable Global Multi-Sector Bond GIF

## Supplementary Information (cont'd)

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

December 31, 2023



	Years ended December 31,	
	2023	2022 <sup>(4)</sup>
<b>100/100 Class F Units</b>		
Net asset (000's) <sup>(1)</sup>	\$ 2	2
Net asset value per unit <sup>(1)</sup>	\$ 10.70	10.03
Units issued and outstanding (000's) <sup>(1)</sup>	0	0
Management fees	% 0.70	0.70
Management expense ratio <sup>(2)</sup>	% 2.16	2.16
Management expense ratio before waivers	% 2.16	2.16
Portfolio turnover rate <sup>(3)</sup>	% 7.98	—

	Period ended December 31, 2023 <sup>(5)</sup>	
<b>75/75 Class F Prestige Units</b>		
Net asset (000's) <sup>(1)</sup>	\$ 2	2
Net asset value per unit <sup>(1)</sup>	\$ 10.33	10.33
Units issued and outstanding (000's) <sup>(1)</sup>	0	0
Management fees	% 0.48	0.48
Management expense ratio <sup>(2)</sup>	% 1.27	1.27
Management expense ratio before waivers	% 1.27	1.27
Portfolio turnover rate <sup>(3)</sup>	% 7.98	7.98

<sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

<sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund. For the financial period-ended December 31, 2022, no sales of portfolio securities were made by the fund. As a result, the portfolio turnover rate for this period was zero.

<sup>(4)</sup> The information shown in this column is for the period beginning June 10, 2022 (the class' inception date) and ending December 31, 2022.

<sup>(5)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.

\* Effective October 16, 2023, the management fee rate was reduced from 1.70% to 1.48%.

\*\* Effective October 16, 2023, the management fee rate was reduced from 1.60% to 1.38%.

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

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

**BMO Canadian Income & Growth GIF**

<b>STATEMENT OF FINANCIAL POSITION</b> <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		<b>December 31,</b> <b>2023</b>	<b>STATEMENT OF COMPREHENSIVE INCOME</b> <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		<b>December 31,</b> <b>2023</b>
<i>As at</i>			<i>For the period ended</i>		
<b>ASSETS</b>			<b>INCOME</b>		
<b>CURRENT ASSETS</b>			Distributions received from investment trusts		
Cash	1		Other changes in fair value of investments and derivatives		0
Investments			Unrealized appreciation	0	
Non-derivative financial assets	17		Net gain in fair value of investments and derivatives	0	
Subscriptions receivable	41		<b>Total income</b>	<b>0</b>	
Distribution receivable from investment trusts	0		<b>EXPENSES</b>		
<b>Total assets</b>	<b>59</b>		Management fees (note 7)	0	
<b>LIABILITIES</b>			Fixed administration fees (note 7)	0	
<b>CURRENT LIABILITIES</b>			Insurance fees (note 7)	0	
Accrued expenses	0		<b>Total expenses</b>	<b>0</b>	
<b>Total liabilities</b>	<b>0</b>		<b>Increase in net assets held for the benefit of policyowners</b>	<b>0</b>	
<b>Net assets held for the benefit of policyowners</b>	<b>59</b>		<b>Increase in net assets held for the benefit of policyowners</b>	<b>0</b>	
<b>Net assets held for the benefit of policyowners</b>			75/75 Class A Units	0	
75/75 Class A Units	2		75/100 Class A Units	0	
75/100 Class A Units	44		75/75 Class A Prestige Units	0	
75/75 Class A Prestige Units	2		75/100 Class A Prestige Units	0	
75/100 Class A Prestige Units	2		75/75 Class F Units	0	
75/75 Class F Units	3		75/100 Class F Units	0	
75/100 Class F Units	3		75/75 Class F Prestige Units	0	
75/75 Class F Prestige Units	3		<b>Increase in net assets held for the benefit of policyowners per unit (note 3)</b>		
<b>Net assets held for the benefit of policyowners per unit</b>			75/75 Class A Units	0.32	
75/75 Class A Units	\$ 10.32		75/100 Class A Units	0.27	
75/100 Class A Units	\$ 10.33		75/75 Class A Prestige Units	0.32	
75/75 Class A Prestige Units	\$ 10.32		75/100 Class A Prestige Units	0.32	
75/100 Class A Prestige Units	\$ 10.32		75/75 Class F Units	0.34	
75/75 Class F Units	\$ 10.34		75/100 Class F Units	0.33	
75/100 Class F Units	\$ 10.33		75/75 Class F Prestige Units	0.34	
75/75 Class F Prestige Units	\$ 10.34				

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

<b>STATEMENT OF CHANGES IN NET ASSETS HELD FOR THE BENEFIT OF POLICYOWNERS</b>		<b>December 31,</b>	
<i>(All amounts in thousands of Canadian dollars)</i>		<b>2023</b>	
<i>For the period ended</i>		<i>For the period ended</i>	
<b>75/75 Class A Units</b>			
Net assets held for the benefit of policyowners at beginning of period	—	Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	0	Increase in net assets held for the benefit of policyowners	0
<b>Withdrawable unit transactions</b>			
Proceeds from withdrawable units issued	2	Proceeds from withdrawable units issued	2
<b>Net increase from withdrawable unit transactions</b>	<b>2</b>	<b>Net increase from withdrawable unit transactions</b>	<b>2</b>
<b>Net increase in net assets held for the benefit of policyowners</b>	<b>2</b>	<b>Net increase in net assets held for the benefit of policyowners</b>	<b>2</b>
<b>Net assets held for the benefit of policyowners</b>	<b>2</b>	<b>Net assets held for the benefit of policyowners</b>	<b>2</b>
<b>75/100 Class A Units</b>			
Net assets held for the benefit of policyowners at beginning of period	—	Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	0	Increase in net assets held for the benefit of policyowners	0
<b>Withdrawable unit transactions</b>			
Proceeds from withdrawable units issued	44	Proceeds from withdrawable units issued	3
<b>Net increase from withdrawable unit transactions</b>	<b>44</b>	<b>Net increase from withdrawable unit transactions</b>	<b>3</b>
<b>Net increase in net assets held for the benefit of policyowners</b>	<b>44</b>	<b>Net increase in net assets held for the benefit of policyowners</b>	<b>3</b>
<b>Net assets held for the benefit of policyowners</b>	<b>44</b>	<b>Net assets held for the benefit of policyowners</b>	<b>3</b>
<b>75/75 Class A Prestige Units</b>			
Net assets held for the benefit of policyowners at beginning of period	—	Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	0	Increase in net assets held for the benefit of policyowners	0
<b>Withdrawable unit transactions</b>			
Proceeds from withdrawable units issued	2	Proceeds from withdrawable units issued	3
<b>Net increase from withdrawable unit transactions</b>	<b>2</b>	<b>Net increase from withdrawable unit transactions</b>	<b>3</b>
<b>Net increase in net assets held for the benefit of policyowners</b>	<b>2</b>	<b>Net increase in net assets held for the benefit of policyowners</b>	<b>3</b>
<b>Net assets held for the benefit of policyowners</b>	<b>2</b>	<b>Net assets held for the benefit of policyowners</b>	<b>3</b>
<b>75/100 Class F Units</b>			
Net assets held for the benefit of policyowners at beginning of period	—	Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	0	Increase in net assets held for the benefit of policyowners	0
<b>Withdrawable unit transactions</b>			
Proceeds from withdrawable units issued	2	Proceeds from withdrawable units issued	3
<b>Net increase from withdrawable unit transactions</b>	<b>2</b>	<b>Net increase from withdrawable unit transactions</b>	<b>3</b>
<b>Net increase in net assets held for the benefit of policyowners</b>	<b>2</b>	<b>Net increase in net assets held for the benefit of policyowners</b>	<b>3</b>
<b>Net assets held for the benefit of policyowners</b>	<b>2</b>	<b>Net assets held for the benefit of policyowners</b>	<b>3</b>

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)

For the period ended	December 31, 2023
<b>75/75 Class F Prestige Units</b>	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	0
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	3
<b>Net increase from withdrawable unit transactions</b>	<b>3</b>
<b>Net increase in net assets held for the benefit of policyowners</b>	<b>3</b>
<b>Net assets held for the benefit of policyowners</b>	<b>3</b>
<b>Total Fund</b>	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	0
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	59
<b>Net increase from withdrawable unit transactions</b>	<b>59</b>
<b>Net increase in net assets held for the benefit of policyowners</b>	<b>59</b>
<b>Net assets held for the benefit of policyowners</b>	<b>59</b>

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

<b>STATEMENT OF CASH FLOWS</b>		<b>SCHEDULE OF INVESTMENT PORTFOLIO</b>			
<i>(All amounts in thousands of Canadian dollars)</i>		<i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>For the period ended</i>	<b>December 31, 2023</b>	<b>As at December 31, 2023</b>	<b>Number of Units</b>	<b>Cost* (\$)</b>	<b>Fair Value (\$)</b>
<b>Cash flows from operating activities</b>		<b>HOLDINGS IN INVESTMENT FUND</b>			
Increase in net assets held for the benefit of policyowners	0	<b>Canadian Balanced Fund — 28.8%</b>			
Adjustments for:		BMO Canadian Income & Growth Fund,			
Unrealized appreciation of investments and derivatives	(0)	Series I	1,650	17	17
Increase in distribution receivable from investment trusts	(0)	<b>Total Investment Portfolio — 28.8%</b>		<b>17</b>	<b>17</b>
Increase in accrued expenses	0	Other Assets Less Liabilities — 71.2%			42
Purchases of investments	(17)	<b>Net assets held for the benefit</b>			
<b>Net cash used in operating activities</b>	<b>(17)</b>	<b>of policyowners — 100.0%</b>			<b>59</b>
<b>Cash flows from financing activities</b>					
Proceeds from issuances of withdrawable units	18				
<b>Net cash from financing activities</b>	<b>18</b>				
Net increase in cash	1				
Cash at beginning of period	—				
<b>Cash at end of period</b>	<b>1</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.

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

### Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

### Cash

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

### Other assets and liabilities

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

### Investments in subsidiaries, joint ventures and associates

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

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 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.

### 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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

### Portfolio turnover ratio

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

### Income taxes

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

## 4. Units and unit transactions

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

## 5. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

### Accounting judgements:

#### Functional and presentation currency

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

### **Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

## **6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

## **7. Related party transactions**

### **Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

### **Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

### **Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

### **Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

### **Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

## **8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

### 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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

## Notes to the Financial Statements

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

December 31, 2023

### Fund and Class information

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

Class	Date Established
75/75 Class A Units	November 17, 2023
75/100 Class A Units	November 17, 2023
75/75 Class A Prestige Units	November 17, 2023
75/100 Class A Prestige Units	November 17, 2023
75/75 Class F Units	November 17, 2023
75/100 Class F Units	November 17, 2023
75/75 Class F Prestige Units	November 17, 2023

### 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)	December 31, 2023
<b>75/75 Class A Units</b>	
Units issued and outstanding, beginning of period	—
Issued for cash	0
Units issued and outstanding, end of period	0
<b>75/100 Class A Units</b>	
Units issued and outstanding, beginning of period	—
Issued for cash	4
Units issued and outstanding, end of period	4
<b>75/75 Class A Prestige Units</b>	
Units issued and outstanding, beginning of period	—
Issued for cash	0
Units issued and outstanding, end of period	0
<b>75/100 Class A Prestige Units</b>	
Units issued and outstanding, beginning of period	—
Issued for cash	0
Units issued and outstanding, end of period	0
<b>75/75 Class F Units</b>	
Units issued and outstanding, beginning of period	—
Issued for cash	0
Units issued and outstanding, end of period	0
<b>75/100 Class F Units</b>	
Units issued and outstanding, beginning of period	—
Issued for cash	0
Units issued and outstanding, end of period	0

For the period ended  
(in thousands of units)

December 31,  
2023

### 75/75 Class F Prestige Units

Units issued and outstanding, beginning of period	—
Issued for cash	0
Units issued and outstanding, end of period	0

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023 Class	Number of Units	Value of Units (\$)
75/75 Class A Units	250	2
75/100 Class A Units	250	3
75/75 Class A Prestige Units	250	2
75/100 Class A Prestige Units	250	2
75/75 Class F Units	250	3
75/100 Class F Units	250	3
75/75 Class F Prestige Units	250	3

### Financial instruments risk

The Fund invests in the BMO Canadian Income & Growth Fund ("underlying fund"). The investment objective of the underlying fund is to generate income and provide long-term capital growth by investing primarily, directly or indirectly, in Canadian equity and fixed income securities.

### Currency risk

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

As at December 31, 2023

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Australian Dollar	0	0	—	0	0.0
Euro	(0)	0	—	0	0.0
Hong Kong Dollar	—	0	—	0	0.0
Japanese Yen	0	0	—	0	0.0
Pound Sterling	0	0	—	0	0.0
Swiss Franc	—	0	—	0	0.0
U.S. Dollar	0	2	—	2	3.4
<b>Total</b>	<b>0</b>	<b>2</b>	<b>—</b>	<b>2</b>	<b>3.4</b>

As at December 31, 2023, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, respectively, with all other variables held constant, the Net Assets of the Fund could possibly have increased or decreased, respectively, by approximately \$0. In practice, actual results may differ from this sensitivity analysis

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



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

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

December 31, 2023

and the difference could be material.

### Interest rate risk

The Fund's exposure, through its investment in the underlying fund, to interest rate risk, by remaining term to maturity, is summarized in the following table:

Number of years	Interest Rate Exposure
	as at December 31, 2023
Less than one year	—
One to three years	1
Three to five years	1
Five to ten years	2
Greater than ten years	2
<b>Total</b>	<b>6</b>

As at December 31, 2023, if the prevailing interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, the Net Assets of the Fund could possibly have decreased or increased, respectively, by approximately \$0. The Fund's interest rate sensitivity was determined based on portfolio weighted duration. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invests in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, 30% FTSE Canada Universe Bond Index, 10% Bloomberg U.S. High Yield Very Liquid Index (Hedged to C\$), 40% S&P/TSX Composite Index and 20% MSCI World Index (C\$), had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$2. Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

### Credit risk

The Fund's exposure, through its investment in the underlying fund, to credit risk, grouped by credit ratings, is summarized in the following table:

Credit Rating	As a % of Net Assets as at
	December 31, 2023
AAA	1.7
AA	1.7
A	5.1
BBB	1.7
BB	0.0
<b>Total</b>	<b>10.2</b>

### Fair value hierarchy

The 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 observable 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.

#### As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	17	—	—	17

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at December 31, 2023
BMO Canadian Income & Growth Fund, Series I	17

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

BMO Canadian Income & Growth Fund, Series I	0.11%
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### Increase or decrease in net assets held for the benefit of policyowners per unit

The increase (decrease) in net assets held for the benefit of policyowners per unit for the period ended December 31, 2023 is calculated as follows:

For the period ended	December 31, 2023
<b>75/75 Class A Units</b>	
Increase in net assets held for the benefit of policyowners	0
Weighted average units outstanding during the period (in thousands of units)	0
Increase in net assets held for the benefit of policyowners per unit	0.32
<b>75/100 Class A Units</b>	
Increase in net assets held for the benefit of policyowners	0
Weighted average units outstanding during the period (in thousands of units)	0
Increase in net assets held for the benefit of policyowners per unit	0.27
<b>75/75 Class A Prestige Units</b>	
Increase in net assets held for the benefit of policyowners	0
Weighted average units outstanding during the period (in thousands of units)	0
Increase in net assets held for the benefit of policyowners per unit	0.32

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

# BMO Canadian Income & Growth GIF

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

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

December 31, 2023



<i>For the period ended</i>	December 31, 2023	<i>As at</i>	December 31, 2023
<b>75/100 Class A Prestige Units</b>		Industrials	1.2%
Increase in net assets held for the benefit of policyowners	0	Information Technology	0.9%
Weighted average units outstanding during the period (in thousands of units)	0	Materials	1.3%
Increase in net assets held for the benefit of policyowners per unit	0.32	Real Estate	0.3%
<b>75/75 Class F Units</b>		Utilities	0.4%
Increase in net assets held for the benefit of policyowners	0	<b>Foreign Equities</b>	
Weighted average units outstanding during the period (in thousands of units)	0	Australia	0.0%
Increase in net assets held for the benefit of policyowners per unit	0.34	Austria	0.1%
<b>75/100 Class F Units</b>		Bermuda	0.1%
Increase in net assets held for the benefit of policyowners	0	Chile	0.0%
Weighted average units outstanding during the period (in thousands of units)	0	China	0.2%
Increase in net assets held for the benefit of policyowners per unit	0.33	France	0.0%
<b>75/75 Class F Prestige Units</b>		Germany	0.1%
Increase in net assets held for the benefit of policyowners	0	Ireland	0.1%
Weighted average units outstanding during the period (in thousands of units)	0	Italy	0.1%
Increase in net assets held for the benefit of policyowners per unit	0.34	Japan	0.1%
		Netherlands	0.2%
		Switzerland	0.1%
		Taiwan	0.1%
		United Kingdom	0.5%
		United States	3.3%
		<b>Holdings in Investment Funds</b>	
		Commodity Funds	0.5%
		Global Equity Funds	0.0%
		U.S. Fixed Income Funds	1.7%
		<b>Other Assets less Liabilities</b>	<b>71.6%</b>
			<b>100.0%</b>

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the period ended December 31, 2023.

### Concentration risk

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

<i>As at</i>	December 31, 2023
<b>Bonds &amp; Debentures</b>	
Federal Bonds	1.9%
Provincial Bonds	4.6%
Corporate Bonds & Debentures	3.4%
<b>Foreign Bonds &amp; Debentures</b>	
Australia	0.1%
United States	0.1%
<b>Equities</b>	
Communication Services	0.4%
Consumer Discretionary	0.5%
Consumer Staples	0.4%
Energy	2.0%
Financials	3.6%
Health Care	0.1%

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023.

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

# BMO Canadian Income & Growth GIF

## Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)  
December 31, 2023



### Financial Highlights

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

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/75 Class A Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 2
Net asset value per unit <sup>(1)</sup>	\$ 10.32
Units issued and outstanding (000's) <sup>(1)</sup>	0
Management fees	% 1.55
Management expense ratio <sup>(2)</sup>	% 2.52
Management expense ratio before waivers	% 2.52
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/100 Class A Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 44
Net asset value per unit <sup>(1)</sup>	\$ 10.33
Units issued and outstanding (000's) <sup>(1)</sup>	4
Management fees	% 1.61
Management expense ratio <sup>(2)</sup>	% 2.87
Management expense ratio before waivers	% 2.87
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/75 Class A Prestige Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 2
Net asset value per unit <sup>(1)</sup>	\$ 10.32
Units issued and outstanding (000's) <sup>(1)</sup>	0
Management fees	% 1.37
Management expense ratio <sup>(2)</sup>	% 2.32
Management expense ratio before waivers	% 2.32
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/100 Class A Prestige Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 2
Net asset value per unit <sup>(1)</sup>	\$ 10.32
Units issued and outstanding (000's) <sup>(1)</sup>	0
Management fees	% 1.44
Management expense ratio <sup>(2)</sup>	% 2.68
Management expense ratio before waivers	% 2.68
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/75 Class F Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 3
Net asset value per unit <sup>(1)</sup>	\$ 10.34
Units issued and outstanding (000's) <sup>(1)</sup>	0
Management fees	% 0.57
Management expense ratio <sup>(2)</sup>	% 1.41
Management expense ratio before waivers	% 1.41
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/100 Class F Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 3
Net asset value per unit <sup>(1)</sup>	\$ 10.33
Units issued and outstanding (000's) <sup>(1)</sup>	0
Management fees	% 0.63
Management expense ratio <sup>(2)</sup>	% 1.76
Management expense ratio before waivers	% 1.76
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/75 Class F Prestige Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 3
Net asset value per unit <sup>(1)</sup>	\$ 10.34
Units issued and outstanding (000's) <sup>(1)</sup>	0
Management fees	% 0.39
Management expense ratio <sup>(2)</sup>	% 1.21
Management expense ratio before waivers	% 1.21
Portfolio turnover rate <sup>(3)</sup>	%

<sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

<sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund. For the financial period-ended December 31, 2023, no sales of portfolio securities were made by the fund. As a result, the portfolio turnover rate for this period was zero.

<sup>(4)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.

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

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

**BMO Global Income & Growth GIF**

<b>STATEMENT OF FINANCIAL POSITION</b> <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		<b>December 31,</b> <b>2023</b>	<b>STATEMENT OF COMPREHENSIVE INCOME</b> <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		<b>December 31,</b> <b>2023</b>
<i>As at</i>			<i>For the period ended</i>		
<b>ASSETS</b>			<b>INCOME</b>		
<b>CURRENT ASSETS</b>			Distributions received from investment trusts		
Cash		5	Other changes in fair value of investments and derivatives		1
Investments			Unrealized appreciation		3
Non-derivative financial assets		382	Net gain in fair value of investments and derivatives		4
Subscriptions receivable		155	<b>Total income</b>		<b>4</b>
Distribution receivable from investment trusts		1	<b>EXPENSES</b>		
<b>Total assets</b>		<b>543</b>	Management fees (note 7)		1
<b>LIABILITIES</b>			Fixed administration fees (note 7)		0
<b>CURRENT LIABILITIES</b>			Insurance fees (note 7)		0
Redemptions payable		70	<b>Total expenses</b>		<b>1</b>
Accrued expenses		1	<b>Increase in net assets held for the benefit of policyowners</b>		
<b>Total liabilities</b>		<b>71</b>			<b>3</b>
<b>Net assets held for the benefit of policyowners</b>		<b>472</b>	<b>Increase in net assets held for the benefit of policyowners</b>		
<b>Net assets held for the benefit of policyowners</b>			75/75 Class A Units		0
75/75 Class A Units		17	75/100 Class A Units		0
75/100 Class A Units		38	75/75 Class A Prestige Units		2
75/75 Class A Prestige Units		153	75/100 Class A Prestige Units		1
75/100 Class A Prestige Units		255	75/75 Class F Units		0
75/75 Class F Units		3	75/100 Class F Units		0
75/100 Class F Units		3	75/75 Class F Prestige Units		0
75/75 Class F Prestige Units		3	<b>Increase in net assets held for the benefit of policyowners per unit (note 3)</b>		
<b>Net assets held for the benefit of policyowners per unit</b>			75/75 Class A Units		0.16
75/75 Class A Units	\$	10.22	75/100 Class A Units		0.17
75/100 Class A Units	\$	10.23	75/75 Class A Prestige Units		0.26
75/75 Class A Prestige Units	\$	10.23	75/100 Class A Prestige Units		0.10
75/100 Class A Prestige Units	\$	10.23	75/75 Class F Units		0.23
75/75 Class F Units	\$	10.23	75/100 Class F Units		0.23
75/100 Class F Units	\$	10.23	75/75 Class F Prestige Units		0.23
75/75 Class F Prestige Units	\$	10.23			

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>December 31, 2023</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	0
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	157
Withdrawal of withdrawable units	(140)
<b>Net increase from withdrawable unit transactions</b>	17
<b>Net increase in net assets held for the benefit of policyowners</b>	17
<b>Net assets held for the benefit of policyowners</b>	17
<b>75/100 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	0
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	290
Withdrawal of withdrawable units	(252)
<b>Net increase from withdrawable unit transactions</b>	38
<b>Net increase in net assets held for the benefit of policyowners</b>	38
<b>Net assets held for the benefit of policyowners</b>	38
<b>75/75 Class A Prestige 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	2
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	151
<b>Net increase from withdrawable unit transactions</b>	151
<b>Net increase in net assets held for the benefit of policyowners</b>	153
<b>Net assets held for the benefit of policyowners</b>	153

## 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>December 31, 2023</b>
<b>75/100 Class A Prestige 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	254
<b>Net increase from withdrawable unit transactions</b>	254
<b>Net increase in net assets held for the benefit of policyowners</b>	255
<b>Net assets held for the benefit of policyowners</b>	255
<b>75/75 Class F 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	0
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	3
<b>Net increase from withdrawable unit transactions</b>	3
<b>Net increase in net assets held for the benefit of policyowners</b>	3
<b>Net assets held for the benefit of policyowners</b>	3
<b>75/100 Class F 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	0
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	3
<b>Net increase from withdrawable unit transactions</b>	3
<b>Net increase in net assets held for the benefit of policyowners</b>	3
<b>Net assets held for the benefit of policyowners</b>	3

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)

	December 31, 2023
<i>For the period ended</i>	
<b>75/75 Class F Prestige Units</b>	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	0
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	3
<b>Net increase from withdrawable unit transactions</b>	<b>3</b>
<b>Net increase in net assets held for the benefit of policyowners</b>	<b>3</b>
<b>Net assets held for the benefit of policyowners</b>	<b>3</b>
<b>Total Fund</b>	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	3
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	861
Withdrawal of withdrawable units	(392)
<b>Net increase from withdrawable unit transactions</b>	<b>469</b>
<b>Net increase in net assets held for the benefit of policyowners</b>	<b>472</b>
<b>Net assets held for the benefit of policyowners</b>	<b>472</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 period ended</i>	December 31, 2023
<b>Cash flows from operating activities</b>	
Increase in net assets held for the benefit of policyowners	3
Adjustments for:	
Unrealized appreciation of investments and derivatives	(3)
Increase in distribution receivable from investment trusts	(1)
Increase in accrued expenses	1
Purchases of investments	(379)
<b>Net cash used in operating activities</b>	<b>(379)</b>
<b>Cash flows from financing activities</b>	
Proceeds from issuances of withdrawable units	314
Amounts paid on withdrawal of withdrawable units	70
<b>Net cash from financing activities</b>	<b>384</b>
Net increase in cash	5
Cash at beginning of period	—
<b>Cash at end of period</b>	<b>5</b>

## SCHEDULE OF INVESTMENT PORTFOLIO

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

<i>As at December 31, 2023</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUND</b>			
<b>Global Balanced Fund — 80.9%</b>			
BMO Global Income & Growth Fund, Series I	34,455	379	382
<b>Total Investment Portfolio — 80.9%</b>		<b>379</b>	<b>382</b>
Other Assets Less Liabilities — 19.1%			90
<b>Net assets held for the benefit of policyowners — 100.0%</b>			<b>472</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.



### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

### Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

### Cash

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

### Other assets and liabilities

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

### Investments in subsidiaries, joint ventures and associates

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

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 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.

### 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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

### Portfolio turnover ratio

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

### Income taxes

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

## 4. Units and unit transactions

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

## 5. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

### Accounting judgements:

#### Functional and presentation currency

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

### **Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

## **6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

## **7. Related party transactions**

### **Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

### **Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

### **Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

### **Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

### **Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

## **8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

### 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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

### Fund and Class information

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

Class	Date Established
75/75 Class A Units	November 17, 2023
75/100 Class A Units	November 17, 2023
75/75 Class A Prestige Units	November 17, 2023
75/100 Class A Prestige Units	November 17, 2023
75/75 Class F Units	November 17, 2023
75/100 Class F Units	November 17, 2023
75/75 Class F Prestige Units	November 17, 2023

### 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)	December 31, 2023
<b>75/75 Class A Units</b>	
Units issued and outstanding, beginning of period	—
Issued for cash	16
Withdrawn during the period	(14)
Units issued and outstanding, end of period	2
<b>75/100 Class A Units</b>	
Units issued and outstanding, beginning of period	—
Issued for cash	29
Withdrawn during the period	(25)
Units issued and outstanding, end of period	4
<b>75/75 Class A Prestige Units</b>	
Units issued and outstanding, beginning of period	—
Issued for cash	15
Units issued and outstanding, end of period	15
<b>75/100 Class A Prestige Units</b>	
Units issued and outstanding, beginning of period	—
Issued for cash	25
Units issued and outstanding, end of period	25
<b>75/75 Class F Units</b>	
Units issued and outstanding, beginning of period	—
Issued for cash	0
Units issued and outstanding, end of period	0
<b>75/100 Class F Units</b>	
Units issued and outstanding, beginning of period	—
Issued for cash	0
Units issued and outstanding, end of period	0

For the period ended  
(in thousands of units)

December 31,  
2023

### 75/75 Class F Prestige Units

Units issued and outstanding, beginning of period	—
Issued for cash	0
Units issued and outstanding, end of period	0

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023 Class	Number of Units	Value of Units (\$)
75/75 Class A Units	250	3
75/100 Class A Units	250	3
75/75 Class A Prestige Units	250	3
75/100 Class A Prestige Units	250	3
75/75 Class F Units	250	3
75/100 Class F Units	250	3
75/75 Class F Prestige Units	250	3

### Financial instruments risk

The Fund invests in the BMO Global Income & Growth Fund ("underlying fund"). The investment objective of the underlying fund is to generate income and provide long-term capital growth by investing primarily, directly or indirectly, in equity and fixed income securities from around the world.

### Currency risk

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

As at December 31, 2023	Cash and other current receivables & payables (\$)	Investments (monetary & non- monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
<b>Currencies</b>					
Australian Dollar	0	1	—	1	0.2
Euro	(0)	24	—	24	5.1
Hong Kong Dollar	(0)	5	—	5	1.1
Japanese Yen	0	3	—	3	0.6
Pound Sterling	(0)	26	—	26	5.5
Swiss Franc	(0)	5	—	5	1.1
U.S. Dollar	0	292	(151)	141	29.9
<b>Total</b>	<b>(0)</b>	<b>356</b>	<b>(151)</b>	<b>205</b>	<b>43.5</b>

As at December 31, 2023, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, respectively, with all other variables held constant, the Net Assets of the Fund could possibly have increased or decreased, respectively, by approximately \$10. In practice, actual results may differ from this sensitivity analysis

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

and the difference could be material.

### Interest rate risk

The Fund's exposure, through its investment in the underlying fund, to interest rate risk, by remaining term to maturity, is summarized in the following table:

	Interest Rate Exposure as at December 31, 2023
<b>Number of years</b>	
Less than one year	—
One to three years	47
Three to five years	18
Five to ten years	52
Greater than ten years	32
<b>Total</b>	<b>149</b>

As at December 31, 2023, if the prevailing interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, the Net Assets of the Fund could possibly have decreased or increased, respectively, by approximately \$9. The Fund's interest rate sensitivity was determined based on portfolio weighted duration. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invests in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, 30% Bloomberg Aggregate Bond Index (C\$), 10% Bloomberg U.S. High Yield Very Liquid Index, 18% S&P/TSX Composite Index, 18% MSCI EAFE Index (C\$), 21% S&P 500 Index (C\$), 3% MSCI Emerging Markets Index (C\$), had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$38. Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

### Credit risk

The Fund's exposure, through its investment in the underlying fund, to credit risk, grouped by credit ratings, is summarized in the following table:

	As a % of Net Assets as at December 31, 2023
<b>Credit Rating</b>	
AAA	17.8
AA	0.2
A	2.7
BBB	6.6
BB	3.0
B	1.1
CCC	0.2
<b>Total</b>	<b>31.6</b>

### Fair value hierarchy

The 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 observable 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.

As at December 31, 2023				
Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	382	—	—	382

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

	As at December 31, 2023
<b>Carrying amount</b>	
BMO Global Income & Growth Fund, Series I	382

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

BMO Global Income & Growth Fund, Series I	0.28%
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### Increase or decrease in net assets held for the benefit of policyowners per unit

The increase (decrease) in net assets held for the benefit of policyowners per unit for the period ended December 31, 2023 is calculated as follows:

	December 31, 2023
<i>For the period ended</i>	
<b>75/75 Class A Units</b>	
Increase in net assets held for the benefit of policyowners	0
Weighted average units outstanding during the period (in thousands of units)	0
Increase in net assets held for the benefit of policyowners per unit	0.16

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

# BMO Global Income & Growth GIF

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

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

December 31, 2023



<i>For the period ended</i>	December 31, 2023	<i>As at</i>	December 31, 2023
<b>75/100 Class A Units</b>		<b>Foreign Bonds &amp; Debentures</b>	
Increase in net assets held for the benefit of policyowners	0	Australia	0.2%
Weighted average units outstanding during the period (in thousands of units)	1	China	0.2%
Increase in net assets held for the benefit of policyowners per unit	0.17	United States	29.9%
<b>75/75 Class A Prestige Units</b>		<b>Equities</b>	
Increase in net assets held for the benefit of policyowners	2	Energy	0.5%
Weighted average units outstanding during the period (in thousands of units)	7	Financials	0.2%
Increase in net assets held for the benefit of policyowners per unit	0.26	Industrials	0.7%
<b>75/100 Class A Prestige Units</b>		Information Technology	
Increase in net assets held for the benefit of policyowners	1		0.6%
Weighted average units outstanding during the period (in thousands of units)	10	<b>Foreign Equities</b>	
Increase in net assets held for the benefit of policyowners per unit	0.10	Australia	0.2%
<b>75/75 Class F Units</b>		Austria	0.7%
Increase in net assets held for the benefit of policyowners	0	Bermuda	0.6%
Weighted average units outstanding during the period (in thousands of units)	0	Chile	0.2%
Increase in net assets held for the benefit of policyowners per unit	0.23	China	1.7%
<b>75/100 Class F Units</b>		France	0.3%
Increase in net assets held for the benefit of policyowners	0	Germany	1.1%
Weighted average units outstanding during the period (in thousands of units)	0	Ireland	1.2%
Increase in net assets held for the benefit of policyowners per unit	0.23	Italy	0.5%
<b>75/75 Class F Prestige Units</b>		Japan	0.6%
Increase in net assets held for the benefit of policyowners	0	Netherlands	1.6%
Weighted average units outstanding during the period (in thousands of units)	0	Switzerland	1.1%
Increase in net assets held for the benefit of policyowners per unit	0.23	Taiwan	0.6%
		United Kingdom	4.9%
		United States	26.5%
		<b>Holdings in Investment Funds</b>	
		Commodity Funds	1.6%
		Global Equity Funds	0.2%
		U.S. Fixed Income Funds	0.4%
		<b>Other Assets less Liabilities</b>	
			22.4%
			<b>100.0%</b>
		<b>Offsetting financial assets and financial liabilities</b>	
		There were no amounts offset as at December 31, 2023.	

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the period ended December 31, 2023.

### Concentration risk

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

<i>As at</i>	December 31, 2023
<b>Bonds &amp; Debentures</b>	
Corporate Bonds & Debentures	1.3%

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



# BMO Global Income & Growth GIF

## Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)  
December 31, 2023



### Financial Highlights

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

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/75 Class A Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 17
Net asset value per unit <sup>(1)</sup>	\$ 10.22
Units issued and outstanding (000's) <sup>(1)</sup>	2
Management fees	% 1.58
Management expense ratio <sup>(2)</sup>	% 2.58
Management expense ratio before waivers	% 2.58
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/100 Class A Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 38
Net asset value per unit <sup>(1)</sup>	\$ 10.23
Units issued and outstanding (000's) <sup>(1)</sup>	4
Management fees	% 1.64
Management expense ratio <sup>(2)</sup>	% 2.93
Management expense ratio before waivers	% 2.93
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/75 Class A Prestige Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 153
Net asset value per unit <sup>(1)</sup>	\$ 10.23
Units issued and outstanding (000's) <sup>(1)</sup>	15
Management fees	% 1.40
Management expense ratio <sup>(2)</sup>	% 2.37
Management expense ratio before waivers	% 2.37
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/100 Class A Prestige Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 255
Net asset value per unit <sup>(1)</sup>	\$ 10.23
Units issued and outstanding (000's) <sup>(1)</sup>	25
Management fees	% 1.46
Management expense ratio <sup>(2)</sup>	% 2.72
Management expense ratio before waivers	% 2.72
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/75 Class F Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 3
Net asset value per unit <sup>(1)</sup>	\$ 10.23
Units issued and outstanding (000's) <sup>(1)</sup>	0
Management fees	% 0.59
Management expense ratio <sup>(2)</sup>	% 1.46
Management expense ratio before waivers	% 1.46
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/100 Class F Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 3
Net asset value per unit <sup>(1)</sup>	\$ 10.23
Units issued and outstanding (000's) <sup>(1)</sup>	0
Management fees	% 0.66
Management expense ratio <sup>(2)</sup>	% 1.82
Management expense ratio before waivers	% 1.82
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/75 Class F Prestige Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 3
Net asset value per unit <sup>(1)</sup>	\$ 10.23
Units issued and outstanding (000's) <sup>(1)</sup>	0
Management fees	% 0.42
Management expense ratio <sup>(2)</sup>	% 1.27
Management expense ratio before waivers	% 1.27
Portfolio turnover rate <sup>(3)</sup>	%

<sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

<sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund. For the financial period-ended December 31, 2023, no sales of portfolio securities were made by the fund. As a result, the portfolio turnover rate for this period was zero.

<sup>(4)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.

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

# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

**BMO Aggregate Bond Index ETF GIF**

<b>STATEMENT OF FINANCIAL POSITION</b>		<b>STATEMENT OF COMPREHENSIVE INCOME</b>	
<i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		<i>(All amounts in thousands of Canadian dollars, except per unit data)</i>	
As at	December 31, 2023	For the period ended	December 31, 2023
<b>ASSETS</b>		<b>INCOME</b>	
<b>CURRENT ASSETS</b>		Distributions received from investment trusts	
Cash	7	Other changes in fair value of investments and derivatives	1
Investments		Unrealized appreciation	7
Non-derivative financial assets	423	Net gain in fair value of investments and derivatives	8
Subscriptions receivable	20	<b>Total income</b>	<b>8</b>
Distribution receivable from investment trusts	1		
<b>Total assets</b>	<b>451</b>	<b>EXPENSES</b>	
<b>LIABILITIES</b>		Management fees (note 7)	
<b>CURRENT LIABILITIES</b>		Fixed administration fees (note 7)	
Redemptions payable	0	Insurance fees (note 7)	
Accrued expenses	1	Commissions and other portfolio transaction costs (note 7)	
<b>Total liabilities</b>	<b>1</b>	<b>Total expenses</b>	<b>1</b>
<b>Net assets held for the benefit of policyowners</b>	<b>450</b>	<b>Increase in net assets held for the benefit of policyowners</b>	
<b>Net assets held for the benefit of policyowners</b>		<b>Increase in net assets held for the benefit of policyowners</b>	
75/75 Class A Units	120	75/75 Class A Units	
75/100 Class A Units	31	75/100 Class A Units	
100/100 Class A Units	60	100/100 Class A Units	
75/75 Class A Prestige Units	219	75/75 Class A Prestige Units	
75/100 Class A Prestige Units	5	75/100 Class A Prestige Units	
100/100 Class A Prestige Units	2	100/100 Class A Prestige Units	
75/75 Class F Units	3	75/75 Class F Units	
75/100 Class F Units	5	75/100 Class F Units	
100/100 Class F Units	2	100/100 Class F Units	
75/75 Class F Prestige Units	3	100/100 Class F Prestige Units	
<b>Net assets held for the benefit of policyowners per unit</b>		<b>Increase in net assets held for the benefit of policyowners per unit (note 3)</b>	
75/75 Class A Units	\$ 10.24	75/75 Class A Units	
75/100 Class A Units	\$ 10.24	75/100 Class A Units	
100/100 Class A Units	\$ 10.24	100/100 Class A Units	
75/75 Class A Prestige Units	\$ 10.24	75/75 Class A Prestige Units	
75/100 Class A Prestige Units	\$ 10.24	75/100 Class A Prestige Units	
100/100 Class A Prestige Units	\$ 10.24	100/100 Class A Prestige Units	
75/75 Class F Units	\$ 10.26	75/75 Class F Units	
75/100 Class F Units	\$ 10.25	75/100 Class F Units	
100/100 Class F Units	\$ 10.25	100/100 Class F Units	
75/75 Class F Prestige Units	\$ 10.26	75/75 Class F Prestige Units	

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)

	December 31, 2023
<i>For the period ended</i>	
<b>75/75 Class A Units</b>	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	2
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	331
Withdrawal of withdrawable units	(213)
<b>Net increase from withdrawable unit transactions</b>	118
<b>Net increase in net assets held for the benefit of policyowners</b>	120
<b>Net assets held for the benefit of policyowners</b>	120
<b>75/100 Class A Units</b>	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	1
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	30
<b>Net increase from withdrawable unit transactions</b>	30
<b>Net increase in net assets held for the benefit of policyowners</b>	31
<b>Net assets held for the benefit of policyowners</b>	31
<b>100/100 Class A Units</b>	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	1
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	59
Withdrawal of withdrawable units	(0)
<b>Net increase from withdrawable unit transactions</b>	59
<b>Net increase in net assets held for the benefit of policyowners</b>	60
<b>Net assets held for the benefit of policyowners</b>	60

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

(All amounts in thousands of Canadian dollars)

	December 31, 2023
<i>For the period ended</i>	
<b>75/75 Class A Prestige Units</b>	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	3
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	216
<b>Net increase from withdrawable unit transactions</b>	216
<b>Net increase in net assets held for the benefit of policyowners</b>	219
<b>Net assets held for the benefit of policyowners</b>	219
<b>75/100 Class A Prestige Units</b>	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	0
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	5
<b>Net increase from withdrawable unit transactions</b>	5
<b>Net increase in net assets held for the benefit of policyowners</b>	5
<b>Net assets held for the benefit of policyowners</b>	5
<b>100/100 Class A Prestige Units</b>	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	0
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	2
<b>Net increase from withdrawable unit transactions</b>	2
<b>Net increase in net assets held for the benefit of policyowners</b>	2
<b>Net assets held for the benefit of policyowners</b>	2

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)

	December 31, 2023
<i>For the period ended</i>	
<b>75/75 Class F Units</b>	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	0
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	3
<b>Net increase from withdrawable unit transactions</b>	3
<b>Net increase in net assets held for the benefit of policyowners</b>	3
<b>Net assets held for the benefit of policyowners</b>	3
<b>75/100 Class F Units</b>	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	0
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	5
<b>Net increase from withdrawable unit transactions</b>	5
<b>Net increase in net assets held for the benefit of policyowners</b>	5
<b>Net assets held for the benefit of policyowners</b>	5
<b>100/100 Class F Units</b>	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	0
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	2
<b>Net increase from withdrawable unit transactions</b>	2
<b>Net increase in net assets held for the benefit of policyowners</b>	2
<b>Net assets held for the benefit of policyowners</b>	2

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

(All amounts in thousands of Canadian dollars)

	December 31, 2023
<i>For the period ended</i>	
<b>75/75 Class F Prestige Units</b>	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	0
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	3
<b>Net increase from withdrawable unit transactions</b>	3
<b>Net increase in net assets held for the benefit of policyowners</b>	3
<b>Net assets held for the benefit of policyowners</b>	3
<b>Total Fund</b>	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	7
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	656
Withdrawal of withdrawable units	(213)
<b>Net increase from withdrawable unit transactions</b>	443
<b>Net increase in net assets held for the benefit of policyowners</b>	450
<b>Net assets held for the benefit of policyowners</b>	450

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 period ended</i>	December 31, 2023
<b>Cash flows from operating activities</b>	
Increase in net assets held for the benefit of policyowners	7
Adjustments for:	
Unrealized appreciation of investments and derivatives	(7)
Increase in distribution receivable from investment trusts	(1)
Increase in accrued expenses	1
Purchases of investments	(416)
<b>Net cash used in operating activities</b>	<b>(416)</b>
<b>Cash flows from financing activities</b>	
Proceeds from issuances of withdrawable units	423
<b>Net cash from financing activities</b>	<b>423</b>
Net increase in cash	7
Cash at beginning of period	—
<b>Cash at end of period</b>	<b>7</b>

## SCHEDULE OF INVESTMENT PORTFOLIO

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

<i>As at December 31, 2023</i>	Number of Units	Cost* (\$)	Fair Value (\$)
<b>HOLDINGS IN INVESTMENT FUND</b>			
<b>Fixed Income Fund — 94.0%</b>			
BMO Aggregate Bond Index ETF	30,600	416	423
<b>Total Investment Portfolio — 94.0%</b>		<b>416</b>	<b>423</b>
Other Assets Less Liabilities — 6.0%			27
<b>Net assets held for the benefit of policyowners — 100.0%</b>			<b>450</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 Aggregate Bond Index ETF GIF

## Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2023

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

### Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

### Cash

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

### Other assets and liabilities

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

### Investments in subsidiaries, joint ventures and associates

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

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 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.

### 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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

### Portfolio turnover ratio

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

### Income taxes

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

## 4. Units and unit transactions

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

## 5. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

### Accounting judgements:

#### Functional and presentation currency

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

### **Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

## **6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

## **7. Related party transactions**

### **Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

### **Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

### **Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

### **Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

### **Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

## **8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

### 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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

# BMO Aggregate Bond Index ETF GIF

## Notes to the Financial Statements

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

December 31, 2023

### Fund and Class information

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

Class	Date Established
75/75 Class A Units	November 17, 2023
75/100 Class A Units	November 17, 2023
100/100 Class A Units	November 17, 2023
75/75 Class A Prestige Units	November 17, 2023
75/100 Class A Prestige Units	November 17, 2023
100/100 Class A Prestige Units	November 17, 2023
75/75 Class F Units	November 17, 2023
75/100 Class F Units	November 17, 2023
100/100 Class F Units	November 17, 2023
75/75 Class F Prestige Units	November 17, 2023

### 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) December 31, 2023

#### 75/75 Class A Units

Units issued and outstanding, beginning of period	—
Issued for cash	33
Withdrawn during the period	(21)
Units issued and outstanding, end of period	12

#### 75/100 Class A Units

Units issued and outstanding, beginning of period	—
Issued for cash	3
Units issued and outstanding, end of period	3

#### 100/100 Class A Units

Units issued and outstanding, beginning of period	—
Issued for cash	6
Withdrawn during the period	(0)
Units issued and outstanding, end of period	6

#### 75/75 Class A Prestige Units

Units issued and outstanding, beginning of period	—
Issued for cash	21
Units issued and outstanding, end of period	21

#### 75/100 Class A Prestige Units

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

For the period ended (in thousands of units) December 31, 2023

#### 100/100 Class A Prestige Units

Units issued and outstanding, beginning of period	—
Issued for cash	0
Units issued and outstanding, end of period	0

#### 75/75 Class F Units

Units issued and outstanding, beginning of period	—
Issued for cash	0
Units issued and outstanding, end of period	0

#### 75/100 Class F Units

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

#### 100/100 Class F Units

Units issued and outstanding, beginning of period	—
Issued for cash	0
Units issued and outstanding, end of period	0

#### 75/75 Class F Prestige Units

Units issued and outstanding, beginning of period	—
Issued for cash	0
Units issued and outstanding, end of period	0

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023	Number of Units	Value of Units (\$)
Class		
75/75 Class A Units	250	3
75/100 Class A Units	500	5
100/100 Class A Units	250	3
75/75 Class A Prestige Units	250	3
75/100 Class A Prestige Units	500	5
100/100 Class A Prestige Units	250	2
75/75 Class F Units	250	3
75/100 Class F Units	500	5
100/100 Class F Units	250	2
75/75 Class F Prestige Units	250	3

### Financial instruments risk

The Fund invests in the BMO Aggregate Bond Index ETF ("underlying fund"). The investment objective of the underlying fund is to replicate, to the extent possible, the performance of an aggregate bond index, net of expenses. Currently, the ETF seeks to replicate the performance of the FTSE Canada Universe Bond Index. The investment strategy of the ETF is to invest in and hold the constituent securities of the FTSE Canada Universe Bond Index in the same proportion as they are reflected in the FTSE Canada Universe Bond Index or securities intended to replicate the performance of the index.

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

# BMO Aggregate Bond Index ETF GIF

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

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

December 31, 2023

### Currency risk

As at December 31, 2023, the Fund did not have significant exposure, through its investment in the underlying fund, to currency risk as the underlying fund invested primarily in Canadian securities.

### Interest rate risk

The Fund's exposure, through its investment in the underlying fund, to interest rate risk, by remaining term to maturity, is summarized in the following table:

Number of years	Interest Rate Exposure
	as at December 31, 2023
Less than one year	—
One to three years	92
Three to five years	79
Five to ten years	125
Greater than ten years	124
<b>Total</b>	<b>420</b>

As at December 31, 2023, if the prevailing interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, the Net Assets of the Fund could possibly have decreased or increased, respectively, by approximately \$31. The Fund's interest rate sensitivity was determined based on portfolio weighted duration. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### Other market risk

As at December 31, 2023, the Fund did not have significant exposure, through its investment in the underlying fund, to other market risk as the underlying fund was fully invested in fixed income securities.

### Credit risk

The Fund's exposure, through its investment in the underlying fund, to credit risk, grouped by credit ratings, is summarized in the following table:

Credit Rating	As a % of Net Assets as at
	December 31, 2023
AAA	37.5
AA	17.6
A	27.3
BBB	11.1
<b>Total</b>	<b>93.5</b>

### Fair value hierarchy

The 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 observable 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.

As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	423	—	—	423

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at December 31, 2023
BMO Aggregate Bond Index ETF	423

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

BMO Aggregate Bond Index ETF	0.01%
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### Increase or decrease in net assets held for the benefit of policyowners per unit

The increase (decrease) in net assets held for the benefit of policyowners per unit for the period ended December 31, 2023 is calculated as follows:

	December 31, 2023
<i>For the period ended</i>	
<b>75/75 Class A Units</b>	
Increase in net assets held for the benefit of policyowners	2
Weighted average units outstanding during the period (in thousands of units)	6
Increase in net assets held for the benefit of policyowners per unit	0.33
<b>75/100 Class A Units</b>	
Increase in net assets held for the benefit of policyowners	1
Weighted average units outstanding during the period (in thousands of units)	2
Increase in net assets held for the benefit of policyowners per unit	0.38
<b>100/100 Class A Units</b>	
Increase in net assets held for the benefit of policyowners	1
Weighted average units outstanding during the period (in thousands of units)	3
Increase in net assets held for the benefit of policyowners per unit	0.39

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

# BMO Aggregate Bond Index ETF GIF

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

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

December 31, 2023



<i>For the period ended</i>	December 31, 2023
<b>75/75 Class A Prestige Units</b>	
Increase in net assets held for the benefit of policyowners	3
Weighted average units outstanding during the period (in thousands of units)	12
Increase in net assets held for the benefit of policyowners per unit	0.26
<b>75/100 Class A Prestige Units</b>	
Increase in net assets held for the benefit of policyowners	0
Weighted average units outstanding during the period (in thousands of units)	1
Increase in net assets held for the benefit of policyowners per unit	0.24
<b>100/100 Class A Prestige Units</b>	
Increase in net assets held for the benefit of policyowners	0
Weighted average units outstanding during the period (in thousands of units)	0
Increase in net assets held for the benefit of policyowners per unit	0.24
<b>75/75 Class F Units</b>	
Increase in net assets held for the benefit of policyowners	0
Weighted average units outstanding during the period (in thousands of units)	0
Increase in net assets held for the benefit of policyowners per unit	0.26
<b>75/100 Class F Units</b>	
Increase in net assets held for the benefit of policyowners	0
Weighted average units outstanding during the period (in thousands of units)	1
Increase in net assets held for the benefit of policyowners per unit	0.25
<b>100/100 Class F Units</b>	
Increase in net assets held for the benefit of policyowners	0
Weighted average units outstanding during the period (in thousands of units)	0
Increase in net assets held for the benefit of policyowners per unit	0.25
<b>75/75 Class F Prestige Units</b>	
Increase in net assets held for the benefit of policyowners	0
Weighted average units outstanding during the period (in thousands of units)	0
Increase in net assets held for the benefit of policyowners per unit	0.26

### Brokerage commissions

<i>For the period ended</i>	December 31, 2023 (\$)
Total brokerage amounts paid	0
Total brokerage amounts paid to related parties	—

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 period.

### Concentration risk

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

<i>As at</i>	December 31, 2023
<b>Bonds &amp; Debentures</b>	
Federal Bonds	35.4%
Provincial Bonds	32.0%
Municipal Bonds	1.7%
Corporate Bonds & Debentures	23.7%
Asset-Backed Securities	0.2%
Supranational Bonds	0.4%
<b>Other Assets less Liabilities</b>	<b>6.6%</b>
	<b>100.0%</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023.

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

# BMO Aggregate Bond Index ETF GIF

## Supplementary Information

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

December 31, 2023



### Financial Highlights

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

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/75 Class A Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 120
Net asset value per unit <sup>(1)</sup>	\$ 10.24
Units issued and outstanding (000's) <sup>(1)</sup>	12
Management fees	% 1.24
Management expense ratio <sup>(2)</sup>	% 1.97
Management expense ratio before waivers	% 1.97
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/100 Class A Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 31
Net asset value per unit <sup>(1)</sup>	\$ 10.24
Units issued and outstanding (000's) <sup>(1)</sup>	3
Management fees	% 1.28
Management expense ratio <sup>(2)</sup>	% 2.12
Management expense ratio before waivers	% 2.12
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>100/100 Class A Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 60
Net asset value per unit <sup>(1)</sup>	\$ 10.24
Units issued and outstanding (000's) <sup>(1)</sup>	6
Management fees	% 1.28
Management expense ratio <sup>(2)</sup>	% 2.52
Management expense ratio before waivers	% 2.52
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/75 Class A Prestige Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 219
Net asset value per unit <sup>(1)</sup>	\$ 10.24
Units issued and outstanding (000's) <sup>(1)</sup>	21
Management fees	% 1.15
Management expense ratio <sup>(2)</sup>	% 1.86
Management expense ratio before waivers	% 1.86
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/100 Class A Prestige Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 5
Net asset value per unit <sup>(1)</sup>	\$ 10.24
Units issued and outstanding (000's) <sup>(1)</sup>	1
Management fees	% 1.19
Management expense ratio <sup>(2)</sup>	% 2.02
Management expense ratio before waivers	% 2.02
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>100/100 Class A Prestige Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 2
Net asset value per unit <sup>(1)</sup>	\$ 10.24
Units issued and outstanding (000's) <sup>(1)</sup>	0
Management fees	% 0.93
Management expense ratio <sup>(2)</sup>	% 2.13
Management expense ratio before waivers	% 2.13
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/75 Class F Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 3
Net asset value per unit <sup>(1)</sup>	\$ 10.26
Units issued and outstanding (000's) <sup>(1)</sup>	0
Management fees	% 0.26
Management expense ratio <sup>(2)</sup>	% 0.86
Management expense ratio before waivers	% 0.86
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/100 Class F Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 5
Net asset value per unit <sup>(1)</sup>	\$ 10.25
Units issued and outstanding (000's) <sup>(1)</sup>	1
Management fees	% 0.29
Management expense ratio <sup>(2)</sup>	% 1.01
Management expense ratio before waivers	% 1.01
Portfolio turnover rate <sup>(3)</sup>	%

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

# BMO Aggregate Bond Index ETF GIF

## Supplementary Information (cont'd)

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

December 31, 2023

		Period ended December 31, 2023 <sup>(4)</sup>
<b>100/100 Class F Units</b>		
Net asset (000's) <sup>(1)</sup>	\$	2
Net asset value per unit <sup>(1)</sup>	\$	10.25
Units issued and outstanding (000's) <sup>(1)</sup>		0
Management fees	%	0.30
Management expense ratio <sup>(2)</sup>	%	1.42
Management expense ratio before waivers	%	1.42
Portfolio turnover rate <sup>(3)</sup>	%	—

		Period ended December 31, 2023 <sup>(4)</sup>
<b>75/75 Class F Prestige Units</b>		
Net asset (000's) <sup>(1)</sup>	\$	3
Net asset value per unit <sup>(1)</sup>	\$	10.26
Units issued and outstanding (000's) <sup>(1)</sup>		0
Management fees	%	0.17
Management expense ratio <sup>(2)</sup>	%	0.76
Management expense ratio before waivers	%	0.76
Portfolio turnover rate <sup>(3)</sup>	%	—

<sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

<sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund. For the financial period-ended December 31, 2023, no sales of portfolio securities were made by the fund. As a result, the portfolio turnover rate for this period was zero.

<sup>(4)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.

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



# BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

**BMO Global Innovators GIF**

<b>STATEMENT OF FINANCIAL POSITION</b> <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		<b>December 31,</b> <b>2023</b>	<b>STATEMENT OF COMPREHENSIVE INCOME</b> <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		<b>December 31,</b> <b>2023</b>
<i>As at</i>			<i>For the period ended</i>		
<b>ASSETS</b>			<b>INCOME</b>		
<b>CURRENT ASSETS</b>			Distributions received from investment trusts		
Cash		5	Other changes in fair value of investments and derivatives		0
Investments			Net realized gain		1
Non-derivative financial assets		444	Unrealized appreciation		3
Subscriptions receivable		70	Net gain in fair value of investments and derivatives		4
<b>Total assets</b>		<b>519</b>	<b>Total income</b>		<b>4</b>
<b>LIABILITIES</b>			<b>EXPENSES</b>		
<b>CURRENT LIABILITIES</b>			Management fees (note 7)		
Redemptions payable		35	Fixed administration fees (note 7)		0
Accrued expenses		1	Insurance fees (note 7)		0
<b>Total liabilities</b>		<b>36</b>	<b>Total expenses</b>		<b>1</b>
<b>Net assets held for the benefit of policyowners</b>		<b>483</b>	<b>Increase in net assets held for the benefit of policyowners</b>		<b>3</b>
<b>Net assets held for the benefit of policyowners</b>			<b>Increase in net assets held for the benefit of policyowners</b>		
75/75 Class A Units		234	75/75 Class A Units		3
75/100 Class A Units		41	75/100 Class A Units		0
75/75 Class A Prestige Units		103	75/75 Class A Prestige Units		0
75/100 Class A Prestige Units		97	75/100 Class A Prestige Units		0
75/75 Class F Units		3	75/75 Class F Units		0
75/100 Class F Units		2	75/100 Class F Units		0
75/75 Class F Prestige Units		3	75/75 Class F Prestige Units		0
<b>Net assets held for the benefit of policyowners per unit</b>			<b>Increase in net assets held for the benefit of policyowners per unit (note 3)</b>		
75/75 Class A Units	\$	10.09	75/75 Class A Units		0.19
75/100 Class A Units	\$	10.08	75/100 Class A Units		0.04
75/75 Class A Prestige Units	\$	10.09	75/75 Class A Prestige Units		0.10
75/100 Class A Prestige Units	\$	10.08	75/100 Class A Prestige Units		0.10
75/75 Class F Units	\$	10.10	75/75 Class F Units		0.10
75/100 Class F Units	\$	10.09	75/100 Class F Units		0.09
75/75 Class F Prestige Units	\$	10.10	75/75 Class F Prestige Units		0.10

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

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

(All amounts in thousands of Canadian dollars)

	December 31, 2023
<i>For the period ended</i>	
<b>75/75 Class A Units</b>	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	3
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	321
Withdrawal of withdrawable units	(90)
<b>Net increase from withdrawable unit transactions</b>	<b>231</b>
<b>Net increase in net assets held for the benefit of policyowners</b>	<b>234</b>
<b>Net assets held for the benefit of policyowners</b>	<b>234</b>
<b>75/100 Class A Units</b>	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	0
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	135
Withdrawal of withdrawable units	(94)
<b>Net increase from withdrawable unit transactions</b>	<b>41</b>
<b>Net increase in net assets held for the benefit of policyowners</b>	<b>41</b>
<b>Net assets held for the benefit of policyowners</b>	<b>41</b>
<b>75/75 Class A Prestige Units</b>	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	0
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	103
<b>Net increase from withdrawable unit transactions</b>	<b>103</b>
<b>Net increase in net assets held for the benefit of policyowners</b>	<b>103</b>
<b>Net assets held for the benefit of policyowners</b>	<b>103</b>

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

(All amounts in thousands of Canadian dollars)

	December 31, 2023
<i>For the period ended</i>	
<b>75/100 Class A Prestige Units</b>	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	0
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	97
<b>Net increase from withdrawable unit transactions</b>	<b>97</b>
<b>Net increase in net assets held for the benefit of policyowners</b>	<b>97</b>
<b>Net assets held for the benefit of policyowners</b>	<b>97</b>
<b>75/75 Class F Units</b>	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	0
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	3
<b>Net increase from withdrawable unit transactions</b>	<b>3</b>
<b>Net increase in net assets held for the benefit of policyowners</b>	<b>3</b>
<b>Net assets held for the benefit of policyowners</b>	<b>3</b>
<b>75/100 Class F Units</b>	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	0
<b>Withdrawable unit transactions</b>	
Proceeds from withdrawable units issued	2
<b>Net increase from withdrawable unit transactions</b>	<b>2</b>
<b>Net increase in net assets held for the benefit of policyowners</b>	<b>2</b>
<b>Net assets held for the benefit of policyowners</b>	<b>2</b>

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)

December 31,  
2023

For the period ended

### 75/75 Class F Prestige Units

Net assets held for the benefit of policyowners at beginning of period —

Increase in net assets held for the benefit of policyowners 0

### Withdrawable unit transactions

Proceeds from withdrawable units issued 3

Net increase from withdrawable unit transactions 3

Net increase in net assets held for the benefit of policyowners 3

Net assets held for the benefit of policyowners 3

### Total Fund

Net assets held for the benefit of policyowners at beginning of period —

Increase in net assets held for the benefit of policyowners 3

### Withdrawable unit transactions

Proceeds from withdrawable units issued 664

Withdrawal of withdrawable units (184)

Net increase from withdrawable unit transactions 480

Net increase in net assets held for the benefit of policyowners 483

Net assets held for the benefit of policyowners 483

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 period ended</i>	<b>December 31, 2023</b>
<b>Cash flows from operating activities</b>	
Increase in net assets held for the benefit of policyowners	3
Adjustments for:	
Net realized gain on sale of investments and derivatives	(1)
Unrealized appreciation of investments and derivatives	(3)
Increase in accrued expenses	1
Non-cash distributions from investment trusts	0
Purchases of investments	(440)
<b>Net cash used in operating activities</b>	<b>(440)</b>
<b>Cash flows from financing activities</b>	
Proceeds from issuances of withdrawable units	410
Amounts paid on withdrawal of withdrawable units	35
<b>Net cash from financing activities</b>	<b>445</b>
Net increase in cash	5
Cash at beginning of period	—
<b>Cash at end of period</b>	<b>5</b>

## SCHEDULE OF INVESTMENT PORTFOLIO

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

<i>As at December 31, 2023</i>	<b>Number of Units</b>	<b>Cost* (\$)</b>	<b>Fair Value (\$)</b>
<b>HOLDINGS IN INVESTMENT FUND</b>			
<b>Global Equity Fund — 91.9%</b>			
BMO Global Innovators Fund, Series I	33,471	441	444
<b>Total Investment Portfolio — 91.9%</b>		<b>441</b>	<b>444</b>
Other Assets Less Liabilities — 8.1%			39
<b>Net assets held for the benefit of policyowners — 100.0%</b>			<b>483</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 Global Innovators GIF

## Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2023

### 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 policyowners. The address of the Company’s registered office is 60 Yonge Street, Toronto, Ontario. The Funds are not separate legal entities. The Funds were established as follows:

Fund	Date Established
BMO Money Market GIF	December 2, 2013
BMO Canadian Balanced Growth GIF	December 2, 2013
BMO Canadian Income Strategy GIF	December 2, 2013
BMO U.S. Balanced Growth GIF	December 2, 2013
BMO North American Income Strategy GIF	December 2, 2013
BMO Fixed Income ETF Portfolio GIF	June 21, 2016
BMO Income ETF Portfolio GIF	June 21, 2016
BMO Conservative ETF Portfolio GIF	June 21, 2016
BMO Balanced ETF Portfolio GIF	June 21, 2016
BMO Growth ETF Portfolio GIF	June 21, 2016
BMO Equity Growth ETF Portfolio GIF	June 21, 2016
BMO Low Volatility U.S. Equity ETF GIF	June 21, 2016
BMO Low Volatility Canadian Equity ETF GIF	June 21, 2016
BMO Monthly Income GIF	January 9, 2017
BMO Asset Allocation GIF	May 14, 2018
BMO Monthly High Income II GIF	May 14, 2018
BMO Tactical Balanced GIF	May 14, 2018
BMO Dividend GIF	May 14, 2018
BMO Global Balanced GIF	May 6, 2019
BMO Low Volatility International Equity ETF GIF	May 6, 2019
BMO Concentrated Global Balanced GIF	May 8, 2020
BMO Concentrated Global Equity GIF	May 8, 2020
BMO Sustainable Opportunities Global Equity GIF	May 7, 2021
BMO Balanced ESG ETF GIF	May 7, 2021
BMO Sustainable Global Multi-Sector Bond GIF	June 10, 2022
BMO Canadian Income & Growth GIF	November 17, 2023
BMO Global Income & Growth GIF	November 17, 2023
BMO Aggregate Bond Index GIF	November 17, 2023
BMO Global Innovators GIF	November 17, 2023

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 December 31, 2023 and December 31, 2022. 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 period(s) ended December 31, 2023 and December 31, 2022 except for a Fund established during the period(s) which is presented from the date of establishment to December 31 of the applicable period.

The financial statements were authorized for issuance by the Board of Directors of the Company on April 17, 2024.

### 2. Basis of preparation and presentation

These financial statements have been prepared in accordance with International Financial Reporting as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivatives financial instruments) measured at fair value through profit or loss (“FVTPL”).

### 3. Material accounting policy information

#### Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Funds’ investment strategy.

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Funds become a party to the contractual requirements of the instrument and derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured as fair value through profit or loss (“FVTPL”) with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

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

#### Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income.

Realized gains and losses on disposition are determined based on the cost of the investments

#### **Fair value measurement**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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.

The Funds may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Funds is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

#### **Cash**

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

#### **Other assets and liabilities**

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, distributions receivable from investment trusts, payable for investments purchased, redemptions payable and accrued expense. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

#### **Investments in subsidiaries, joint ventures and associates**

Subsidiaries are entities over which the Funds have control through their exposure or rights to variable returns from their investment, and have the ability to affect those returns through their power over the entity. The Funds have determined that they are an investment entity and as such, they account for subsidiaries, if any, at fair value. Joint ventures are investments 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**

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 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.

#### **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. Realized 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. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

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

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

#### **Portfolio turnover ratio**

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

#### **Income taxes**

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

#### **4. Units and unit transactions**

The withdrawable units of the Funds are classified as financial liabilities. The units have no par value and are entitled to allocations, if any. Upon withdrawal, a unit is entitled to a proportionate share of the Fund's NAV. The Funds allocate their net income, including net realized capital gains and capital losses, to ensure the Funds will not be liable for income taxes on capital gains, dividends and interest. The Funds have no restrictions or specific capital requirements on the subscriptions and withdrawal of units. The relevant movements in withdrawable units are shown on the Statement of Changes in Net Assets

Held for the Benefit of Policyowners. In accordance with their investment objectives and strategies, and the risk management practices outlined in Note 8, the Funds endeavor to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet withdrawals, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The NAV per unit of a class is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

75/75 Class A Units are for policyowners that are professionals and business owners seeking downside risk protection and creditor protection.

75/100 Class A Units are for policyowners that are retirees and seniors seeking estate protection or wealth transfer advantages.

100/100 Class A Units are for policyowners that are pre-retirees looking for maximum protection and to lock-in market gains as they get closer to retirement.

75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class Units are only available to policyowners who meet and maintain a minimum investment of \$250, either individually or collectively with other policyowners who are their family members and reside at the same address.

75/75 Class F Units, 75/100 Class F Units, 100/100 Class F Units and 75/75 Class F Prestige are available to policyowners that have a fee based account with a distributor and the policy is held in nominee-name. The distributor is subject to terms and conditions set out in a Class F agreement between the distributor and the Company.

#### **5. Critical accounting judgements and estimates**

The preparation of financial statements requires the use of judgement in applying the Funds' accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Funds have made in preparing their financial statements:

##### **Accounting judgements:**

##### **Functional and presentation currency**

The Funds policyowners are mainly Canadian residents, with the subscriptions and redemptions of the withdrawable units denominated in Canadian dollars. The Funds invest in Canadian dollar denominated securities. The performance of the Funds are measured and reported to the policyowners 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 an assessment of the Funds' business model for managing financial instruments. In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Company has assessed the Funds' business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds' investment portfolio. The collection of principal and interest is incidental to the fair value business model.

**Accounting estimates:**

The Company has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

**6. Management fees and expenses**

Each Fund is responsible for the payment of fees and expenses related to its operations. Such fees and expenses include management fees and other recoverable fund operating expenses paid by the Funds. Collectively, all the fees and expenses paid or payable by the Funds, including management fees and other recoverable fund operating expenses divided by the Funds' average NAV, is known as the Management Expense Ratio ("MER").

**7. Related party transactions**

**Management fees**

Each Fund pays a management fee for investment management and administration services of the Fund. The management fee varies from Fund to Fund and is calculated and accrued on a daily basis as an annual percentage of the NAV of each Fund.

The management fee of a Fund includes the management fee and expenses charged by the underlying funds. There is no duplication of management fees when the Fund invests in an underlying fund.

**Administration fees**

Each Fund incurs certain operating expenses that include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the administration of the segregated funds, including the cost of the record keeping system; fund accounting and valuation costs; costs of financial reports; including information folders, required to comply with applicable regulatory requirements; filing fees, and statements

and communications to policyowners. The Company pays for these expenses and in return, each Fund pays the Company an administration fee of 0.25%. The administration fee is calculated and accrued daily as an annual percentage of the average NAV of each Fund.

**Insurance fees**

Each Fund pays an insurance fee for the provision of insurance benefits to the Company. The insurance fee differs from Fund to Fund and is calculated and accrued daily as an annual percentage of NAV of each Fund and is included in the management expense ratio.

**Brokerage commissions**

The Funds may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Company based on established standard brokerage agreements at market prices. These fees, if any, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

**Other related parties**

The Company may, on behalf of the Funds, enter into transactions or arrangements with or involving other subsidiaries or affiliates of the Bank of Montreal, or certain other persons or companies that are related or connected to the Company. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries or affiliates of the Bank of Montreal, BMO Asset Management Inc., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of the Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of the Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of the Bank of Montreal acting as the counterparty, the purchase or redemption of units of other Bank of Montreal investment funds or the provision of services to the Company.

**8. Financial 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 fair value of financial instruments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds' functional currency in determining fair value. The Funds may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

**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 and other liabilities risk is concentrated in the daily cash withdrawals of units and other liabilities. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash 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. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. 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.

### Fund and Class information

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

Class	Date Established
75/75 Class A Units	November 17, 2023
75/100 Class A Units	November 17, 2023
75/75 Class A Prestige Units	November 17, 2023
75/100 Class A Prestige Units	November 17, 2023
75/75 Class F Units	November 17, 2023
75/100 Class F Units	November 17, 2023
75/75 Class F Prestige Units	November 17, 2023

### 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)	December 31, 2023
<b>75/75 Class A Units</b>	
Units issued and outstanding, beginning of period	—
Issued for cash	29
Withdrawn during the period	(6)
Units issued and outstanding, end of period	23
<b>75/100 Class A Units</b>	
Units issued and outstanding, beginning of period	—
Issued for cash	13
Withdrawn during the period	(9)
Units issued and outstanding, end of period	4
<b>75/75 Class A Prestige Units</b>	
Units issued and outstanding, beginning of period	—
Issued for cash	7
Units issued and outstanding, end of period	7
<b>75/100 Class A Prestige Units</b>	
Units issued and outstanding, beginning of period	—
Issued for cash	10
Units issued and outstanding, end of period	10
<b>75/75 Class F Units</b>	
Units issued and outstanding, beginning of period	—
Issued for cash	0
Units issued and outstanding, end of period	0
<b>75/100 Class F Units</b>	
Units issued and outstanding, beginning of period	—
Issued for cash	0
Units issued and outstanding, end of period	0

For the period ended  
(in thousands of units)

December 31,  
2023

### 75/75 Class F Prestige Units

Units issued and outstanding, beginning of period	—
Issued for cash	0
Units issued and outstanding, end of period	0

### Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2023 Class	Number of Units	Value of Units (\$)
75/75 Class A Units	250	3
75/100 Class A Units	250	3
75/75 Class A Prestige Units	250	3
75/100 Class A Prestige Units	250	3
75/75 Class F Units	250	3
75/100 Class F Units	250	2
75/75 Class F Prestige Units	250	3

### Financial instruments risk

The Fund invests in the BMO Global Innovators Fund ("underlying fund"). The investment objective of the underlying fund is to provide long-term capital growth by investing primarily in equity and equity-related securities of companies involved in the development of innovative products, processes or services and companies that may benefit from these innovations from around the world.

### Currency risk

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

As at December 31, 2023	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Australian Dollar	0	—	—	0	0.0
Euro	0	34	—	34	7.0
Hong Kong Dollar	—	5	—	5	1.0
Japanese Yen	0	12	—	12	2.5
U.S. Dollar	0	355	—	355	73.5
<b>Total</b>	<b>0</b>	<b>406</b>	<b>—</b>	<b>406</b>	<b>84.0</b>

As at December 31, 2023, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, respectively, with all other variables held constant, the Net Assets of the Fund could possibly have increased or decreased, respectively, by approximately \$20. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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

### Interest rate risk

As at December 31, 2023, the Fund did not have significant exposure, through its investment in the underlying fund, to interest rate risk.

### Other market risk

The Fund has a significant indirect exposure to other market risk arising from its investment in the underlying fund, which invests in equity securities. Using historical correlation between the Fund's return and the return of its benchmark, if the benchmark, MSCI World Index (C\$), had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Fund would have increased or decreased, respectively, by \$44. Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

### Credit risk

As at December 31, 2023, the Fund did not have significant exposure, through its investment in the underlying fund, to credit risk.

### Fair value hierarchy

The 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 observable 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.

As at December 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	444	—	—	444

### Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

Carrying amount	As at December 31, 2023
BMO Global Innovators Fund, Series I	444

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

BMO Global Innovators Fund, Series I	0.24%
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### Increase or decrease in net assets held for the benefit of policyowners per unit

The increase (decrease) in net assets held for the benefit of policyowners per unit for the period ended December 31, 2023 is calculated as follows:

For the period ended	December 31, 2023
<b>75/75 Class A Units</b>	
Increase in net assets held for the benefit of policyowners	3
Weighted average units outstanding during the period (in thousands of units)	13
Increase in net assets held for the benefit of policyowners per unit	0.19
<b>75/100 Class A Units</b>	
Increase in net assets held for the benefit of policyowners	0
Weighted average units outstanding during the period (in thousands of units)	2
Increase in net assets held for the benefit of policyowners per unit	0.04
<b>75/75 Class A Prestige Units</b>	
Increase in net assets held for the benefit of policyowners	0
Weighted average units outstanding during the period (in thousands of units)	3
Increase in net assets held for the benefit of policyowners per unit	0.10
<b>75/100 Class A Prestige Units</b>	
Increase in net assets held for the benefit of policyowners	0
Weighted average units outstanding during the period (in thousands of units)	4
Increase in net assets held for the benefit of policyowners per unit	0.10
<b>75/75 Class F Units</b>	
Increase in net assets held for the benefit of policyowners	0
Weighted average units outstanding during the period (in thousands of units)	0
Increase in net assets held for the benefit of policyowners per unit	0.10
<b>75/100 Class F Units</b>	
Increase in net assets held for the benefit of policyowners	0
Weighted average units outstanding during the period (in thousands of units)	0
Increase in net assets held for the benefit of policyowners per unit	0.09
<b>75/75 Class F Prestige Units</b>	
Increase in net assets held for the benefit of policyowners	0
Weighted average units outstanding during the period (in thousands of units)	0
Increase in net assets held for the benefit of policyowners per unit	0.10

### Brokerage commissions

There were no brokerage commissions charged to the Fund during the period ended December 31, 2023.

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

# BMO Global Innovators GIF

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

Fund Specific Information *(All amounts in thousands of Canadian dollars, except per unit data)*  
December 31, 2023

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### 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>December 31, 2023</b>
<b>Foreign Equities</b>	
Brazil	1.0%
Canada	3.4%
China	8.2%
France	2.9%
Germany	1.4%
Japan	2.5%
Netherlands	2.6%
Taiwan	2.0%
United States	60.7%
<b>Holdings in Investment Funds</b>	
International Equity Funds	1.9%
<b>Other Assets less Liabilities</b>	<b>13.4%</b>
	<b>100.0%</b>

### Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2023.

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

# BMO Global Innovators GIF

## Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)  
December 31, 2023



### Financial Highlights

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

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/75 Class A Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 234
Net asset value per unit <sup>(1)</sup>	\$ 10.09
Units issued and outstanding (000's) <sup>(1)</sup>	23
Management fees	% 1.51
Management expense ratio <sup>(2)</sup>	% 2.78
Management expense ratio before waivers	% 2.78
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/100 Class A Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 41
Net asset value per unit <sup>(1)</sup>	\$ 10.08
Units issued and outstanding (000's) <sup>(1)</sup>	4
Management fees	% 1.49
Management expense ratio <sup>(2)</sup>	% 3.08
Management expense ratio before waivers	% 3.08
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/75 Class A Prestige Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 103
Net asset value per unit <sup>(1)</sup>	\$ 10.09
Units issued and outstanding (000's) <sup>(1)</sup>	7
Management fees	% 1.10
Management expense ratio <sup>(2)</sup>	% 2.32
Management expense ratio before waivers	% 2.32
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/100 Class A Prestige Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 97
Net asset value per unit <sup>(1)</sup>	\$ 10.08
Units issued and outstanding (000's) <sup>(1)</sup>	10
Management fees	% 1.27
Management expense ratio <sup>(2)</sup>	% 2.83
Management expense ratio before waivers	% 2.83
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/75 Class F Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 3
Net asset value per unit <sup>(1)</sup>	\$ 10.10
Units issued and outstanding (000's) <sup>(1)</sup>	0
Management fees	% 0.52
Management expense ratio <sup>(2)</sup>	% 1.66
Management expense ratio before waivers	% 1.66
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/100 Class F Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 2
Net asset value per unit <sup>(1)</sup>	\$ 10.09
Units issued and outstanding (000's) <sup>(1)</sup>	0
Management fees	% 0.51
Management expense ratio <sup>(2)</sup>	% 1.97
Management expense ratio before waivers	% 1.97
Portfolio turnover rate <sup>(3)</sup>	%

	Period ended December 31, 2023 <sup>(4)</sup>
<b>75/75 Class F Prestige Units</b>	
Net asset (000's) <sup>(1)</sup>	\$ 3
Net asset value per unit <sup>(1)</sup>	\$ 10.10
Units issued and outstanding (000's) <sup>(1)</sup>	0
Management fees	% 0.26
Management expense ratio <sup>(2)</sup>	% 1.37
Management expense ratio before waivers	% 1.37
Portfolio turnover rate <sup>(3)</sup>	%

<sup>(1)</sup> This information is provided as at 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 class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.

<sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate 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 rate 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 rate and the performance of a fund. For the financial period-ended December 31, 2023, no sales of portfolio securities were made by the fund. As a result, the portfolio turnover rate for this period was zero.

<sup>(4)</sup> The information shown in this column is for the period beginning November 17, 2023 (the class' inception date) and ending December 31, 2023.

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

**BMO Insurance**

60 Yonge Street  
Toronto, Ontario  
M5E 1H5

<https://www.bmo.com/insurance/retirement/guaranteed-investment-funds>  
For more information please call 1-855-639-3867

**Independent Auditor**

KPMG LLP  
333 Bay Street, Suite 4600  
Toronto, Ontario  
M5H 2S5

BMO Life Assurance Company is the sole issuer and guarantor of the BMO GIF individual variable insurance contract. This document provides general information. Please consult the Policy Provisions and Information Folder for details of BMO GIF.