

BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2022

Table of Contents

Independent Auditors' Report	1
BMO Money Market GIF	5
BMO Income ETF Portfolio GIF	19
BMO Balanced ETF Portfolio GIF	33
BMO Growth ETF Portfolio GIF	49
BMO Equity Growth ETF Portfolio GIF	63
BMO Fixed Income ETF Portfolio GIF	77
BMO Conservative ETF Portfolio GIF	91
BMO U.S. Balanced Growth GIF	107
BMO Canadian Balanced Growth GIF	119
BMO Canadian Income Strategy GIF	131
BMO Low Volatility U.S. Equity ETF GIF	143
BMO North American Income Strategy GIF	157
BMO Low Volatility Canadian Equity ETF GIF	169
BMO Monthly Income GIF	183
BMO Asset Allocation GIF	200
BMO Dividend GIF	217
BMO Monthly High Income II GIF	231
BMO Tactical Balanced GIF	245
BMO Sustainable Global Balanced GIF	259
BMO Low Volatility International Equity ETF GIF	275
BMO Concentrated Global Balanced GIF	289
BMO Concentrated Global Equity GIF	306
BMO Sustainable Opportunities Global Equity GIF	320
BMO Balanced ESG ETF GIF	334
BMO Sustainable Global Multi-Sector Bond GIF	349
Notes to the Financial Statements	365



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
(Collectively, the "Funds")



Page 2

Opinion

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

- the statements of financial position as at December 31, 2022 and December 31, 2021
- 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 significant accounting policies

(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, 2022 and December 31, 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

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



Page 3

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 International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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:



Page 4

- 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

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

April 24, 2023

BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2022

BMO Money Market GIF

STATEMENT OF FINANCIAL POSITION

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

As at	December 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash	60,477	37,812
Investments		
Non-derivative financial assets	8,174	8,007
Subscriptions receivable	1	211
Total assets	68,652	46,030
LIABILITIES		
CURRENT LIABILITIES		
Redemptions payable	258	40
Accrued expenses	231	19
Total liabilities	489	59
Net assets held for the benefit of policyowners	68,163	45,971
Net assets held for the benefit of policyowners		
75/75 Class A Units	21,049	14,370
75/100 Class A Units	31,541	21,314
100/100 Class A Units	15,360	9,967
75/75 Class F Units	16	15
75/100 Class F Units	187	295
100/100 Class F Units	10	10
Net assets held for the benefit of policyowners per unit		
75/75 Class A Units	\$ 10.18	\$ 10.09
75/100 Class A Units	\$ 10.18	\$ 10.09
100/100 Class A Units	\$ 10.22	\$ 10.13
75/75 Class F Units	\$ 10.32	\$ 10.19
75/100 Class F Units	\$ 10.33	\$ 10.18
100/100 Class F Units	\$ 10.30	\$ 10.17

STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	December 31, 2022	December 31, 2021
INCOME		
Interest income	990	66
Distributions received from investment trusts	167	20
Net gain in fair value of investments and derivatives	1,157	86
Total income	1,157	86
EXPENSES		
Management fees (note 7)	614	461
Fixed administration fees (note 7)	154	115
Operating expenses absorbed by the Manager	(176)	(510)
Total expenses	592	66
Increase in net assets held for the benefit of policyowners	565	20
Increase in net assets held for the benefit of policyowners		
75/75 Class A Units	178	7
75/100 Class A Units	261	8
100/100 Class A Units	120	5
75/75 Class F Units	0	0
75/100 Class F Units	6	0
100/100 Class F Units	0	0
Increase in net assets held for the benefit of policyowners per unit (note 3)		
75/75 Class A Units	0.11	0.01
75/100 Class A Units	0.10	0.01
100/100 Class A Units	0.10	0.01
75/75 Class F Units	0.12	0.00
75/100 Class F Units	0.13	0.00
100/100 Class F Units	0.13	0.00

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, 2022	December 31, 2021
75/75 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	14,370	13,185
Increase in net assets held for the benefit of policyowners	178	7
Withdrawable unit transactions		
Proceeds from withdrawable units issued	26,865	19,550
Withdrawal of withdrawable units	(20,364)	(18,372)
Net increase from withdrawable unit transactions	6,501	1,178
Net increase in net assets held for the benefit of policyowners	6,679	1,185
Net assets held for the benefit of policyowners	21,049	14,370
75/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	21,314	15,191
Increase in net assets held for the benefit of policyowners	261	8
Withdrawable unit transactions		
Proceeds from withdrawable units issued	46,598	28,394
Withdrawal of withdrawable units	(36,632)	(22,279)
Net increase from withdrawable unit transactions	9,966	6,115
Net increase in net assets held for the benefit of policyowners	10,227	6,123
Net assets held for the benefit of policyowners	31,541	21,314

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, 2022	December 31, 2021
100/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	9,967	8,413
Increase in net assets held for the benefit of policyowners	120	5
Withdrawable unit transactions		
Proceeds from withdrawable units issued	11,801	8,502
Withdrawal of withdrawable units	(6,528)	(6,953)
Net increase from withdrawable unit transactions	5,273	1,549
Net increase in net assets held for the benefit of policyowners	5,393	1,554
Net assets held for the benefit of policyowners	15,360	9,967
75/75 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	15	15
Increase in net assets held for the benefit of policyowners	0	0
Withdrawable unit transactions		
Proceeds from withdrawable units issued	17	—
Withdrawal of withdrawable units	(16)	—
Net increase from withdrawable unit transactions	1	—
Net increase in net assets held for the benefit of policyowners	1	0
Net assets held for the benefit of policyowners	16	15

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, 2022	December 31, 2021
75/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	295	10
Increase in net assets held for the benefit of policyowners	6	0
Withdrawable unit transactions		
Proceeds from withdrawable units issued	5,328	805
Withdrawal of withdrawable units	(5,442)	(520)
Net (decrease) increase from withdrawable unit transactions	(114)	285
Net (decrease) increase in net assets held for the benefit of policyowners	(108)	285
Net assets held for the benefit of policyowners	187	295
100/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	10	10
Increase in net assets held for the benefit of policyowners	0	0
Net increase in net assets held for the benefit of policyowners	0	0
Net assets held for the benefit of policyowners	10	10
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	45,971	36,824
Increase in net assets held for the benefit of policyowners	565	20
Withdrawable unit transactions		
Proceeds from withdrawable units issued	90,609	57,251
Withdrawal of withdrawable units	(68,982)	(48,124)
Net increase from withdrawable unit transactions	21,627	9,127
Net increase in net assets held for the benefit of policyowners	22,192	9,147
Net assets held for the benefit of policyowners	68,163	45,971

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, 2022	December 31, 2021
Cash flows from operating activities		
Increase in net assets held for the benefit of policyowners	565	20
Adjustments for:		
Increase in accrued expenses	212	2
Non-cash distributions from investment trusts	(167)	(20)
Net cash from operating activities	610	2
Cash flows from financing activities		
Proceeds from issuances of withdrawable units	90,819	57,060
Amounts paid on withdrawal of withdrawable units	(68,764)	(48,109)
Net cash from financing activities	22,055	8,951
Net increase in cash	22,665	8,953
Cash at beginning of period	37,812	28,859
Cash at end of period	60,477	37,812
Supplementary Information:		
Interest received, net of withholding taxes*	990	66

*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, 2022</i>	Number of Units	Cost* (\$)	Fair Value (\$)
HOLDINGS IN INVESTMENT FUND			
Money Market Fund — 12.0%			
BMO Money Market Fund, Series I	8,173,770	8,174	8,174
Total Investment Portfolio — 12.0%		8,174	8,174
Other Assets Less Liabilities — 88.0%			59,989
Net assets held for the benefit of policyowners — 100.0%			68,163

* 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 Money Market GIF

Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)
December 31, 2022

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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 and 100/100 Class F Units 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, 2022

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, 2022	December 31, 2021
75/75 Class A Units		
Units issued and outstanding, beginning of period	1,424	1,307
Issued for cash	2,657	1,938
Withdrawn during the period	(2,014)	(1,821)
Units issued and outstanding, end of period	2,067	1,424
75/100 Class A Units		
Units issued and outstanding, beginning of period	2,112	1,506
Issued for cash	4,609	2,815
Withdrawn during the period	(3,623)	(2,209)
Units issued and outstanding, end of period	3,098	2,112
100/100 Class A Units		
Units issued and outstanding, beginning of period	983	830
Issued for cash	1,163	840
Withdrawn during the period	(644)	(687)
Units issued and outstanding, end of period	1,502	983
75/75 Class F Units		
Units issued and outstanding, beginning of period	1	1
Issued for cash	2	—
Withdrawn during the period	(2)	—
Units issued and outstanding, end of period	1	1
75/100 Class F Units		
Units issued and outstanding, beginning of period	29	1
Issued for cash	519	79
Withdrawn during the period	(530)	(51)
Units issued and outstanding, end of period	18	29
100/100 Class F Units		
Units issued and outstanding, beginning of period	1	1
Units issued and outstanding, end of period	1	1

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

Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2022 Class	Number of Units	Value of Units (\$)
75/75 Class F Units	1,000	10
75/100 Class F Units	1,000	10
100/100 Class F Units	1,000	10
As at December 31, 2021 Class	Number of Units	Value of Units (\$)
75/75 Class F Units	1,000	10
75/100 Class F Units	1,000	10
100/100 Class F Units	1,000	10

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, 2022 and December 31, 2021, 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, 2022 and December 31, 2021, 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 December 31, 2022 and December 31, 2021, 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.

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, 2022

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, 2022	December 31, 2021
R-1 High	1.2	8.5
R-1 Mid	1.1	1.1
R-1 Low	8.0	5.7
R-4	—	1.0
AAA	—	0.2
AA	0.4	0.6
A	0.4	0.2
Total	11.1	17.3

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, 2022

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

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	8,007	—	—	8,007

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	December 31, 2021
BMO Money Market Fund, Series I	8,174	8,007

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

BMO Money Market Fund, Series I	0.79%	1.17%
---------------------------------	-------	-------

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, 2022 and December 31, 2021 is calculated as follows:

	December 31, 2022	December 31, 2021
<i>For the periods ended</i>		
75/75 Class A Units		
Increase in net assets held for the benefit of policyowners	178	7
Weighted average units outstanding during the period (in thousands of units)	1,660	1,459
Increase in net assets held for the benefit of policyowners per unit	0.11	0.01
75/100 Class A Units		
Increase in net assets held for the benefit of policyowners	261	8
Weighted average units outstanding during the period (in thousands of units)	2,584	1,608
Increase in net assets held for the benefit of policyowners per unit	0.10	0.01
100/100 Class A Units		
Increase in net assets held for the benefit of policyowners	120	5
Weighted average units outstanding during the period (in thousands of units)	1,143	984
Increase in net assets held for the benefit of policyowners per unit	0.10	0.01
75/75 Class F Units		
Increase in net assets held for the benefit of policyowners	0	0
Weighted average units outstanding during the period (in thousands of units)	2	1
Increase in net assets held for the benefit of policyowners per unit	0.12	0.00
75/100 Class F Units		
Increase in net assets held for the benefit of policyowners	6	0
Weighted average units outstanding during the period (in thousands of units)	49	8
Increase in net assets held for the benefit of policyowners per unit	0.13	0.00
100/100 Class F Units		
Increase in net assets held for the benefit of policyowners	0	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	0.13	0.00

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, 2022

Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2022 and December 31, 2021.

Concentration risk

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

As at	December 31, 2022	December 31, 2021
Money Market Investments		
Provincial	0.2%	0.4%
Municipal	0.2%	1.0%
Corporate	9.9%	15.0%
Bonds & Debentures		
Provincial Bonds	0.3%	0.1%
Corporate Bonds & Debentures	0.5%	0.9%
Other Assets less Liabilities	88.9%	82.6%
	100.0%	100.0%

Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2022 and December 31, 2021.

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, 2022



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	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 21,049	14,370	13,185	5,536	3,038
Net asset value per unit ⁽¹⁾	\$ 10.18	10.09	10.09	10.07	10.03
Units issued and outstanding (000's) ⁽¹⁾	2,067	1,424	1,307	550	303
Management fees	% 1.00	1.00	1.00	1.00	1.00
Management expense ratio ⁽²⁾	% 1.07	0.16	0.40	1.40	1.26
Management expense ratio before waivers	% 1.40	1.40	1.40	1.40	1.41

Years ended December 31,					
75/100 Class A Units	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 31,541	21,314	15,191	4,465	5,195
Net asset value per unit ⁽¹⁾	\$ 10.18	10.09	10.08	10.07	10.03
Units issued and outstanding (000's) ⁽¹⁾	3,098	2,112	1,506	443	518
Management fees	% 1.00	1.00	1.00	1.00	1.00
Management expense ratio ⁽²⁾	% 1.08	0.16	0.35	1.40	1.26
Management expense ratio before waivers	% 1.41	1.41	1.41	1.40	1.41

Years ended December 31,					
100/100 Class A Units	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 15,360	9,967	8,413	4,216	4,937
Net asset value per unit ⁽¹⁾	\$ 10.22	10.13	10.12	10.11	10.07
Units issued and outstanding (000's) ⁽¹⁾	1,502	983	830	416	490
Management fees	% 1.00	1.00	1.00	1.00	1.00
Management expense ratio ⁽²⁾	% 1.09	0.16	0.44	1.41	1.24
Management expense ratio before waivers	% 1.42	1.42	1.41	1.41	1.40

Years ended December 31,

75/75 Class F Units	2022	2021	2020	2019	2018 ⁽³⁾
Net asset (000's) ⁽¹⁾	\$ 16	15	15	15	10
Net asset value per unit ⁽¹⁾	\$ 10.32	10.19	10.19	10.16	10.06
Units issued and outstanding (000's) ⁽¹⁾	1	1	1	1	1
Management fees	% 0.50	0.50	0.50	0.50	0.50
Management expense ratio ⁽²⁾	% 0.68	0.17	0.32	0.85	0.76
Management expense ratio before waivers	% 0.85	0.85	0.85	0.85	0.85

Years ended December 31,

75/100 Class F Units	2022	2021	2020	2019	2018 ⁽³⁾
Net asset (000's) ⁽¹⁾	\$ 187	295	10	10	10
Net asset value per unit ⁽¹⁾	\$ 10.33	10.18	10.17	10.15	10.05
Units issued and outstanding (000's) ⁽¹⁾	18	29	1	1	1
Management fees	% 0.50	0.50	0.50	0.50	0.50
Management expense ratio ⁽²⁾	% 0.69	0.16	0.41	0.85	0.85
Management expense ratio before waivers	% 0.85	0.85	0.85	0.85	0.85

Years ended December 31,

100/100 Class F Units	2022	2021	2020	2019	2018 ⁽³⁾
Net asset (000's) ⁽¹⁾	\$ 10	10	10	10	10
Net asset value per unit ⁽¹⁾	\$ 10.30	10.17	10.17	10.15	10.05
Units issued and outstanding (000's) ⁽¹⁾	1	1	1	1	1
Management fees	% 0.50	0.50	0.50	0.50	0.50
Management expense ratio ⁽²⁾	% 0.69	0.18	0.41	0.85	0.85
Management expense ratio before waivers	% 0.85	0.85	0.85	0.85	0.85

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.

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

⁽³⁾ The information shown in this column is for the period beginning May 14, 2018 (the class' inception date) and ending December 31, 2018.

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

BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2022

BMO Income ETF Portfolio GIF

STATEMENT OF FINANCIAL POSITION <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>			STATEMENT OF COMPREHENSIVE INCOME <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		
<i>As at</i>	December 31, 2022	December 31, 2021	<i>For the periods ended</i>	December 31, 2022	December 31, 2021
ASSETS			INCOME		
CURRENT ASSETS			Interest income		
Cash	654	798		10	1
Investments			Distributions received from investment trusts	1,254	1,238
Non-derivative financial assets	42,336	42,370	Other changes in fair value of investments and derivatives		
Subscriptions receivable	68	146	Net realized (loss) gain	(283)	188
Total assets	43,058	43,314	Change in unrealized depreciation	(5,785)	(376)
LIABILITIES			Net (loss) gain in fair value of investments and derivatives	(4,804)	1,051
CURRENT LIABILITIES			Total (loss) income	(4,804)	1,051
Redemptions payable	76	142	EXPENSES		
Accrued expenses	219	221	Management fees (note 7)	564	536
Total liabilities	295	363	Fixed administration fees (note 7)	110	104
Net assets held for the benefit of policyowners	42,763	42,951	Insurance fees (note 7)	193	181
Net assets held for the benefit of policyowners			Interest charges	0	0
75/75 Class A Units	3,825	4,917	Total expenses	867	821
75/100 Class A Units	8,321	7,983	(Decrease) increase in net assets held for the benefit of policyowners	(5,671)	230
75/75 Class F Units	125	142	(Decrease) increase in net assets held for the benefit of policyowners		
75/100 Class F Units	10	740	75/75 Class A Units	(633)	15
75/75 Prestige Class Units	9,077	9,720	75/100 Class A Units	(1,037)	11
75/100 Prestige Class Units	21,405	19,449	75/75 Class F Units	(17)	0
Net assets held for the benefit of policyowners per unit			75/100 Class F Units	(50)	16
75/75 Class A Units	\$ 10.15	\$ 11.65	75/75 Prestige Class Units	(1,340)	(7)
75/100 Class A Units	\$ 10.02	\$ 11.53	75/100 Prestige Class Units	(2,594)	195
75/75 Class F Units	\$ 10.45	\$ 11.85	(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)		
75/100 Class F Units	\$ 10.35	\$ 11.76	75/75 Class A Units	(1.56)	0.03
75/75 Prestige Class Units	\$ 9.60	\$ 10.99	75/100 Class A Units	(1.46)	0.02
75/100 Prestige Class Units	\$ 9.55	\$ 10.95	75/75 Class F Units	(1.40)	0.09
			75/100 Class F Units	(3.13)	0.72
			75/75 Prestige Class Units	(1.41)	(0.01)
			75/100 Prestige Class Units	(1.39)	0.14

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, 2022	December 31, 2021
75/75 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	4,917	4,811
(Decrease) increase in net assets held for the benefit of policyowners	(633)	15
Withdrawable unit transactions		
Proceeds from withdrawable units issued	2,884	4,701
Withdrawal of withdrawable units	(3,343)	(4,610)
Net (decrease) increase from withdrawable unit transactions	(459)	91
Net (decrease) increase in net assets held for the benefit of policyowners	(1,092)	106
Net assets held for the benefit of policyowners	3,825	4,917
75/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	7,983	8,526
(Decrease) increase in net assets held for the benefit of policyowners	(1,037)	11
Withdrawable unit transactions		
Proceeds from withdrawable units issued	11,675	13,535
Withdrawal of withdrawable units	(10,300)	(14,089)
Net increase (decrease) from withdrawable unit transactions	1,375	(554)
Net increase (decrease) in net assets held for the benefit of policyowners	338	(543)
Net assets held for the benefit of policyowners	8,321	7,983
75/75 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	142	12
(Decrease) increase in net assets held for the benefit of policyowners	(17)	0
Withdrawable unit transactions		
Proceeds from withdrawable units issued	—	130
Net increase from withdrawable unit transactions	—	130
Net (decrease) increase in net assets held for the benefit of policyowners	(17)	130
Net assets held for the benefit of policyowners	125	142

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, 2022	December 31, 2021
75/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	740	114
(Decrease) increase in net assets held for the benefit of policyowners	(50)	16
Withdrawable unit transactions		
Proceeds from withdrawable units issued	—	610
Withdrawal of withdrawable units	(680)	—
Net (decrease) increase from withdrawable unit transactions	(680)	610
Net (decrease) increase in net assets held for the benefit of policyowners	(730)	626
Net assets held for the benefit of policyowners	10	740
75/75 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	9,720	9,369
Decrease in net assets held for the benefit of policyowners	(1,340)	(7)
Withdrawable unit transactions		
Proceeds from withdrawable units issued	2,093	3,135
Withdrawal of withdrawable units	(1,396)	(2,777)
Net increase from withdrawable unit transactions	697	358
Net (decrease) increase in net assets held for the benefit of policyowners	(643)	351
Net assets held for the benefit of policyowners	9,077	9,720

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, 2022	December 31, 2021
75/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	19,449	11,054
(Decrease) increase in net assets held for the benefit of policyowners	(2,594)	195
Withdrawable unit transactions		
Proceeds from withdrawable units issued	8,610	11,354
Withdrawal of withdrawable units	(4,060)	(3,154)
Net increase from withdrawable unit transactions	4,550	8,200
Net increase in net assets held for the benefit of policyowners	1,956	8,395
Net assets held for the benefit of policyowners	21,405	19,449
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	42,951	33,886
(Decrease) increase in net assets held for the benefit of policyowners	(5,671)	230
Withdrawable unit transactions		
Proceeds from withdrawable units issued	25,262	33,465
Withdrawal of withdrawable units	(19,779)	(24,630)
Net increase from withdrawable unit transactions	5,483	8,835
Net (decrease) increase in net assets held for the benefit of policyowners	(188)	9,065
Net assets held for the benefit of policyowners	42,763	42,951

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, 2022	December 31, 2021
Cash flows from operating activities		
(Decrease) increase in net assets held for the benefit of policyowners	(5,671)	230
Adjustments for:		
Net realized loss (gain) on sale of investments and derivatives	283	(188)
Change in unrealized depreciation of investments and derivatives	5,785	376
(Decrease) increase in accrued expenses	(2)	42
Non-cash distributions from investment trusts	(1,254)	(1,238)
Purchases of investments	(9,940)	(12,951)
Proceeds from sale and maturity of investments	5,160	5,050
Net cash used in operating activities	(5,639)	(8,679)
Cash flows from financing activities		
Proceeds from issuances of withdrawable units	14,543	18,792
Amounts paid on withdrawal of withdrawable units	(9,048)	(9,955)
Net cash from financing activities	5,495	8,837
Net (decrease) increase in cash	(144)	158
Cash at beginning of period	798	640
Cash at end of period	654	798
Supplementary Information:		
Interest received, net of withholding taxes*	10	1
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, 2022</i>	Number of Units	Cost* (\$)	Fair Value (\$)
HOLDINGS IN INVESTMENT FUND			
Fixed Income Fund — 99.0%			
BMO Income ETF Portfolio, Series I	4,097,684	46,474	42,336
Total Investment Portfolio — 99.0%		46,474	42,336
Other Assets Less Liabilities — 1.0%			427
Net assets held for the benefit of policyowners — 100.0%			42,763

* 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, 2022

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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 at 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 and 100/100 Class F Units 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, 2022

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 75/75 Class F Units, 75/100 Class F Units, 75/75 Prestige Class Units and 75/100 Prestige Class 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 F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
75/75 Prestige Class Units	May 6, 2019
75/100 Prestige Class Units	May 6, 2019

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, 2022	December 31, 2021
75/75 Class A Units		
Units issued and outstanding, beginning of period	422	414
Issued for cash	267	409
Withdrawn during the period	(312)	(401)
Units issued and outstanding, end of period	377	422
75/100 Class A Units		
Units issued and outstanding, beginning of period	693	741
Issued for cash	1,123	1,194
Withdrawn during the period	(986)	(1,242)
Units issued and outstanding, end of period	830	693
75/75 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
75/100 Class F Units		
Units issued and outstanding, beginning of period	63	10
Issued for cash	—	53
Withdrawn during the period	(62)	—
Units issued and outstanding, end of period	1	63
75/75 Prestige Class Units		
Units issued and outstanding, beginning of period	884	856
Issued for cash	205	289
Withdrawn during the period	(143)	(261)
Units issued and outstanding, end of period	946	884

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
75/100 Prestige Class Units		
Units issued and outstanding, beginning of period	1,776	1,012
Issued for cash	868	1,056
Withdrawn during the period	(402)	(292)
Units issued and outstanding, end of period	2,242	1,776

Units held by the Company

The Company held the following units of the Fund:

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

As at December 31, 2021 Class	Number of Units	Value of Units (\$)
75/75 Class F Units	1,000	12
75/100 Class F Units	1,000	12
75/75 Prestige Class Units	1,000	11
75/100 Prestige Class Units	1,000	11

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, 2022 and December 31, 2021, 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, 2022 and December 31, 2021, 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 75% FTSE Canada Universe Bond Index, 10% S&P/TSX Composite

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, 2022

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 \$4,042 (December 31, 2021 — \$4,240). 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, 2022 and December 31, 2021, 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, 2022

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

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	42,370	—	—	42,370

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	As at December 31, 2021
BMO Income ETF Portfolio, Series I	42,336	42,370

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

BMO Income ETF Portfolio, Series I	4.05%	2.99%
------------------------------------	-------	-------

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, 2022 and December 31, 2021 is calculated as follows:

For the periods ended	December 31, 2022	December 31, 2021
75/75 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(633)	15
Weighted average units outstanding during the period (in thousands of units)	405	430
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.56)	0.03
75/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1,037)	11
Weighted average units outstanding during the period (in thousands of units)	711	735
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.46)	0.02
75/75 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(17)	0
Weighted average units outstanding during the period (in thousands of units)	12	5
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.40)	0.09
75/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(50)	16
Weighted average units outstanding during the period (in thousands of units)	16	22
(Decrease) increase in net assets held for the benefit of policyowners per unit	(3.13)	0.72
75/75 Prestige Class Units		
Decrease in net assets held for the benefit of policyowners	(1,340)	(7)
Weighted average units outstanding during the period (in thousands of units)	952	796
Decrease in net assets held for the benefit of policyowners per unit	(1.41)	(0.01)
75/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(2,594)	195
Weighted average units outstanding during the period (in thousands of units)	1,861	1,395
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.39)	0.14

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, 2022

Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2022 and December 31, 2021.

Concentration risk

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

As at	December 31, 2022	December 31, 2021
Money Market Investments		
Federal	6.3%	—%
Provincial	0.5%	—%
Holdings in Investment Funds		
Canadian Equity Funds	8.6%	7.6%
Canadian Fixed Income Funds	37.6%	54.1%
Emerging Markets Equity Funds	0.8%	2.1%
Emerging Markets Fixed Income Funds	5.3%	4.1%
International Equity Funds	7.0%	5.7%
International Fixed Income Funds	—%	0.4%
U.S. Equity Funds	8.3%	9.2%
U.S. Fixed Income Funds	22.8%	13.6%
Other Assets less Liabilities	2.8%	3.2%
	100.0%	100.0%

Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2022 and December 31, 2021.

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, 2022



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,				
	2022	2021	2020	2019	2018
75/75 Class A Units					
Net asset (000's) ⁽¹⁾	\$ 3,825	4,917	4,811	4,358	4,771
Net asset value per unit ⁽¹⁾	\$ 10.15	11.65	11.61	10.89	10.10
Units issued and outstanding (000's) ⁽¹⁾	377	422	414	400	473
Management fees	% 1.40	1.40	1.40	1.40	1.40
Management expense ratio ⁽²⁾	% 2.19	2.20	2.19	2.20	2.23
Management expense ratio before waivers	% 2.19	2.20	2.19	2.20	2.23
Portfolio turnover rate ⁽³⁾	% 12.99	13.76	14.37	4.37	28.38

	Years ended December 31,				
	2022	2021	2020	2019	2018
75/100 Class A Units					
Net asset (000's) ⁽¹⁾	\$ 8,321	7,983	8,526	5,668	6,342
Net asset value per unit ⁽¹⁾	\$ 10.02	11.53	11.51	10.81	10.04
Units issued and outstanding (000's) ⁽¹⁾	830	693	741	524	632
Management fees	% 1.40	1.40	1.40	1.40	1.40
Management expense ratio ⁽²⁾	% 2.42	2.42	2.42	2.43	2.44
Management expense ratio before waivers	% 2.42	2.42	2.42	2.43	2.44
Portfolio turnover rate ⁽³⁾	% 12.99	13.76	14.37	4.37	28.38

	Years ended December 31,				
	2022	2021	2020	2019	2018 ⁽⁴⁾
75/75 Class F Units					
Net asset (000's) ⁽¹⁾	\$ 125	142	12	11	10
Net asset value per unit ⁽¹⁾	\$ 10.45	11.85	11.69	10.84	9.94
Units issued and outstanding (000's) ⁽¹⁾	12	12	1	1	1
Management fees	% 0.40	0.40	0.40	0.40	0.40
Management expense ratio ⁽²⁾	% 1.03	1.10	1.10	1.10	1.10
Management expense ratio before waivers	% 1.03	1.10	1.10	1.10	1.10
Portfolio turnover rate ⁽³⁾	% 12.99	13.76	14.37	4.37	28.38

	Years ended December 31,				
	2022	2021	2020	2019	2018 ⁽⁴⁾
75/100 Class F Units					
Net asset (000's) ⁽¹⁾	\$ 10	740	114	11	10
Net asset value per unit ⁽¹⁾	\$ 10.35	11.76	11.63	10.80	9.92
Units issued and outstanding (000's) ⁽¹⁾	1	63	10	1	1
Management fees	% 0.40	0.40	0.40	0.40	0.40
Management expense ratio ⁽²⁾	% 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 ⁽³⁾	% 12.99	13.76	14.37	4.37	28.38

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

	Years ended December 31,			
	2022	2021	2020	2019 ⁽⁵⁾
75/100 Prestige Class Units				
Net asset (000's) ⁽¹⁾	\$ 21,405	19,449	11,054	8,286
Net asset value per unit ⁽¹⁾	\$ 9.55	10.95	10.92	10.24
Units issued and outstanding (000's) ⁽¹⁾	2,242	1,776	1,012	809
Management fees	% 1.22	1.22	1.22 [†]	1.26
Management expense ratio ⁽²⁾	% 2.17	2.19	2.19	2.23
Management expense ratio before waivers	% 2.17	2.19	2.19	2.23
Portfolio turnover rate ⁽³⁾	% 12.99	13.76	14.37	4.37

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.
⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.
⁽³⁾ The Fund's portfolio turnover 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.
⁽⁴⁾ The information shown in this column is for the period beginning May 14, 2018 (the class' inception date) and ending December 31, 2018.
⁽⁵⁾ The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.
[†] Effective May 11, 2020, the management fee rate was reduced from 1.26% to 1.22%.

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

BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2022

BMO Balanced ETF Portfolio GIF

STATEMENT OF FINANCIAL POSITION

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

As at	December 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash	2,731	7,138
Investments		
Non-derivative financial assets	294,448	308,860
Subscriptions receivable	687	2,955
Total assets	297,866	318,953
LIABILITIES		
CURRENT LIABILITIES		
Redemptions payable	456	3,136
Accrued expenses	1,857	1,891
Total liabilities	2,313	5,027
Net assets held for the benefit of policyowners	295,553	313,926
Net assets held for the benefit of policyowners		
75/75 Class A Units	24,436	28,348
75/100 Class A Units	54,544	59,041
100/100 Class A Units	44,771	49,858
75/75 Class F Units	1,737	587
75/100 Class F Units	7,427	6,359
100/100 Class F Units	1,985	1,987
75/75 Prestige Class Units	25,202	29,435
75/100 Prestige Class Units	78,551	77,819
100/100 Prestige Class Units	56,900	60,492
Net assets held for the benefit of policyowners per unit		
75/75 Class A Units	\$ 12.06	\$ 13.71
75/100 Class A Units	\$ 11.84	\$ 13.50
100/100 Class A Units	\$ 10.97	\$ 12.56
75/75 Class F Units	\$ 11.54	\$ 12.98
75/100 Class F Units	\$ 11.34	\$ 12.78
100/100 Class F Units	\$ 11.10	\$ 12.57
75/75 Prestige Class Units	\$ 10.44	\$ 11.85
75/100 Prestige Class Units	\$ 10.34	\$ 11.76
100/100 Prestige Class Units	\$ 11.24	\$ 12.82

STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	December 31, 2022	December 31, 2021
INCOME		
Interest income	59	10
Distributions received from investment trusts	8,775	7,353
Other changes in fair value of investments and derivatives		
Net realized gain	1,226	—
Change in unrealized (depreciation) appreciation	(41,913)	16,634
Net (loss) gain in fair value of investments and derivatives	(31,853)	23,997
Total (loss) income	(31,853)	23,997
EXPENSES		
Management fees (note 7)	4,235	3,867
Fixed administration fees (note 7)	831	749
Insurance fees (note 7)	2,366	2,145
Interest charges	0	0
Total expenses	7,432	6,761
(Decrease) increase in net assets held for the benefit of policyowners	(39,285)	17,236
(Decrease) increase in net assets held for the benefit of policyowners		
75/75 Class A Units	(3,407)	1,780
75/100 Class A Units	(7,400)	3,162
100/100 Class A Units	(6,236)	2,748
75/75 Class F Units	(129)	43
75/100 Class F Units	(767)	326
100/100 Class F Units	(237)	112
75/75 Prestige Class Units	(3,671)	1,792
75/100 Prestige Class Units	(9,903)	4,000
100/100 Prestige Class Units	(7,535)	3,273
(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)		
75/75 Class A Units	(1.66)	0.88
75/100 Class A Units	(1.60)	0.81
100/100 Class A Units	(1.57)	0.73
75/75 Class F Units	(1.42)	0.96
75/100 Class F Units	(1.25)	1.00
100/100 Class F Units	(1.42)	0.88
75/75 Prestige Class Units	(1.45)	0.77
75/100 Prestige Class Units	(1.35)	0.76
100/100 Prestige Class Units	(1.54)	0.77

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, 2022	December 31, 2021
75/75 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	28,348	25,174
(Decrease) increase in net assets held for the benefit of policyowners	(3,407)	1,780
Withdrawable unit transactions		
Proceeds from withdrawable units issued	8,947	14,086
Withdrawal of withdrawable units	(9,452)	(12,692)
Net (decrease) increase from withdrawable unit transactions	(505)	1,394
Net (decrease) increase in net assets held for the benefit of policyowners	(3,912)	3,174
Net assets held for the benefit of policyowners	24,436	28,348
75/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	59,041	43,959
(Decrease) increase in net assets held for the benefit of policyowners	(7,400)	3,162
Withdrawable unit transactions		
Proceeds from withdrawable units issued	40,368	62,051
Withdrawal of withdrawable units	(37,465)	(50,131)
Net increase from withdrawable unit transactions	2,903	11,920
Net (decrease) increase in net assets held for the benefit of policyowners	(4,497)	15,082
Net assets held for the benefit of policyowners	54,544	59,041

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, 2022	December 31, 2021
100/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	49,858	42,679
(Decrease) increase in net assets held for the benefit of policyowners	(6,236)	2,748
Withdrawable unit transactions		
Proceeds from withdrawable units issued	18,339	27,505
Withdrawal of withdrawable units	(17,190)	(23,074)
Net increase from withdrawable unit transactions	1,149	4,431
Net (decrease) increase in net assets held for the benefit of policyowners	(5,087)	7,179
Net assets held for the benefit of policyowners	44,771	49,858
75/75 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	587	543
(Decrease) increase in net assets held for the benefit of policyowners	(129)	43
Withdrawable unit transactions		
Proceeds from withdrawable units issued	1,285	2
Withdrawal of withdrawable units	(6)	(1)
Net increase from withdrawable unit transactions	1,279	1
Net increase in net assets held for the benefit of policyowners	1,150	44
Net assets held for the benefit of policyowners	1,737	587

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, 2022	December 31, 2021
75/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	6,359	2,399
(Decrease) increase in net assets held for the benefit of policyowners	(767)	326
Withdrawable unit transactions		
Proceeds from withdrawable units issued	6,129	4,171
Withdrawal of withdrawable units	(4,294)	(537)
Net increase from withdrawable unit transactions	1,835	3,634
Net increase in net assets held for the benefit of policyowners	1,068	3,960
Net assets held for the benefit of policyowners	7,427	6,359
100/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	1,987	746
(Decrease) increase in net assets held for the benefit of policyowners	(237)	112
Withdrawable unit transactions		
Proceeds from withdrawable units issued	303	1,138
Withdrawal of withdrawable units	(68)	(9)
Net increase from withdrawable unit transactions	235	1,129
Net (decrease) increase in net assets held for the benefit of policyowners	(2)	1,241
Net assets held for the benefit of policyowners	1,985	1,987

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, 2022	December 31, 2021
75/75 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	29,435	23,165
(Decrease) increase in net assets held for the benefit of policyowners	(3,671)	1,792
Withdrawable unit transactions		
Proceeds from withdrawable units issued	5,444	9,097
Withdrawal of withdrawable units	(6,006)	(4,619)
Net (decrease) increase from withdrawable unit transactions	(562)	4,478
Net (decrease) increase in net assets held for the benefit of policyowners	(4,233)	6,270
Net assets held for the benefit of policyowners	25,202	29,435
75/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	77,819	46,601
(Decrease) increase in net assets held for the benefit of policyowners	(9,903)	4,000
Withdrawable unit transactions		
Proceeds from withdrawable units issued	27,730	42,006
Withdrawal of withdrawable units	(17,095)	(14,788)
Net increase from withdrawable unit transactions	10,635	27,218
Net increase in net assets held for the benefit of policyowners	732	31,218
Net assets held for the benefit of policyowners	78,551	77,819

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

BMO Balanced ETF Portfolio 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, 2022	December 31, 2021
100/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	60,492	45,239
(Decrease) increase in net assets held for the benefit of policyowners	(7,535)	3,273
Withdrawable unit transactions		
Proceeds from withdrawable units issued	11,696	18,970
Withdrawal of withdrawable units	(7,753)	(6,990)
Net increase from withdrawable unit transactions	3,943	11,980
Net (decrease) increase in net assets held for the benefit of policyowners	(3,592)	15,253
Net assets held for the benefit of policyowners	56,900	60,492
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	313,926	230,505
(Decrease) increase in net assets held for the benefit of policyowners	(39,285)	17,236
Withdrawable unit transactions		
Proceeds from withdrawable units issued	120,241	179,026
Withdrawal of withdrawable units	(99,329)	(112,841)
Net increase from withdrawable unit transactions	20,912	66,185
Net (decrease) increase in net assets held for the benefit of policyowners	(18,373)	83,421
Net assets held for the benefit of policyowners	295,553	313,926

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, 2022	December 31, 2021
Cash flows from operating activities		
(Decrease) increase in net assets held for the benefit of policyowners	(39,285)	17,236
Adjustments for:		
Net realized gain on sale of investments and derivatives	(1,226)	—
Change in unrealized depreciation (appreciation) of investments and derivatives	41,913	(16,634)
(Decrease) increase in accrued expenses	(34)	489
Non-cash distributions from investment trusts	(8,775)	(7,353)
Purchases of investments	(45,000)	(57,250)
Proceeds from sale and maturity of investments	27,500	—
Net cash used in operating activities	(24,907)	(63,512)
Cash flows from financing activities		
Proceeds from issuances of withdrawable units	75,642	109,298
Amounts paid on withdrawal of withdrawable units	(55,142)	(42,879)
Net cash from financing activities	20,500	66,419
Net (decrease) increase in cash	(4,407)	2,907
Cash at beginning of period	7,138	4,231
Cash at end of period	2,731	7,138
Supplementary Information:		
Interest received, net of withholding taxes*	59	10
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, 2022</i>	Number of Units	Cost* (\$)	Fair Value (\$)
HOLDINGS IN INVESTMENT FUND			
Global Balanced Fund — 99.6%			
BMO Balanced ETF Portfolio, Series I	21,830,219	294,877	294,448
Total Investment Portfolio — 99.6%		294,877	294,448
Other Assets Less Liabilities — 0.4%			1,105
Net assets held for the benefit of policyowners — 100.0%			295,553

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

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

BMO Balanced ETF Portfolio GIF

Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2022

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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 at 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 and 100/100 Class F Units 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, 2022

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, 100/100 Class F Units, 75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class 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 F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
100/100 Class F Units	May 14, 2018
75/75 Prestige Class Units	May 6, 2019
75/100 Prestige Class Units	May 6, 2019
100/100 Prestige Class Units	January 9, 2017

Change in units

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

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
75/75 Class A Units		
Units issued and outstanding, beginning of period	2,067	1,960
Issued for cash	710	1,063
Withdrawn during the period	(751)	(956)
Units issued and outstanding, end of period	2,026	2,067
75/100 Class A Units		
Units issued and outstanding, beginning of period	4,375	3,468
Issued for cash	3,295	4,739
Withdrawn during the period	(3,061)	(3,832)
Units issued and outstanding, end of period	4,609	4,375
100/100 Class A Units		
Units issued and outstanding, beginning of period	3,969	3,603
Issued for cash	1,611	2,254
Withdrawn during the period	(1,499)	(1,888)
Units issued and outstanding, end of period	4,081	3,969
75/75 Class F Units		
Units issued and outstanding, beginning of period	45	45
Issued for cash	106	0
Withdrawn during the period	(1)	(0)
Units issued and outstanding, end of period	150	45

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
75/100 Class F Units		
Units issued and outstanding, beginning of period	498	202
Issued for cash	526	341
Withdrawn during the period	(369)	(45)
Units issued and outstanding, end of period	655	498

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
100/100 Class F Units		
Units issued and outstanding, beginning of period	158	64
Issued for cash	27	95
Withdrawn during the period	(6)	(1)
Units issued and outstanding, end of period	179	158

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
75/75 Prestige Class Units		
Units issued and outstanding, beginning of period	2,485	2,092
Issued for cash	494	794
Withdrawn during the period	(566)	(401)
Units issued and outstanding, end of period	2,413	2,485

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
75/100 Prestige Class Units		
Units issued and outstanding, beginning of period	6,615	4,229
Issued for cash	2,591	3,691
Withdrawn during the period	(1,612)	(1,305)
Units issued and outstanding, end of period	7,594	6,615

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
100/100 Prestige Class Units		
Units issued and outstanding, beginning of period	4,720	3,757
Issued for cash	1,003	1,523
Withdrawn during the period	(659)	(560)
Units issued and outstanding, end of period	5,064	4,720

Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2022		
Class	Number of Units	Value of Units (\$)
75/75 Class F Units	1,000	12
75/100 Class F Units	1,000	11
100/100 Class F Units	1,000	11
75/75 Prestige Class Units	1,000	10
75/100 Prestige Class Units	1,000	10
As at December 31, 2021		
Class	Number of Units	Value of Units (\$)
75/75 Class F Units	1,000	13
75/100 Class F Units	1,000	13
100/100 Class F Units	1,000	13
75/75 Prestige Class Units	1,000	12
75/100 Prestige Class Units	1,000	12

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, 2022

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, 2022 and December 31, 2021, 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, 2022 and December 31, 2021, 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 \$27,533 (December 31, 2021 — \$28,793). 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, 2022 and December 31, 2021, 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, 2022

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

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	308,860	—	—	308,860

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	As at December 31, 2021
Carrying amount		
BMO Balanced ETF Portfolio, Series I	294,448	308,860

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

BMO Balanced ETF Portfolio, Series I	4.70%	4.62%
--------------------------------------	-------	-------

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, 2022 and December 31, 2021 is calculated as follows:

	December 31, 2022	December 31, 2021
<i>For the periods ended</i>		
75/75 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(3,407)	1,780
Weighted average units outstanding during the period (in thousands of units)	2,047	2,028
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.66)	0.88
75/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(7,400)	3,162
Weighted average units outstanding during the period (in thousands of units)	4,624	3,912
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.60)	0.81
100/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(6,236)	2,748
Weighted average units outstanding during the period (in thousands of units)	3,960	3,780
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.57)	0.73

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, 2022

<i>For the periods ended</i>	December 31, 2022	December 31, 2021
75/75 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(129)	43
Weighted average units outstanding during the period (in thousands of units)	91	45
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.42)	0.96
75/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(767)	326
Weighted average units outstanding during the period (in thousands of units)	612	325
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.25)	1.00
100/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(237)	112
Weighted average units outstanding during the period (in thousands of units)	166	127
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.42)	0.88
75/75 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(3,671)	1,792
Weighted average units outstanding during the period (in thousands of units)	2,531	2,317
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.45)	0.77
75/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(9,903)	4,000
Weighted average units outstanding during the period (in thousands of units)	7,353	5,254
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.35)	0.76
100/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(7,535)	3,273
Weighted average units outstanding during the period (in thousands of units)	4,886	4,225
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.54)	0.77

Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2022 and December 31, 2021.

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, 2022	December 31, 2021
Money Market Investments		
Federal	0.6%	—%
Holdings in Investment Funds		
Canadian Equity Funds	20.0%	17.9%
Canadian Fixed Income Funds	22.3%	26.0%
Emerging Markets Equity Funds	2.6%	5.0%
Emerging Markets Fixed Income Funds	2.2%	2.7%
Global Equity Funds	0.8%	—%
Global Fixed Income Funds	0.2%	0.2%
International Equity Funds	16.4%	14.5%
International Fixed Income Funds	—%	0.2%
Money Market Funds	0.2%	—%
U.S. Equity Funds	22.4%	20.1%
U.S. Fixed Income Funds	9.3%	9.1%
Other Assets less Liabilities	3.0%	4.3%
	100.0%	100.0%

Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2022 and December 31, 2021.

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, 2022



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	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 24,436	28,348	25,174	21,355	28,413
Net asset value per unit ⁽¹⁾	\$ 12.06	13.71	12.84	12.00	10.68
Units issued and outstanding (000's) ⁽¹⁾	2,026	2,067	1,960	1,779	2,659
Management fees	% 1.45	1.45	1.45	1.45	1.45
Management expense ratio ⁽²⁾	% 2.31	2.31	2.30	2.31	2.32
Management expense ratio before waivers	% 2.31	2.31	2.30	2.31	2.32
Portfolio turnover rate ⁽³⁾	% 9.26	—	0.32	0.39	8.33

Years ended December 31,					
75/100 Class A Units	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 54,544	59,041	43,959	34,296	53,676
Net asset value per unit ⁽¹⁾	\$ 11.84	13.50	12.67	11.88	10.60
Units issued and outstanding (000's) ⁽¹⁾	4,609	4,375	3,468	2,887	5,062
Management fees	% 1.45	1.45	1.45	1.45	1.45
Management expense ratio ⁽²⁾	% 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 ⁽³⁾	% 9.26	—	0.32	0.39	8.33

Years ended December 31,					
100/100 Class A Units	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 44,771	49,858	42,679	40,618	28,364
Net asset value per unit ⁽¹⁾	\$ 10.97	12.56	11.85	11.16	10.00
Units issued and outstanding (000's) ⁽¹⁾	4,081	3,969	3,603	3,640	2,836
Management fees	% 1.45	1.45	1.45	1.45	1.45
Management expense ratio ⁽²⁾	% 3.03	3.03	3.02	3.02	3.01
Management expense ratio before waivers	% 3.03	3.03	3.02	3.02	3.01
Portfolio turnover rate ⁽³⁾	% 9.26	—	0.32	0.39	8.33

Years ended December 31,					
75/75 Class F Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 1,737	587	543	1,113	448
Net asset value per unit ⁽¹⁾	\$ 11.54	12.98	12.02	11.06	9.74
Units issued and outstanding (000's) ⁽¹⁾	150	45	45	101	46
Management fees	% 0.45	0.45	0.45	0.45	0.45
Management expense ratio ⁽²⁾	% 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 ⁽³⁾	% 9.26	—	0.32	0.39	8.33

Years ended December 31,					
75/100 Class F Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 7,427	6,359	2,399	1,147	10
Net asset value per unit ⁽¹⁾	\$ 11.34	12.78	11.87	11.00	9.70
Units issued and outstanding (000's) ⁽¹⁾	655	498	202	104	1
Management fees	% 0.45	0.45	0.45	0.45	0.45
Management expense ratio ⁽²⁾	% 1.47	1.44	1.40	1.50	1.50
Management expense ratio before waivers	% 1.47	1.44	1.40	1.50	1.50
Portfolio turnover rate ⁽³⁾	% 9.26	—	0.32	0.39	8.33

Years ended December 31,					
100/100 Class F Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 1,985	1,987	746	183	124
Net asset value per unit ⁽¹⁾	\$ 11.10	12.57	11.72	10.92	9.68
Units issued and outstanding (000's) ⁽¹⁾	179	158	64	17	13
Management fees	% 0.45	0.45	0.45	0.45	0.45
Management expense ratio ⁽²⁾	% 1.88	1.92	1.92	1.92	1.92
Management expense ratio before waivers	% 1.88	1.92	1.92	1.92	1.92
Portfolio turnover rate ⁽³⁾	% 9.26	—	0.32	0.39	8.33

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, 2022

Years ended December 31,

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

75/75 Prestige Class Units	2022	2021	2020	2019 ⁽⁵⁾
Net asset (000's) ⁽¹⁾	\$ 25,202	29,435	23,165	20,212
Net asset value per unit ⁽¹⁾	\$ 10.44	11.85	11.07	10.33
Units issued and outstanding (000's) ⁽¹⁾	2,413	2,485	2,092	1,956
Management fees	% 1.27	1.27	1.27	1.27
Management expense ratio ⁽²⁾	% 2.10	2.10	2.10	2.11
Management expense ratio before waivers	% 2.10	2.10	2.10	2.11
Portfolio turnover rate ⁽³⁾	% 9.26	—	0.32	0.39

Years ended December 31,

75/100 Prestige Class Units	2022	2021	2020	2019 ⁽⁵⁾
Net asset (000's) ⁽¹⁾	\$ 78,551	77,819	46,601	31,562
Net asset value per unit ⁽¹⁾	\$ 10.34	11.76	11.02	10.31
Units issued and outstanding (000's) ⁽¹⁾	7,594	6,615	4,229	3,061
Management fees	% 1.22	1.22	1.22 [†]	1.27
Management expense ratio ⁽²⁾	% 2.34	2.34	2.36	2.40
Management expense ratio before waivers	% 2.34	2.34	2.36	2.40
Portfolio turnover rate ⁽³⁾	% 9.26	—	0.32	0.39

Years ended December 31,

100/100 Prestige Class Units	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 56,900	60,492	45,239	36,746	25,192
Net asset value per unit ⁽¹⁾	\$ 11.24	12.82	12.04	11.29	10.08
Units issued and outstanding (000's) ⁽¹⁾	5,064	4,720	3,757	3,254	2,500
Management fees	% 1.10	1.10	1.10	1.10	1.10
Management expense ratio ⁽²⁾	% 2.63	2.63	2.62	2.61	2.61
Management expense ratio before waivers	% 2.63	2.63	2.62	2.61	2.61
Portfolio turnover rate ⁽³⁾	% 9.26	—	0.32	0.39	8.33

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.

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

⁽³⁾ The Fund's portfolio turnover 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.

⁽⁴⁾ The information shown in this column is for the period beginning May 14, 2018 (the class' inception date) and ending December 31, 2018.

⁽⁵⁾ The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.

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

BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2022

BMO Growth ETF Portfolio GIF

STATEMENT OF FINANCIAL POSITION

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

As at	December 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash	684	1,495
Investments		
Non-derivative financial assets	54,191	54,013
Subscriptions receivable	22	505
Total assets	54,897	56,013
LIABILITIES		
CURRENT LIABILITIES		
Redemptions payable	60	453
Accrued expenses	346	318
Total liabilities	406	771
Net assets held for the benefit of policyowners	54,491	55,242
Net assets held for the benefit of policyowners		
75/75 Class A Units	11,879	11,639
75/100 Class A Units	17,189	18,096
75/75 Class F Units	143	56
75/100 Class F Units	494	328
75/75 Prestige Class Units	8,309	8,005
75/100 Prestige Class Units	16,477	17,118
Net assets held for the benefit of policyowners per unit		
75/75 Class A Units	\$ 13.33	\$ 15.08
75/100 Class A Units	\$ 13.06	\$ 14.82
75/75 Class F Units	\$ 12.09	\$ 13.53
75/100 Class F Units	\$ 11.89	\$ 13.35
75/75 Prestige Class Units	\$ 10.97	\$ 12.39
75/100 Prestige Class Units	\$ 10.85	\$ 12.29

STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	December 31, 2022	December 31, 2021
INCOME		
Interest income	9	1
Distributions received from investment trusts	1,542	1,079
Other changes in fair value of investments and derivatives		
Net realized gain	251	29
Change in unrealized (depreciation) appreciation	(7,300)	4,560
Net (loss) gain in fair value of investments and derivatives	(5,498)	5,669
Total (loss) income	(5,498)	5,669
EXPENSES		
Management fees (note 7)	819	650
Fixed administration fees (note 7)	154	122
Insurance fees (note 7)	403	310
Total expenses	1,376	1,082
(Decrease) increase in net assets held for the benefit of policyowners	(6,874)	4,587
(Decrease) increase in net assets held for the benefit of policyowners		
75/75 Class A Units	(1,397)	1,103
75/100 Class A Units	(2,305)	1,405
75/75 Class F Units	(13)	6
75/100 Class F Units	(31)	12
75/75 Prestige Class Units	(961)	730
75/100 Prestige Class Units	(2,167)	1,331
(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)		
75/75 Class A Units	(1.68)	1.53
75/100 Class A Units	(1.69)	1.46
75/75 Class F Units	(1.29)	1.52
75/100 Class F Units	(1.00)	1.01
75/75 Prestige Class Units	(1.40)	1.28
75/100 Prestige Class Units	(1.36)	1.21

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, 2022	December 31, 2021
75/75 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	11,639	9,130
(Decrease) increase in net assets held for the benefit of policyowners	(1,397)	1,103
Withdrawable unit transactions		
Proceeds from withdrawable units issued	4,553	4,208
Withdrawal of withdrawable units	(2,916)	(2,802)
Net increase from withdrawable unit transactions	1,637	1,406
Net increase in net assets held for the benefit of policyowners	240	2,509
Net assets held for the benefit of policyowners	11,879	11,639
75/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	18,096	11,306
(Decrease) increase in net assets held for the benefit of policyowners	(2,305)	1,405
Withdrawable unit transactions		
Proceeds from withdrawable units issued	12,198	15,587
Withdrawal of withdrawable units	(10,800)	(10,202)
Net increase from withdrawable unit transactions	1,398	5,385
Net (decrease) increase in net assets held for the benefit of policyowners	(907)	6,790
Net assets held for the benefit of policyowners	17,189	18,096
75/75 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	56	50
(Decrease) increase in net assets held for the benefit of policyowners	(13)	6
Withdrawable unit transactions		
Proceeds from withdrawable units issued	100	—
Net increase from withdrawable unit transactions	100	—
Net increase in net assets held for the benefit of policyowners	87	6
Net assets held for the benefit of policyowners	143	56

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, 2022	December 31, 2021
75/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	328	12
(Decrease) increase in net assets held for the benefit of policyowners	(31)	12
Withdrawable unit transactions		
Proceeds from withdrawable units issued	197	304
Net increase from withdrawable unit transactions	197	304
Net increase in net assets held for the benefit of policyowners	166	316
Net assets held for the benefit of policyowners	494	328
75/75 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	8,005	5,780
(Decrease) increase in net assets held for the benefit of policyowners	(961)	730
Withdrawable unit transactions		
Proceeds from withdrawable units issued	1,628	1,841
Withdrawal of withdrawable units	(363)	(346)
Net increase from withdrawable unit transactions	1,265	1,495
Net increase in net assets held for the benefit of policyowners	304	2,225
Net assets held for the benefit of policyowners	8,309	8,005
75/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	17,118	9,631
(Decrease) increase in net assets held for the benefit of policyowners	(2,167)	1,331
Withdrawable unit transactions		
Proceeds from withdrawable units issued	7,223	8,883
Withdrawal of withdrawable units	(5,697)	(2,727)
Net increase from withdrawable unit transactions	1,526	6,156
Net (decrease) increase in net assets held for the benefit of policyowners	(641)	7,487
Net assets held for the benefit of policyowners	16,477	17,118

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, 2022	December 31, 2021
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	55,242	35,909
(Decrease) increase in net assets held for the benefit of policyowners	(6,874)	4,587
Withdrawable unit transactions		
Proceeds from withdrawable units issued	25,899	30,823
Withdrawal of withdrawable units	(19,776)	(16,077)
Net increase from withdrawable unit transactions	6,123	14,746
Net (decrease) increase in net assets held for the benefit of policyowners	(751)	19,333
Net assets held for the benefit of policyowners	54,491	55,242

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, 2022	December 31, 2021
Cash flows from operating activities		
(Decrease) increase in net assets held for the benefit of policyowners	(6,874)	4,587
Adjustments for:		
Net realized gain on sale of investments and derivatives	(251)	(29)
Change in unrealized depreciation (appreciation) of investments and derivatives	7,300	(4,560)
Increase in accrued expenses	28	105
Non-cash distributions from investment trusts	(1,542)	(1,079)
Purchases of investments	(9,185)	(13,100)
Proceeds from sale and maturity of investments	3,500	175
Net cash used in operating activities	(7,024)	(13,901)
Cash flows from financing activities		
Proceeds from issuances of withdrawable units	17,127	21,395
Amounts paid on withdrawal of withdrawable units	(10,914)	(6,635)
Net cash from financing activities	6,213	14,760
Net (decrease) increase in cash	(811)	859
Cash at beginning of period	1,495	636
Cash at end of period	684	1,495

Supplementary Information:

Interest received, net of withholding taxes*	9	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, 2022</i>	Number of Units	Cost* (\$)	Fair Value (\$)
HOLDINGS IN INVESTMENT FUND			
Global Balanced Fund — 99.4%			
BMO Growth ETF Portfolio, Series I	3,592,258	52,269	54,191
Total Investment Portfolio — 99.4%		52,269	54,191
Other Assets Less Liabilities — 0.6%			300
Net assets held for the benefit of policyowners — 100.0%			54,491

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

BMO Growth ETF Portfolio GIF

Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2022

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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 at 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 and 100/100 Class F Units 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 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, 2022



Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 75/75 Class F Units, 75/100 Class F Units, 75/75 Prestige Class Units and 75/100 Prestige Class 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 F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
75/75 Prestige Class Units	May 6, 2019
75/100 Prestige Class Units	May 6, 2019

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, 2022	December 31, 2021
75/75 Class A Units		
Units issued and outstanding, beginning of period	772	675
Issued for cash	332	291
Withdrawn during the period	(213)	(194)
Units issued and outstanding, end of period	891	772
75/100 Class A Units		
Units issued and outstanding, beginning of period	1,221	847
Issued for cash	894	1,090
Withdrawn during the period	(798)	(716)
Units issued and outstanding, end of period	1,317	1,221
75/75 Class F Units		
Units issued and outstanding, beginning of period	4	4
Issued for cash	8	—
Units issued and outstanding, end of period	12	4
75/100 Class F Units		
Units issued and outstanding, beginning of period	25	1
Issued for cash	16	24
Units issued and outstanding, end of period	41	25
75/75 Prestige Class Units		
Units issued and outstanding, beginning of period	646	521
Issued for cash	144	155
Withdrawn during the period	(33)	(30)
Units issued and outstanding, end of period	757	646
75/100 Prestige Class Units		
Units issued and outstanding, beginning of period	1,393	873
Issued for cash	641	750
Withdrawn during the period	(516)	(230)
Units issued and outstanding, end of period	1,518	1,393

Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2022		
Class	Number of Units	Value of Units (\$)
75/75 Class F Units	1,000	12
75/100 Class F Units	1,000	12
75/75 Prestige Class Units	1,000	11
75/100 Prestige Class Units	1,000	11
As at December 31, 2021		
Class	Number of Units	Value of Units (\$)
75/75 Class F Units	1,000	14
75/100 Class F Units	1,000	13
75/75 Prestige Class Units	1,000	12
75/100 Prestige Class 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, 2022 and December 31, 2021, 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, 2022 and December 31, 2021, 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 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 \$5,112 (December 31, 2021 — \$5,100). 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.

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, 2022

Credit risk

As at December 31, 2022 and December 31, 2021, 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, 2022

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

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	54,013	—	—	54,013

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	As at December 31, 2021
BMO Growth ETF Portfolio, Series I	54,191	54,013

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

BMO Growth ETF Portfolio, Series I	2.26%	2.26%
------------------------------------	-------	-------

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, 2022 and December 31, 2021 is calculated as follows:

	December 31, 2022	December 31, 2021
<i>For the periods ended</i>		
75/75 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1,397)	1,103
Weighted average units outstanding during the period (in thousands of units)	830	721
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.68)	1.53
75/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(2,305)	1,405
Weighted average units outstanding during the period (in thousands of units)	1,367	960
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.69)	1.46
75/75 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(13)	6
Weighted average units outstanding during the period (in thousands of units)	10	4
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.29)	1.52
75/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(31)	12
Weighted average units outstanding during the period (in thousands of units)	32	12
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.00)	1.01
75/75 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(961)	730
Weighted average units outstanding during the period (in thousands of units)	685	569
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.40)	1.28
75/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(2,167)	1,331
Weighted average units outstanding during the period (in thousands of units)	1,594	1,097
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.36)	1.21

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, 2022

Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2022 and December 31, 2021.

Concentration risk

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

As at	December 31, 2022	December 31, 2021
Money Market Investments		
Federal	2.0%	—%
Provincial	0.2%	—%
Holdings in Investment Funds		
Canadian Equity Funds	26.2%	25.3%
Canadian Fixed Income Funds	14.9%	12.0%
Emerging Markets Equity Funds	2.3%	6.5%
Emerging Markets Fixed Income Funds	1.6%	0.4%
Global Equity Funds	1.8%	—%
International Equity Funds	17.6%	19.7%
International Fixed Income Funds	—%	0.1%
U.S. Equity Funds	27.0%	27.7%
U.S. Fixed Income Funds	5.3%	3.0%
Other Assets less Liabilities	1.1%	5.3%
	100.0%	100.0%

Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2022 and December 31, 2021.

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, 2022



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	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 11,879	11,639	9,130	7,971	9,051
Net asset value per unit ⁽¹⁾	\$ 13.33	15.08	13.53	12.65	11.03
Units issued and outstanding (000's) ⁽¹⁾	891	772	675	630	821
Management fees	% 1.45	1.45	1.45	1.45	1.45
Management expense ratio ⁽²⁾	% 2.38	2.37	2.37	2.38	2.37
Management expense ratio before waivers	% 2.38	2.37	2.37	2.38	2.37
Portfolio turnover rate ⁽³⁾	% 6.38	0.41	3.21	9.91	19.56

Years ended December 31,					
75/100 Class A Units	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 17,189	18,096	11,306	10,656	14,785
Net asset value per unit ⁽¹⁾	\$ 13.06	14.82	13.34	12.50	10.94
Units issued and outstanding (000's) ⁽¹⁾	1,317	1,221	847	852	1,351
Management fees	% 1.45	1.45	1.45	1.45	1.45
Management expense ratio ⁽²⁾	% 2.73	2.73	2.73	2.75	2.75
Management expense ratio before waivers	% 2.73	2.73	2.73	2.75	2.75
Portfolio turnover rate ⁽³⁾	% 6.38	0.41	3.21	9.91	19.56

Years ended December 31,					
75/75 Class F Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 143	56	50	56	48
Net asset value per unit ⁽¹⁾	\$ 12.09	13.53	12.01	11.11	9.58
Units issued and outstanding (000's) ⁽¹⁾	12	4	4	5	5
Management fees	% 0.45	0.45	0.45	0.45	0.45
Management expense ratio ⁽²⁾	% 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 ⁽³⁾	% 6.38	0.41	3.21	9.91	19.56

Years ended December 31,					
75/100 Class F Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 494	328	12	11	10
Net asset value per unit ⁽¹⁾	\$ 11.89	13.35	11.90	11.04	9.56
Units issued and outstanding (000's) ⁽¹⁾	41	25	1	1	1
Management fees	% 0.45	0.45	0.45	0.45	0.45
Management expense ratio ⁽²⁾	% 1.65	1.65	1.65	1.65	1.65
Management expense ratio before waivers	% 1.65	1.65	1.65	1.65	1.65
Portfolio turnover rate ⁽³⁾	% 6.38	0.41	3.21	9.91	19.56

Years ended December 31,				
75/75 Prestige Class Units	2022	2021	2020	2019 ⁽⁵⁾
Net asset (000's) ⁽¹⁾	\$ 8,309	8,005	5,780	3,064
Net asset value per unit ⁽¹⁾	\$ 10.97	12.39	11.10	10.36
Units issued and outstanding (000's) ⁽¹⁾	757	646	521	296
Management fees	% 1.27	1.27	1.27	1.27
Management expense ratio ⁽²⁾	% 2.20	2.22	2.22	2.22
Management expense ratio before waivers	% 2.20	2.22	2.22	2.22
Portfolio turnover rate ⁽³⁾	% 6.38	0.41	3.21	9.91

Years ended December 31,				
75/100 Prestige Class Units	2022	2021	2020	2019 ⁽⁵⁾
Net asset (000's) ⁽¹⁾	\$ 16,477	17,118	9,631	7,637
Net asset value per unit ⁽¹⁾	\$ 10.85	12.29	11.03	10.34
Units issued and outstanding (000's) ⁽¹⁾	1,518	1,393	873	739
Management fees	% 1.18	1.18	1.18 [†]	1.27
Management expense ratio ⁽²⁾	% 2.45	2.45	2.48	2.54
Management expense ratio before waivers	% 2.45	2.45	2.48	2.54
Portfolio turnover rate ⁽³⁾	% 6.38	0.41	3.21	9.91

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.
⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.
⁽³⁾ The Fund's portfolio turnover 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.
⁽⁴⁾ The information shown in this column is for the period beginning May 14, 2018 (the class' inception date) and ending December 31, 2018.
⁽⁵⁾ The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.
[†] 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, 2022

BMO Equity Growth ETF Portfolio GIF

STATEMENT OF FINANCIAL POSITION <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>			STATEMENT OF COMPREHENSIVE INCOME <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		
As at	December 31, 2022	December 31, 2021	For the periods ended	December 31, 2022	December 31, 2021
ASSETS			INCOME		
CURRENT ASSETS			Interest income		
Cash	469	356		5	0
Investments			Distributions received from investment trusts	1,102	810
Non-derivative financial assets	38,565	38,910	Other changes in fair value of investments and derivatives		
Receivable for investments sold	—	125	Net realized gain	124	175
Subscriptions receivable	26	611	Change in unrealized (depreciation) appreciation	(4,791)	4,563
Total assets	39,060	40,002	Net (loss) gain in fair value of investments and derivatives	(3,560)	5,548
LIABILITIES			Total (loss) income	(3,560)	5,548
CURRENT LIABILITIES			EXPENSES		
Redemptions payable	31	414	Management fees (note 7)	593	533
Accrued expenses	247	243	Fixed administration fees (note 7)	106	95
Total liabilities	278	657	Insurance fees (note 7)	278	248
Net assets held for the benefit of policyowners	38,782	39,345	Total expenses	977	876
Net assets held for the benefit of policyowners			(Decrease) increase in net assets held for the benefit of policyowners	(4,537)	4,672
75/75 Class A Units	8,801	9,104	(Decrease) increase in net assets held for the benefit of policyowners		
75/100 Class A Units	13,100	14,535	75/75 Class A Units	(1,033)	1,107
75/75 Class F Units	46	51	75/100 Class A Units	(1,659)	1,712
75/100 Class F Units	173	248	75/75 Class F Units	(5)	6
75/75 Prestige Class Units	4,630	4,827	75/100 Class F Units	(28)	23
75/100 Prestige Class Units	12,032	10,580	75/75 Prestige Class Units	(560)	549
Net assets held for the benefit of policyowners per unit			75/100 Prestige Class Units	(1,252)	1,275
75/75 Class A Units	\$ 14.62	\$ 16.42	(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)		
75/100 Class A Units	\$ 14.29	\$ 16.11	75/75 Class A Units	(1.75)	2.13
75/75 Class F Units	\$ 12.54	\$ 13.93	75/100 Class A Units	(1.78)	2.04
75/100 Class F Units	\$ 12.34	\$ 13.76	75/75 Class F Units	(1.39)	1.93
75/75 Prestige Class Units	\$ 11.46	\$ 12.85	75/100 Class F Units	(1.79)	1.74
75/100 Prestige Class Units	\$ 11.32	\$ 12.73	75/75 Prestige Class Units	(1.43)	1.66
			75/100 Prestige Class Units	(1.29)	1.65

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, 2022	December 31, 2021
75/75 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	9,104	6,907
(Decrease) increase in net assets held for the benefit of policyowners	(1,033)	1,107
Withdrawable unit transactions		
Proceeds from withdrawable units issued	2,854	4,010
Withdrawal of withdrawable units	(2,124)	(2,920)
Net increase from withdrawable unit transactions	730	1,090
Net (decrease) increase in net assets held for the benefit of policyowners	(303)	2,197
Net assets held for the benefit of policyowners	8,801	9,104
75/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	14,535	10,604
(Decrease) increase in net assets held for the benefit of policyowners	(1,659)	1,712
Withdrawable unit transactions		
Proceeds from withdrawable units issued	8,809	10,088
Withdrawal of withdrawable units	(8,585)	(7,869)
Net increase from withdrawable unit transactions	224	2,219
Net (decrease) increase in net assets held for the benefit of policyowners	(1,435)	3,931
Net assets held for the benefit of policyowners	13,100	14,535
75/75 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	51	32
(Decrease) increase in net assets held for the benefit of policyowners	(5)	6
Withdrawable unit transactions		
Proceeds from withdrawable units issued	—	13
Net increase from withdrawable unit transactions	—	13
Net (decrease) increase in net assets held for the benefit of policyowners	(5)	19
Net assets held for the benefit of policyowners	46	51

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, 2022	December 31, 2021
75/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	248	113
(Decrease) increase in net assets held for the benefit of policyowners	(28)	23
Withdrawable unit transactions		
Proceeds from withdrawable units issued	—	112
Withdrawal of withdrawable units	(47)	(0)
Net (decrease) increase from withdrawable unit transactions	(47)	112
Net (decrease) increase in net assets held for the benefit of policyowners	(75)	135
Net assets held for the benefit of policyowners	173	248
75/75 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	4,827	3,014
(Decrease) increase in net assets held for the benefit of policyowners	(560)	549
Withdrawable unit transactions		
Proceeds from withdrawable units issued	894	1,736
Withdrawal of withdrawable units	(531)	(472)
Net increase from withdrawable unit transactions	363	1,264
Net (decrease) increase in net assets held for the benefit of policyowners	(197)	1,813
Net assets held for the benefit of policyowners	4,630	4,827

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, 2022	December 31, 2021
75/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	10,580	7,717
(Decrease) increase in net assets held for the benefit of policyowners	(1,252)	1,275
Withdrawable unit transactions		
Proceeds from withdrawable units issued	5,150	4,367
Withdrawal of withdrawable units	(2,446)	(2,779)
Net increase from withdrawable unit transactions	2,704	1,588
Net increase in net assets held for the benefit of policyowners	1,452	2,863
Net assets held for the benefit of policyowners	12,032	10,580
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	39,345	28,387
(Decrease) increase in net assets held for the benefit of policyowners	(4,537)	4,672
Withdrawable unit transactions		
Proceeds from withdrawable units issued	17,707	20,326
Withdrawal of withdrawable units	(13,733)	(14,040)
Net increase from withdrawable unit transactions	3,974	6,286
Net (decrease) increase in net assets held for the benefit of policyowners	(563)	10,958
Net assets held for the benefit of policyowners	38,782	39,345

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

STATEMENT OF CASH FLOWS		
<i>(All amounts in thousands of Canadian dollars)</i>		
<i>For the periods ended</i>	December 31, 2022	December 31, 2021
Cash flows from operating activities		
(Decrease) increase in net assets held for the benefit of policyowners	(4,537)	4,672
Adjustments for:		
Net realized gain on sale of investments and derivatives	(124)	(175)
Change in unrealized depreciation (appreciation) of investments and derivatives	4,791	(4,563)
Increase in accrued expenses	4	73
Non-cash distributions from investment trusts	(1,102)	(810)
Purchases of investments	(4,120)	(6,384)
Proceeds from sale and maturity of investments	1,025	725
Net cash used in operating activities	(4,063)	(6,462)
Cash flows from financing activities		
Proceeds from issuances of withdrawable units	12,190	13,704
Amounts paid on withdrawal of withdrawable units	(8,014)	(7,581)
Net cash from financing activities	4,176	6,123
Net increase (decrease) in cash	113	(339)
Cash at beginning of period	356	695
Cash at end of period	469	356
Supplementary Information:		
Interest received, net of withholding taxes*	5	0

*These items are from operating activities

SCHEDULE OF INVESTMENT PORTFOLIO			
<i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>As at December 31, 2022</i>	Number of Units	Cost* (\$)	Fair Value (\$)
HOLDINGS IN INVESTMENT FUND			
Global Equity Fund — 99.4%			
BMO Equity Growth ETF Portfolio, Series I	2,240,381	34,888	38,565
Total Investment Portfolio — 99.4%		34,888	38,565
Other Assets Less Liabilities — 0.6%			217
Net assets held for the benefit of policyowners — 100.0%			38,782

* 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 Equity Growth ETF Portfolio GIF

Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2022

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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 at 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 and 100/100 Class F Units 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, 2022

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 75/75 Class F Units, 75/100 Class F Units, 75/75 Prestige Class Units and 75/100 Prestige Class 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 F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
75/75 Prestige Class Units	May 6, 2019
75/100 Prestige Class Units	May 6, 2019

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, 2022	December 31, 2021
75/75 Class A Units		
Units issued and outstanding, beginning of period	554	484
Issued for cash	189	259
Withdrawn during the period	(141)	(189)
Units issued and outstanding, end of period	602	554
75/100 Class A Units		
Units issued and outstanding, beginning of period	902	755
Issued for cash	596	665
Withdrawn during the period	(581)	(518)
Units issued and outstanding, end of period	917	902
75/75 Class F Units		
Units issued and outstanding, beginning of period	4	3
Issued for cash	—	1
Units issued and outstanding, end of period	4	4
75/100 Class F Units		
Units issued and outstanding, beginning of period	18	10
Issued for cash	—	8
Withdrawn during the period	(4)	(0)
Units issued and outstanding, end of period	14	18
75/75 Prestige Class Units		
Units issued and outstanding, beginning of period	376	270
Issued for cash	75	144
Withdrawn during the period	(47)	(38)
Units issued and outstanding, end of period	404	376

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
75/100 Prestige Class Units		
Units issued and outstanding, beginning of period	831	697
Issued for cash	442	365
Withdrawn during the period	(210)	(231)
Units issued and outstanding, end of period	1,063	831

Units held by the Company

The Company held the following units of the Fund:

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

As at December 31, 2021 Class	Number of Units	Value of Units (\$)
75/75 Class F Units	1,000	14
75/100 Class F Units	1,000	14
75/75 Prestige Class Units	1,000	13
75/100 Prestige Class Units	1,000	13

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, 2022 and December 31, 2021, 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, 2022 and December 31, 2021, 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 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

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, 2022

decreased, respectively, by \$3,530 (December 31, 2021 — \$3,580). 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, 2022 and December 31, 2021, 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, 2022

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

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	38,910	—	—	38,910

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	As at December 31, 2021
BMO Equity Growth ETF Portfolio, Series I	38,565	38,910

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

BMO Equity Growth ETF Portfolio, Series I	3.98%	4.02%
---	-------	-------

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, 2022 and December 31, 2021 is calculated as follows:

For the periods ended	December 31, 2022	December 31, 2021
75/75 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1,033)	1,107
Weighted average units outstanding during the period (in thousands of units)	590	520
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.75)	2.13
75/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1,659)	1,712
Weighted average units outstanding during the period (in thousands of units)	932	838
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.78)	2.04
75/75 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(5)	6
Weighted average units outstanding during the period (in thousands of units)	4	3
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.39)	1.93
75/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(28)	23
Weighted average units outstanding during the period (in thousands of units)	16	13
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.79)	1.74
75/75 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(559)	549
Weighted average units outstanding during the period (in thousands of units)	390	331
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.43)	1.66
75/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1,252)	1,275
Weighted average units outstanding during the period (in thousands of units)	973	774
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.29)	1.65

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, 2022

Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2022 and December 31, 2021.

Concentration risk

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

As at	December 31, 2022	December 31, 2021
Money Market Investments		
Federal	4.0%	—%
Holdings in Investment Funds		
Canadian Equity Funds	32.2%	31.0%
Emerging Markets Equity Funds	2.9%	7.2%
Global Equity Funds	1.9%	—%
International Equity Funds	24.7%	24.6%
U.S. Equity Funds	33.0%	33.3%
Other Assets less Liabilities	1.3%	3.9%
	100.0%	100.0%

Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2022 and December 31, 2021.

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, 2022



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,				
	2022	2021	2020	2019	2018
75/75 Class A Units					
Net asset (000's) ⁽¹⁾	\$ 8,801	9,104	6,907	5,858	5,143
Net asset value per unit ⁽¹⁾	\$ 14.62	16.42	14.26	13.33	11.43
Units issued and outstanding (000's) ⁽¹⁾	602	554	484	439	450
Management fees	% 1.50	1.50	1.50	1.50	1.50
Management expense ratio ⁽²⁾	% 2.43	2.42	2.43	2.44	2.45
Management expense ratio before waivers	% 2.43	2.42	2.43	2.44	2.45
Portfolio turnover rate ⁽³⁾	% 2.37	2.54	1.19	11.28	6.07

	Years ended December 31,				
	2022	2021	2020	2019	2018
75/100 Class A Units					
Net asset (000's) ⁽¹⁾	\$ 13,100	14,535	10,604	9,298	14,472
Net asset value per unit ⁽¹⁾	\$ 14.29	16.11	14.05	13.17	11.32
Units issued and outstanding (000's) ⁽¹⁾	917	902	755	706	1,278
Management fees	% 1.50	1.50	1.50	1.50	1.50
Management expense ratio ⁽²⁾	% 2.79	2.79	2.78	2.79	2.80
Management expense ratio before waivers	% 2.79	2.79	2.78	2.79	2.80
Portfolio turnover rate ⁽³⁾	% 2.37	2.54	1.19	11.28	6.07

	Years ended December 31,				
	2022	2021	2020	2019	2018 ⁽⁴⁾
75/75 Class F Units					
Net asset (000's) ⁽¹⁾	\$ 46	51	32	29	10
Net asset value per unit ⁽¹⁾	\$ 12.54	13.93	11.98	11.08	9.39
Units issued and outstanding (000's) ⁽¹⁾	4	4	3	3	1
Management fees	% 0.50	0.50	0.50	0.50	0.50
Management expense ratio ⁽²⁾	% 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 ⁽³⁾	% 2.37	2.54	1.19	11.28	6.07

	Years ended December 31,				
	2022	2021	2020	2019	2018 ⁽⁴⁾
75/100 Class F Units					
Net asset (000's) ⁽¹⁾	\$ 173	248	113	11	9
Net asset value per unit ⁽¹⁾	\$ 12.34	13.76	11.86	11.02	9.37
Units issued and outstanding (000's) ⁽¹⁾	14	18	10	1	1
Management fees	% 0.50	0.50	0.50	0.50	0.50
Management expense ratio ⁽²⁾	% 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 ⁽³⁾	% 2.37	2.54	1.19	11.28	6.07

	Years ended December 31,			
	2022	2021	2020	2019 ⁽⁵⁾
75/75 Prestige Class Units				
Net asset (000's) ⁽¹⁾	\$ 4,630	4,827	3,014	1,410
Net asset value per unit ⁽¹⁾	\$ 11.46	12.85	11.14	10.41
Units issued and outstanding (000's) ⁽¹⁾	404	376	270	135
Management fees	% 1.32	1.32	1.32	1.32
Management expense ratio ⁽²⁾	% 2.24	2.24	2.27	2.28
Management expense ratio before waivers	% 2.24	2.24	2.27	2.28
Portfolio turnover rate ⁽³⁾	% 2.37	2.54	1.19	11.28

	Years ended December 31,			
	2022	2021	2020	2019 ⁽⁵⁾
75/100 Prestige Class Units				
Net asset (000's) ⁽¹⁾	\$ 12,032	10,580	7,717	4,604
Net asset value per unit ⁽¹⁾	\$ 11.32	12.73	11.07	10.39
Units issued and outstanding (000's) ⁽¹⁾	1,063	831	697	443
Management fees	% 1.23	1.23	1.23 [†]	1.32
Management expense ratio ⁽²⁾	% 2.50	2.51	2.54	2.62
Management expense ratio before waivers	% 2.50	2.51	2.54	2.62
Portfolio turnover rate ⁽³⁾	% 2.37	2.54	1.19	11.28

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.

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

⁽³⁾ The Fund's portfolio turnover 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.

⁽⁴⁾ The information shown in this column is for the period beginning May 14, 2018 (the class' inception date) and ending December 31, 2018.

⁽⁵⁾ The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.

[†] Effective May 11, 2020, 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, 2022

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, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash	254	554
Investments		
Non-derivative financial assets	17,034	18,374
Subscriptions receivable	68	11
Total assets	17,356	18,939
LIABILITIES		
CURRENT LIABILITIES		
Redemptions payable	68	63
Accrued expenses	80	98
Total liabilities	148	161
Net assets held for the benefit of policyowners	17,208	18,778
Net assets held for the benefit of policyowners		
75/75 Class A Units	1,905	2,651
75/100 Class A Units	3,940	4,527
75/75 Class F Units	398	455
75/100 Class F Units	115	11
75/75 Prestige Class Units	3,507	5,477
75/100 Prestige Class Units	7,343	5,657
Net assets held for the benefit of policyowners per unit		
75/75 Class A Units	\$ 9.10	\$ 10.54
75/100 Class A Units	\$ 8.98	\$ 10.41
75/75 Class F Units	\$ 9.81	\$ 11.24
75/100 Class F Units	\$ 9.75	\$ 11.18
75/75 Prestige Class Units	\$ 9.09	\$ 10.52
75/100 Prestige Class Units	\$ 8.98	\$ 10.40

STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	December 31, 2022	December 31, 2021
INCOME		
Interest income	1	0
Distributions received from investment trusts	572	805
Other changes in fair value of investments and derivatives		
Net realized loss	(480)	(230)
Change in unrealized depreciation	(2,237)	(1,136)
Net loss in fair value of investments and derivatives	(2,144)	(561)
Total loss	(2,144)	(561)
EXPENSES		
Management fees (note 7)	216	306
Fixed administration fees (note 7)	45	64
Insurance fees (note 7)	56	79
Interest charges	0	1
Total expenses	317	450
Decrease in net assets held for the benefit of policyowners	(2,461)	(1,011)
Decrease in net assets held for the benefit of policyowners		
75/75 Class A Units	(349)	(133)
75/100 Class A Units	(582)	(213)
75/75 Class F Units	(57)	(10)
75/100 Class F Units	(1)	(1)
75/75 Prestige Class Units	(697)	(210)
75/100 Prestige Class Units	(775)	(444)
Decrease in net assets held for the benefit of policyowners per unit (note 3)		
75/75 Class A Units	(1.44)	(0.45)
75/100 Class A Units	(1.40)	(0.43)
75/75 Class F Units	(1.43)	(0.24)
75/100 Class F Units	(0.53)	(0.27)
75/75 Prestige Class Units	(1.61)	(0.34)
75/100 Prestige Class Units	(1.34)	(0.60)

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, 2022	December 31, 2021
75/75 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	2,651	3,809
Decrease in net assets held for the benefit of policyowners	(349)	(133)
Withdrawable unit transactions		
Proceeds from withdrawable units issued	1,132	2,563
Withdrawal of withdrawable units	(1,529)	(3,588)
Net decrease from withdrawable unit transactions	(397)	(1,025)
Net decrease in net assets held for the benefit of policyowners	(746)	(1,158)
Net assets held for the benefit of policyowners	1,905	2,651
75/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	4,527	6,064
Decrease in net assets held for the benefit of policyowners	(582)	(213)
Withdrawable unit transactions		
Proceeds from withdrawable units issued	4,114	2,882
Withdrawal of withdrawable units	(4,119)	(4,206)
Net decrease from withdrawable unit transactions	(5)	(1,324)
Net decrease in net assets held for the benefit of policyowners	(587)	(1,537)
Net assets held for the benefit of policyowners	3,940	4,527

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, 2022	December 31, 2021
75/75 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	455	453
Decrease in net assets held for the benefit of policyowners	(57)	(10)
Withdrawable unit transactions		
Proceeds from withdrawable units issued	—	13
Withdrawal of withdrawable units	—	(1)
Net increase from withdrawable unit transactions	—	12
Net (decrease) increase in net assets held for the benefit of policyowners	(57)	2
Net assets held for the benefit of policyowners	398	455
75/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	11	12
Decrease in net assets held for the benefit of policyowners	(1)	(1)
Withdrawable unit transactions		
Proceeds from withdrawable units issued	105	—
Net increase from withdrawable unit transactions	105	—
Net increase (decrease) in net assets held for the benefit of policyowners	104	(1)
Net assets held for the benefit of policyowners	115	11
75/75 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	5,477	5,759
Decrease in net assets held for the benefit of policyowners	(697)	(210)
Withdrawable unit transactions		
Proceeds from withdrawable units issued	817	2,261
Withdrawal of withdrawable units	(2,090)	(2,333)
Net decrease from withdrawable unit transactions	(1,273)	(72)
Net decrease in net assets held for the benefit of policyowners	(1,970)	(282)
Net assets held for the benefit of policyowners	3,507	5,477

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, 2022	December 31, 2021
75/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	5,657	11,160
Decrease in net assets held for the benefit of policyowners	(775)	(444)
Withdrawable unit transactions		
Proceeds from withdrawable units issued	3,519	2,656
Withdrawal of withdrawable units	(1,058)	(7,715)
Net increase (decrease) from withdrawable unit transactions	2,461	(5,059)
Net increase (decrease) in net assets held for the benefit of policyowners	1,686	(5,503)
Net assets held for the benefit of policyowners	7,343	5,657
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	18,778	27,257
Decrease in net assets held for the benefit of policyowners	(2,461)	(1,011)
Withdrawable unit transactions		
Proceeds from withdrawable units issued	9,687	10,375
Withdrawal of withdrawable units	(8,796)	(17,843)
Net increase (decrease) from withdrawable unit transactions	891	(7,468)
Net decrease in net assets held for the benefit of policyowners	(1,570)	(8,479)
Net assets held for the benefit of policyowners	17,208	18,778

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

STATEMENT OF CASH FLOWS <i>(All amounts in thousands of Canadian dollars)</i>			SCHEDULE OF INVESTMENT PORTFOLIO <i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>For the periods ended</i>	December 31, 2022	December 31, 2021	As at December 31, 2022	Number of Units	Cost* (\$)	Fair Value (\$)
Cash flows from operating activities			HOLDINGS IN INVESTMENT FUND			
Decrease in net assets held for the benefit of policyowners	(2,461)	(1,011)	Fixed Income Fund — 99.0%			
Adjustments for:			BMO Fixed Income ETF Portfolio, Series I			
Net realized loss on sale of investments and derivatives	480	230		1,971,566	19,761	17,034
Change in unrealized depreciation of investments and derivatives	2,237	1,136	Total Investment Portfolio — 99.0%			
Decrease in accrued expenses	(18)	(31)				19,761
Non-cash distributions from investment trusts	(572)	(805)	Other Assets Less Liabilities — 1.0%			
Purchases of investments	(4,250)	(4,100)	Net assets held for the benefit of policyowners — 100.0%			
Proceeds from sale and maturity of investments	3,445	11,400				17,208
Net cash (used in) from operating activities	(1,139)	6,819				
Cash flows from financing activities						
Proceeds from issuances of withdrawable units	5,729	6,693				
Amounts paid on withdrawal of withdrawable units	(4,890)	(14,094)				
Net cash from (used in) financing activities	839	(7,401)				
Net decrease in cash	(300)	(582)				
Cash at beginning of period	554	1,136				
Cash at end of period	254	554				
Supplementary Information:						
Interest received, net of withholding taxes*	1	0				
Interest expense paid*	0	1				

*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, 2022

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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 at 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 and 100/100 Class F Units 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, 2022

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 75/75 Class F Units, 75/100 Class F Units, 75/75 Prestige Class Units and 75/100 Prestige Class 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 F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
75/75 Prestige Class Units	May 6, 2019
75/100 Prestige Class Units	May 6, 2019

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, 2022	December 31, 2021
--	----------------------	----------------------

75/75 Class A Units

Units issued and outstanding, beginning of period	252	350
Issued for cash	121	240
Withdrawn during the period	(164)	(338)
Units issued and outstanding, end of period	209	252

75/100 Class A Units

Units issued and outstanding, beginning of period	435	563
Issued for cash	448	275
Withdrawn during the period	(444)	(403)
Units issued and outstanding, end of period	439	435

75/75 Class F Units

Units issued and outstanding, beginning of period	41	39
Issued for cash	—	2
Withdrawn during the period	—	(0)
Units issued and outstanding, end of period	41	41

75/100 Class F Units

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

75/75 Prestige Class Units

Units issued and outstanding, beginning of period	521	530
Issued for cash	89	213
Withdrawn during the period	(224)	(222)
Units issued and outstanding, end of period	386	521

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
--	----------------------	----------------------

75/100 Prestige Class Units

Units issued and outstanding, beginning of period	544	1,039
Issued for cash	385	253
Withdrawn during the period	(111)	(748)
Units issued and outstanding, end of period	818	544

Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2022

Class	Number of Units	Value of Units (\$)
75/75 Class F Units	1,000	10
75/100 Class F Units	1,000	10
75/75 Prestige Class Units	1,000	9
75/100 Prestige Class Units	1,000	9

As at December 31, 2021

Class	Number of Units	Value of Units (\$)
75/75 Class F Units	1,000	11
75/100 Class F Units	1,000	11
75/75 Prestige Class Units	1,000	11
75/100 Prestige Class 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, 2022 and December 31, 2021, 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, 2022 and December 31, 2021, the Fund did not have significant exposure, through its investment in the underlying fund, to interest rate risk.

Other market risk

As at December 31, 2022 and December 31, 2021, 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.

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, 2022

Credit risk

As at December 31, 2022 and December 31, 2021, 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, 2022

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

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	18,374	—	—	18,374

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	As at December 31, 2021
BMO Fixed Income ETF Portfolio, Series I	17,034	18,374

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

BMO Fixed Income ETF Portfolio, Series I	7.96%	6.82%
--	-------	-------

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, 2022 and December 31, 2021 is calculated as follows:

For the periods ended	December 31, 2022	December 31, 2021
75/75 Class A Units		
Decrease in net assets held for the benefit of policyowners	(349)	(133)
Weighted average units outstanding during the period (in thousands of units)	242	298
Decrease in net assets held for the benefit of policyowners per unit	(1.44)	(0.45)
75/100 Class A Units		
Decrease in net assets held for the benefit of policyowners	(582)	(213)
Weighted average units outstanding during the period (in thousands of units)	415	491
Decrease in net assets held for the benefit of policyowners per unit	(1.40)	(0.43)
75/75 Class F Units		
Decrease in net assets held for the benefit of policyowners	(57)	(10)
Weighted average units outstanding during the period (in thousands of units)	41	40
Decrease in net assets held for the benefit of policyowners per unit	(1.43)	(0.24)
75/100 Class F Units		
Decrease in net assets held for the benefit of policyowners	(1)	(1)
Weighted average units outstanding during the period (in thousands of units)	2	1
Decrease in net assets held for the benefit of policyowners per unit	(0.53)	(0.27)
75/75 Prestige Class Units		
Decrease in net assets held for the benefit of policyowners	(697)	(210)
Weighted average units outstanding during the period (in thousands of units)	432	615
Decrease in net assets held for the benefit of policyowners per unit	(1.61)	(0.34)
75/100 Prestige Class Units		
Decrease in net assets held for the benefit of policyowners	(775)	(444)
Weighted average units outstanding during the period (in thousands of units)	576	740
Decrease in net assets held for the benefit of policyowners per unit	(1.34)	(0.60)

Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2022 and December 31, 2021.

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, 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, 2022	December 31, 2021
Money Market Investments		
Federal	5.5%	—%
Provincial	3.2%	—%
Holdings in Investment Funds		
Canadian Fixed Income Funds	40.7%	49.4%
Emerging Markets Fixed Income Funds	9.4%	6.0%
International Fixed Income Funds	—%	0.6%
U.S. Fixed Income Funds	37.1%	40.5%
Other Assets less Liabilities	4.1%	3.5%
	100.0%	100.0%

Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2022 and December 31, 2021.

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, 2022

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,				
	2022	2021	2020	2019	2018
75/75 Class A Units					
Net asset (000's) ⁽¹⁾	\$ 1,905	2,651	3,809	1,800	1,609
Net asset value per unit ⁽¹⁾	\$ 9.10	10.54	10.90	10.28	9.79
Units issued and outstanding (000's) ⁽¹⁾	209	252	350	175	164
Management fees	% 1.30	1.30	1.30	1.30	1.30
Management expense ratio ⁽²⁾	% 1.99	1.99	1.97	1.99	2.02
Management expense ratio before waivers	% 1.99	1.99	1.97	1.99	2.02
Portfolio turnover rate ⁽³⁾	% 21.39	15.55	3.04	6.60	23.52

	Years ended December 31,				
	2022	2021	2020	2019	2018
75/100 Class A Units					
Net asset (000's) ⁽¹⁾	\$ 3,940	4,527	6,064	2,543	2,076
Net asset value per unit ⁽¹⁾	\$ 8.98	10.41	10.78	10.20	9.77
Units issued and outstanding (000's) ⁽¹⁾	439	435	563	249	213
Management fees	% 1.30	1.30	1.30	1.30	1.30
Management expense ratio ⁽²⁾	% 2.12	2.12	2.11	2.14	2.11
Management expense ratio before waivers	% 2.12	2.12	2.11	2.14	2.11
Portfolio turnover rate ⁽³⁾	% 21.39	15.55	3.04	6.60	23.52

	Years ended December 31,				
	2022	2021	2020	2019	2018 ⁽⁴⁾
75/75 Class F Units					
Net asset (000's) ⁽¹⁾	\$ 398	455	453	444	10
Net asset value per unit ⁽¹⁾	\$ 9.81	11.24	11.49	10.75	10.12
Units issued and outstanding (000's) ⁽¹⁾	41	41	39	41	1
Management fees	% 0.30	0.30	0.30	0.30	0.30
Management expense ratio ⁽²⁾	% 0.90	0.90	0.89	0.89	0.89
Management expense ratio before waivers	% 0.90	0.90	0.89	0.89	0.89
Portfolio turnover rate ⁽³⁾	% 21.39	15.55	3.04	6.60	23.52

	Years ended December 31,				
	2022	2021	2020	2019	2018 ⁽⁴⁾
75/100 Class F Units					
Net asset (000's) ⁽¹⁾	\$ 115	11	12	11	10
Net asset value per unit ⁽¹⁾	\$ 9.75	11.18	11.46	10.73	10.11
Units issued and outstanding (000's) ⁽¹⁾	12	1	1	1	1
Management fees	% 0.30	0.30	0.30	0.30	0.30
Management expense ratio ⁽²⁾	% 1.04	1.05	1.04	1.04	1.04
Management expense ratio before waivers	% 1.04	1.05	1.04	1.04	1.04
Portfolio turnover rate ⁽³⁾	% 21.39	15.55	3.04	6.60	23.52

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

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

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.

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

⁽³⁾ The Fund's portfolio turnover 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.

⁽⁴⁾ The information shown in this column is for the period beginning May 14, 2018 (the class' inception date) and ending December 31, 2018.

⁽⁵⁾ The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.

[†] 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, 2022

BMO Conservative ETF Portfolio GIF

STATEMENT OF FINANCIAL POSITION

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

As at	December 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash	1,170	2,542
Investments		
Non-derivative financial assets	112,967	125,031
Subscriptions receivable	487	317
Total assets	114,624	127,890
LIABILITIES		
CURRENT LIABILITIES		
Redemptions payable	296	160
Accrued expenses	668	704
Total liabilities	964	864
Net assets held for the benefit of policyowners	113,660	127,026
Net assets held for the benefit of policyowners		
75/75 Class A Units	16,177	19,427
75/100 Class A Units	23,122	24,662
100/100 Class A Units	10,580	11,984
75/75 Class F Units	1,968	4,036
75/100 Class F Units	306	12
100/100 Class F Units	144	163
75/75 Prestige Class Units	16,702	20,670
75/100 Prestige Class Units	31,427	29,532
100/100 Prestige Class Units	13,234	16,540
Net assets held for the benefit of policyowners per unit		
75/75 Class A Units	\$ 10.91	\$ 12.47
75/100 Class A Units	\$ 10.74	\$ 12.29
100/100 Class A Units	\$ 10.15	\$ 11.67
75/75 Class F Units	\$ 10.84	\$ 12.25
75/100 Class F Units	\$ 10.73	\$ 12.15
100/100 Class F Units	\$ 10.54	\$ 11.98
75/75 Prestige Class Units	\$ 9.92	\$ 11.31
75/100 Prestige Class Units	\$ 9.87	\$ 11.28
100/100 Prestige Class Units	\$ 10.39	\$ 11.90

STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	December 31, 2022	December 31, 2021
INCOME		
Interest income	20	4
Distributions received from investment trusts	3,572	3,224
Other changes in fair value of investments and derivatives		
Net realized (loss) gain	(197)	56
Change in unrealized (depreciation) appreciation	(16,786)	2,529
Net (loss) gain in fair value of investments and derivatives	(13,391)	5,813
Total (loss) income	(13,391)	5,813
EXPENSES		
Management fees (note 7)	1,649	1,582
Fixed administration fees (note 7)	326	314
Insurance fees (note 7)	739	714
Interest charges	0	—
Total expenses	2,714	2,610
(Decrease) increase in net assets held for the benefit of policyowners	(16,105)	3,203
(Decrease) increase in net assets held for the benefit of policyowners		
75/75 Class A Units	(2,398)	522
75/100 Class A Units	(3,272)	585
100/100 Class A Units	(1,514)	233
75/75 Class F Units	(385)	153
75/100 Class F Units	(14)	0
100/100 Class F Units	(19)	1
75/75 Prestige Class Units	(2,524)	581
75/100 Prestige Class Units	(4,011)	751
100/100 Prestige Class Units	(1,968)	377
(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)		
75/75 Class A Units	(1.58)	0.36
75/100 Class A Units	(1.54)	0.32
100/100 Class A Units	(1.49)	0.23
75/75 Class F Units	(1.72)	0.47
75/100 Class F Units	(0.79)	0.43
100/100 Class F Units	(1.44)	0.14
75/75 Prestige Class Units	(1.45)	0.35
75/100 Prestige Class Units	(1.34)	0.34
100/100 Prestige Class Units	(1.52)	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, 2022	December 31, 2021
75/75 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	19,427	16,486
(Decrease) increase in net assets held for the benefit of policyowners	(2,398)	522
Withdrawable unit transactions		
Proceeds from withdrawable units issued	9,006	14,373
Withdrawal of withdrawable units	(9,858)	(11,954)
Net (decrease) increase from withdrawable unit transactions	(852)	2,419
Net (decrease) increase in net assets held for the benefit of policyowners	(3,250)	2,941
Net assets held for the benefit of policyowners	16,177	19,427
75/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	24,662	20,079
(Decrease) increase in net assets held for the benefit of policyowners	(3,272)	585
Withdrawable unit transactions		
Proceeds from withdrawable units issued	17,056	19,449
Withdrawal of withdrawable units	(15,324)	(15,451)
Net increase from withdrawable unit transactions	1,732	3,998
Net (decrease) increase in net assets held for the benefit of policyowners	(1,540)	4,583
Net assets held for the benefit of policyowners	23,122	24,662

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, 2022	December 31, 2021
100/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	11,984	11,139
(Decrease) increase in net assets held for the benefit of policyowners	(1,514)	233
Withdrawable unit transactions		
Proceeds from withdrawable units issued	4,493	6,468
Withdrawal of withdrawable units	(4,383)	(5,856)
Net increase from withdrawable unit transactions	110	612
Net (decrease) increase in net assets held for the benefit of policyowners	(1,404)	845
Net assets held for the benefit of policyowners	10,580	11,984
75/75 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	4,036	2,341
(Decrease) increase in net assets held for the benefit of policyowners	(385)	153
Withdrawable unit transactions		
Proceeds from withdrawable units issued	230	1,686
Withdrawal of withdrawable units	(1,913)	(144)
Net (decrease) increase from withdrawable unit transactions	(1,683)	1,542
Net (decrease) increase in net assets held for the benefit of policyowners	(2,068)	1,695
Net assets held for the benefit of policyowners	1,968	4,036

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, 2022	December 31, 2021
75/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	12	12
(Decrease) increase in net assets held for the benefit of policyowners	(14)	0
Withdrawable unit transactions		
Proceeds from withdrawable units issued	418	—
Withdrawal of withdrawable units	(110)	—
Net increase from withdrawable unit transactions	308	—
Net increase in net assets held for the benefit of policyowners	294	0
Net assets held for the benefit of policyowners	306	12
100/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	163	150
(Decrease) increase in net assets held for the benefit of policyowners	(19)	1
Withdrawable unit transactions		
Proceeds from withdrawable units issued	—	149
Withdrawal of withdrawable units	—	(137)
Net increase from withdrawable unit transactions	—	12
Net (decrease) increase in net assets held for the benefit of policyowners	(19)	13
Net assets held for the benefit of policyowners	144	163

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, 2022	December 31, 2021
75/75 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	20,670	15,193
(Decrease) increase in net assets held for the benefit of policyowners	(2,524)	581
Withdrawable unit transactions		
Proceeds from withdrawable units issued	4,786	8,358
Withdrawal of withdrawable units	(6,230)	(3,462)
Net (decrease) increase from withdrawable unit transactions	(1,444)	4,896
Net (decrease) increase in net assets held for the benefit of policyowners	(3,968)	5,477
Net assets held for the benefit of policyowners	16,702	20,670
75/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	29,532	21,197
(Decrease) increase in net assets held for the benefit of policyowners	(4,011)	751
Withdrawable unit transactions		
Proceeds from withdrawable units issued	12,456	11,334
Withdrawal of withdrawable units	(6,550)	(3,750)
Net increase from withdrawable unit transactions	5,906	7,584
Net increase in net assets held for the benefit of policyowners	1,895	8,335
Net assets held for the benefit of policyowners	31,427	29,532

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, 2022	December 31, 2021
100/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	16,540	13,145
(Decrease) increase in net assets held for the benefit of policyowners	(1,968)	377
Withdrawable unit transactions		
Proceeds from withdrawable units issued	2,243	4,101
Withdrawal of withdrawable units	(3,581)	(1,083)
Net (decrease) increase from withdrawable unit transactions	(1,338)	3,018
Net (decrease) increase in net assets held for the benefit of policyowners	(3,306)	3,395
Net assets held for the benefit of policyowners	13,234	16,540
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	127,026	99,742
(Decrease) increase in net assets held for the benefit of policyowners	(16,105)	3,203
Withdrawable unit transactions		
Proceeds from withdrawable units issued	50,688	65,918
Withdrawal of withdrawable units	(47,949)	(41,837)
Net increase from withdrawable unit transactions	2,739	24,081
Net (decrease) increase in net assets held for the benefit of policyowners	(13,366)	27,284
Net assets held for the benefit of policyowners	113,660	127,026

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, 2022	December 31, 2021
Cash flows from operating activities		
(Decrease) increase in net assets held for the benefit of policyowners	(16,105)	3,203
Adjustments for:		
Net realized loss (gain) on sale of investments and derivatives	197	(56)
Change in unrealized depreciation (appreciation) of investments and derivatives	16,786	(2,529)
(Decrease) increase in accrued expenses	(36)	161
Non-cash distributions from investment trusts	(3,572)	(3,224)
Purchases of investments	(19,322)	(22,100)
Proceeds from sale and maturity of investments	17,975	750
Net cash used in operating activities	(4,077)	(23,795)
Cash flows from financing activities		
Proceeds from issuances of withdrawable units	30,637	42,039
Amounts paid on withdrawal of withdrawable units	(27,932)	(18,128)
Net cash from financing activities	2,705	23,911
Net (decrease) increase in cash	(1,372)	116
Cash at beginning of period	2,542	2,426
Cash at end of period	1,170	2,542
Supplementary Information:		
Interest received, net of withholding taxes*	20	4
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, 2022</i>	Number of Units	Cost* (\$)	Fair Value (\$)
HOLDINGS IN INVESTMENT FUND			
Global Balanced Fund — 99.4%			
BMO Conservative ETF Portfolio, Series I	9,809,801	119,991	112,967
Total Investment Portfolio — 99.4%		119,991	112,967
Other Assets Less Liabilities — 0.6%			693
Net assets held for the benefit of policyowners — 100.0%			113,660

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

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

BMO Conservative ETF Portfolio GIF

Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2022

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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 at 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 and 100/100 Class F Units 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, 2022

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, 100/100 Class F Units, 75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class 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 F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
100/100 Class F Units	May 14, 2018
75/75 Prestige Class Units	May 6, 2019
75/100 Prestige Class Units	May 6, 2019
100/100 Prestige Class Units	January 9, 2017

Change in units

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

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
75/75 Class A Units		
Units issued and outstanding, beginning of period	1,558	1,358
Issued for cash	795	1,179
Withdrawn during the period	(870)	(979)
Units issued and outstanding, end of period	1,483	1,558
75/100 Class A Units		
Units issued and outstanding, beginning of period	2,006	1,675
Issued for cash	1,515	1,613
Withdrawn during the period	(1,367)	(1,282)
Units issued and outstanding, end of period	2,154	2,006
100/100 Class A Units		
Units issued and outstanding, beginning of period	1,027	975
Issued for cash	434	563
Withdrawn during the period	(418)	(511)
Units issued and outstanding, end of period	1,043	1,027
75/75 Class F Units		
Units issued and outstanding, beginning of period	329	199
Issued for cash	21	142
Withdrawn during the period	(168)	(12)
Units issued and outstanding, end of period	182	329

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
75/100 Class F Units		
Units issued and outstanding, beginning of period	1	1
Issued for cash	38	—
Withdrawn during the period	(10)	—
Units issued and outstanding, end of period	29	1

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
100/100 Class F Units		
Units issued and outstanding, beginning of period	14	13
Issued for cash	—	13
Withdrawn during the period	—	(12)
Units issued and outstanding, end of period	14	14

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
75/75 Prestige Class Units		
Units issued and outstanding, beginning of period	1,828	1,383
Issued for cash	464	756
Withdrawn during the period	(608)	(311)
Units issued and outstanding, end of period	1,684	1,828

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
75/100 Prestige Class Units		
Units issued and outstanding, beginning of period	2,619	1,932
Issued for cash	1,207	1,026
Withdrawn during the period	(641)	(339)
Units issued and outstanding, end of period	3,185	2,619

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
100/100 Prestige Class Units		
Units issued and outstanding, beginning of period	1,390	1,133
Issued for cash	213	350
Withdrawn during the period	(329)	(93)
Units issued and outstanding, end of period	1,274	1,390

Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2022		
Class	Number of Units	Value of Units (\$)
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 Prestige Class Units	1,000	10
75/100 Prestige Class Units	1,000	10
As at December 31, 2021		
Class	Number of Units	Value of Units (\$)
75/75 Class F Units	1,000	12
75/100 Class F Units	1,000	12
100/100 Class F Units	1,000	12
75/75 Prestige Class Units	1,000	11
75/100 Prestige Class Units	1,000	11

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, 2022



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, 2022 and December 31, 2021, 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, 2022 and December 31, 2021, 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 \$10,471 (December 31, 2021 — \$11,729). 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, 2022 and December 31, 2021, 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, 2022

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

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	125,031	—	—	125,031

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	As at December 31, 2021
Carrying amount		
BMO Conservative ETF Portfolio, Series I	112,967	125,031

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

BMO Conservative ETF Portfolio, Series I	5.65%	5.17%
--	-------	-------

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, 2022 and December 31, 2021 is calculated as follows:

	December 31, 2022	December 31, 2021
<i>For the periods ended</i>		
75/75 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(2,398)	522
Weighted average units outstanding during the period (in thousands of units)	1,518	1,463
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.58)	0.36
75/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(3,272)	585
Weighted average units outstanding during the period (in thousands of units)	2,131	1,851
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.54)	0.32
100/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1,514)	233
Weighted average units outstanding during the period (in thousands of units)	1,016	991
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.49)	0.23

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, 2022

<i>For the periods ended</i>	December 31, 2022	December 31, 2021
75/75 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(385)	153
Weighted average units outstanding during the period (in thousands of units)	224	325
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.72)	0.47
75/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(14)	0
Weighted average units outstanding during the period (in thousands of units)	18	1
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.79)	0.43
100/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(19)	1
Weighted average units outstanding during the period (in thousands of units)	14	5
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.44)	0.14
75/75 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(2,524)	581
Weighted average units outstanding during the period (in thousands of units)	1,741	1,639
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.45)	0.35
75/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(4,011)	751
Weighted average units outstanding during the period (in thousands of units)	3,004	2,224
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.34)	0.34
100/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1,968)	377
Weighted average units outstanding during the period (in thousands of units)	1,297	1,233
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.52)	0.31

Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2022 and December 31, 2021.

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, 2022	December 31, 2021
Money Market Investments		
Federal	6.0%	—%
Provincial	0.5%	—%
Holdings in Investment Funds		
Canadian Equity Funds	11.8%	12.1%
Canadian Fixed Income Funds	37.7%	41.1%
Emerging Markets Equity Funds	1.1%	3.5%
Emerging Markets Fixed Income Funds	4.4%	3.5%
Global Fixed Income Fund	—%	0.5%
International Equity Funds	9.7%	9.3%
International Fixed Income Fund	—%	0.2%
U.S. Equity Funds	12.3%	13.0%
U.S. Fixed Income Funds	14.4%	12.3%
Other Assets less Liabilities	2.1%	4.5%
	100.0%	100.0%

Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2022 and December 31, 2021.

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, 2022



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	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 16,177	19,427	16,486	11,258	9,012
Net asset value per unit ⁽¹⁾	\$ 10.91	12.47	12.14	11.33	10.32
Units issued and outstanding (000's) ⁽¹⁾	1,483	1,558	1,358	994	873
Management fees	% 1.40	1.40	1.40	1.40	1.40
Management expense ratio ⁽²⁾	% 2.28	2.27	2.24	2.23	2.26
Management expense ratio before waivers	% 2.28	2.27	2.24	2.23	2.26
Portfolio turnover rate ⁽³⁾	% 15.49	0.68	4.25	2.51	14.57

Years ended December 31,					
75/100 Class A Units	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 23,122	24,662	20,079	13,349	15,111
Net asset value per unit ⁽¹⁾	\$ 10.74	12.29	11.99	11.23	10.26
Units issued and outstanding (000's) ⁽¹⁾	2,154	2,006	1,675	1,189	1,474
Management fees	% 1.40	1.40	1.40	1.40	1.40
Management expense ratio ⁽²⁾	% 2.47	2.46	2.46	2.46	2.47
Management expense ratio before waivers	% 2.47	2.46	2.46	2.46	2.47
Portfolio turnover rate ⁽³⁾	% 15.49	0.68	4.25	2.51	14.57

Years ended December 31,					
100/100 Class A Units	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 10,580	11,984	11,139	7,529	5,466
Net asset value per unit ⁽¹⁾	\$ 10.15	11.67	11.43	10.73	9.84
Units issued and outstanding (000's) ⁽¹⁾	1,043	1,027	975	701	556
Management fees	% 1.40	1.40	1.40	1.40	1.40
Management expense ratio ⁽²⁾	% 2.88	2.88	2.87	2.86	2.87
Management expense ratio before waivers	% 2.88	2.88	2.87	2.86	2.87
Portfolio turnover rate ⁽³⁾	% 15.49	0.68	4.25	2.51	14.57

Years ended December 31,					
75/75 Class F Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 1,968	4,036	2,341	1,695	10
Net asset value per unit ⁽¹⁾	\$ 10.84	12.25	11.78	10.90	9.82
Units issued and outstanding (000's) ⁽¹⁾	182	329	199	156	1
Management fees	% 0.40	0.40	0.40	0.40	0.40
Management expense ratio ⁽²⁾	% 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 ⁽³⁾	% 15.49	0.68	4.25	2.51	14.57

Years ended December 31,					
75/100 Class F Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 306	12	12	11	10
Net asset value per unit ⁽¹⁾	\$ 10.73	12.15	11.72	10.86	9.81
Units issued and outstanding (000's) ⁽¹⁾	29	1	1	1	1
Management fees	% 0.40	0.40	0.40	0.40	0.40
Management expense ratio ⁽²⁾	% 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 ⁽³⁾	% 15.49	0.68	4.25	2.51	14.57

Years ended December 31,					
100/100 Class F Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 144	163	150	11	10
Net asset value per unit ⁽¹⁾	\$ 10.54	11.98	11.60	10.79	9.78
Units issued and outstanding (000's) ⁽¹⁾	14	14	13	1	1
Management fees	% 0.40	0.40	0.40	0.40	0.40
Management expense ratio ⁽²⁾	% 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 ⁽³⁾	% 15.49	0.68	4.25	2.51	14.57

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, 2022

Years ended December 31,

75/75 Prestige Class Units	2022	2021	2020	2019 ⁽⁵⁾
Net asset (000's) ⁽¹⁾	\$ 16,702	20,670	15,193	8,893
Net asset value per unit ⁽¹⁾	\$ 9.92	11.31	10.98	10.27
Units issued and outstanding (000's) ⁽¹⁾	1,684	1,828	1,383	866
Management fees	% 1.26	1.26	1.26	1.26
Management expense ratio ⁽²⁾	% 2.10	2.09	2.08	2.07
Management expense ratio before waivers	% 2.10	2.09	2.08	2.07
Portfolio turnover rate ⁽³⁾	% 15.49	0.68	4.25	2.51

Years ended December 31,

75/100 Prestige Class Units	2022	2021	2020	2019 ⁽⁵⁾
Net asset (000's) ⁽¹⁾	\$ 31,427	29,532	21,197	10,163
Net asset value per unit ⁽¹⁾	\$ 9.87	11.28	10.97	10.26
Units issued and outstanding (000's) ⁽¹⁾	3,185	2,619	1,932	991
Management fees	% 1.22	1.22	1.22 [†]	1.26
Management expense ratio ⁽²⁾	% 2.25	2.24	2.24	2.27
Management expense ratio before waivers	% 2.25	2.24	2.24	2.27
Portfolio turnover rate ⁽³⁾	% 15.49	0.68	4.25	2.51

Years ended December 31,

100/100 Prestige Class Units	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 13,234	16,540	13,145	11,117	5,613
Net asset value per unit ⁽¹⁾	\$ 10.39	11.90	11.60	10.86	9.92
Units issued and outstanding (000's) ⁽¹⁾	1,274	1,390	1,133	1,024	566
Management fees	% 1.05	1.05	1.05	1.05	1.05
Management expense ratio ⁽²⁾	% 2.49	2.49	2.49	2.50	2.48
Management expense ratio before waivers	% 2.49	2.49	2.49	2.50	2.48
Portfolio turnover rate ⁽³⁾	% 15.49	0.68	4.25	2.51	14.57

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.

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

⁽³⁾ The Fund's portfolio turnover 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.

⁽⁴⁾ The information shown in this column is for the period beginning May 14, 2018 (the class' inception date) and ending December 31, 2018.

⁽⁵⁾ The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.

[†] Effective May 11, 2020, the management fee rate was reduced from 1.26% to 1.22%.

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

BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2022

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, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash	453	295
Investments		
Non-derivative financial assets	35,397	42,156
Subscriptions receivable	4	700
Distribution receivable from investment trusts	115	118
Total assets	35,969	43,269
LIABILITIES		
CURRENT LIABILITIES		
Payable for investments purchased	86	—
Redemptions payable	21	677
Accrued expenses	247	287
Total liabilities	354	964
Net assets held for the benefit of policyowners	35,615	42,305
Net assets held for the benefit of policyowners		
100/100 Class A Units	20,116	24,902
100/100 Class F Units	411	355
100/100 Prestige Class Units	15,088	17,048
Net assets held for the benefit of policyowners per unit		
100/100 Class A Units	\$ 12.37	\$ 14.61
100/100 Class F Units	\$ 11.96	\$ 13.97
100/100 Prestige Class Units	\$ 12.18	\$ 14.33

STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	December 31, 2022	December 31, 2021
INCOME		
Interest income	4	0
Distributions received from investment trusts	719	620
Other changes in fair value of investments and derivatives		
Net realized gain	1,728	900
Change in unrealized (depreciation) appreciation	(7,753)	4,917
Net (loss) gain in fair value of investments and derivatives	(5,302)	6,437
Total (loss) income	(5,302)	6,437
EXPENSES		
Management fees (note 7)	488	530
Fixed administration fees (note 7)	102	107
Insurance fees (note 7)	419	439
Interest charges	0	0
Commissions and other portfolio transaction costs (note 7)	24	7
Total expenses	1,033	1,083
(Decrease) increase in net assets held for the benefit of policyowners	(6,335)	5,354
(Decrease) increase in net assets held for the benefit of policyowners		
100/100 Class A Units	(3,696)	3,295
100/100 Class F Units	(67)	16
100/100 Prestige Class Units	(2,572)	2,043
(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)		
100/100 Class A Units	(2.27)	1.86
100/100 Class F Units	(1.96)	1.93
100/100 Prestige Class Units	(2.12)	1.88

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, 2022	December 31, 2021
100/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	24,902	22,981
(Decrease) increase in net assets held for the benefit of policyowners	(3,696)	3,295
Withdrawable unit transactions		
Proceeds from withdrawable units issued	5,456	4,202
Withdrawal of withdrawable units	(6,546)	(5,576)
Net decrease from withdrawable unit transactions	(1,090)	(1,374)
Net (decrease) increase in net assets held for the benefit of policyowners	(4,786)	1,921
Net assets held for the benefit of policyowners	20,116	24,902
100/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	355	89
(Decrease) increase in net assets held for the benefit of policyowners	(67)	16
Withdrawable unit transactions		
Proceeds from withdrawable units issued	125	250
Withdrawal of withdrawable units	(2)	—
Net increase from withdrawable unit transactions	123	250
Net increase in net assets held for the benefit of policyowners	56	266
Net assets held for the benefit of policyowners	411	355

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, 2022	December 31, 2021
100/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	17,048	13,146
(Decrease) increase in net assets held for the benefit of policyowners	(2,572)	2,043
Withdrawable unit transactions		
Proceeds from withdrawable units issued	3,100	2,713
Withdrawal of withdrawable units	(2,488)	(854)
Net increase from withdrawable unit transactions	612	1,859
Net (decrease) increase in net assets held for the benefit of policyowners	(1,960)	3,902
Net assets held for the benefit of policyowners	15,088	17,048
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	42,305	36,216
(Decrease) increase in net assets held for the benefit of policyowners	(6,335)	5,354
Withdrawable unit transactions		
Proceeds from withdrawable units issued	8,681	7,165
Withdrawal of withdrawable units	(9,036)	(6,430)
Net (decrease) increase from withdrawable unit transactions	(355)	735
Net (decrease) increase in net assets held for the benefit of policyowners	(6,690)	6,089
Net assets held for the benefit of policyowners	35,615	42,305

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, 2022	December 31, 2021
Cash flows from operating activities		
(Decrease) increase in net assets held for the benefit of policyowners	(6,335)	5,354
Adjustments for:		
Net realized gain on sale of investments and derivatives	(1,728)	(900)
Change in unrealized depreciation (appreciation) of investments and derivatives	7,753	(4,917)
Decrease in distribution receivable from investment trusts	3	6
(Decrease) increase in accrued expenses	(40)	37
Purchases of investments	(28,871)	(10,294)
Proceeds from sale and maturity of investments	29,691	9,960
Net cash from (used in) operating activities	473	(754)
Cash flows from financing activities		
Proceeds from issuances of withdrawable units	6,321	3,804
Amounts paid on withdrawal of withdrawable units	(6,636)	(3,085)
Net cash (used in) from financing activities	(315)	719
Net increase (decrease) in cash	158	(35)
Cash at beginning of period	295	330
Cash at end of period	453	295
Supplementary Information:		
Interest received, net of withholding taxes*	4	0
Distributions received from investment trusts*	722	626
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, 2022</i>	Number of Units	Cost* (\$)	Fair Value (\$)
HOLDINGS IN INVESTMENT FUNDS			
Fixed Income Funds — 43.7%			
BMO Mid Corporate Bond Index ETF	348,980	5,395	5,050
BMO Mid Federal Bond Index ETF	655,180	10,093	9,331
BMO Mid-Term US IG Corporate Bond Index ETF	69,100	1,247	1,161
		16,735	15,542
U.S. Equity Fund — 55.7%			
BMO S&P 500 Index ETF	348,990	18,291	19,855
Total Investment Portfolio — 99.4%		35,026	35,397
Other Assets Less Liabilities — 0.6%			218
Net assets held for the benefit of policyowners — 100.0%			35,615

* 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, 2022

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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 at 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 and 100/100 Class F Units 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 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 F Units	May 14, 2018
100/100 Prestige Class Units	October 1, 2014

Change in units

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

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
100/100 Class A Units		
Units issued and outstanding, beginning of period	1,704	1,804
Issued for cash	420	312
Withdrawn during the period	(498)	(412)
Units issued and outstanding, end of period	1,626	1,704
100/100 Class F Units		
Units issued and outstanding, beginning of period	25	7
Issued for cash	9	18
Withdrawn during the period	(0)	—
Units issued and outstanding, end of period	34	25
100/100 Prestige Class Units		
Units issued and outstanding, beginning of period	1,190	1,056
Issued for cash	242	200
Withdrawn during the period	(193)	(66)
Units issued and outstanding, end of period	1,239	1,190

Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2022		
Class	Number of Units	Value of Units (\$)
100/100 Class F Units	1,000	12
As at December 31, 2021		
Class	Number of Units	Value of Units (\$)
100/100 Class F Units	1,000	14

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, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	35,397	—	—	35,397

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	42,156	—	—	42,156

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	As at December 31, 2021
Carrying amount		
BMO Mid Corporate Bond Index ETF	5,050	3,586
BMO Mid Federal Bond Index ETF	9,331	6,731
BMO Mid-Term US IG Corporate Bond Index ETF	1,161	812
BMO S&P 500 Index ETF	19,855	31,027
Total	35,397	42,156

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

BMO Mid Corporate Bond Index ETF	1.02%	0.35%
BMO Mid Federal Bond Index ETF	0.93%	2.30%
BMO Mid-Term US IG Corporate Bond Index ETF	0.04%	0.04%
BMO S&P 500 Index ETF	0.16%	0.22%

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, 2022



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, 2022 and December 31, 2021 is calculated as follows:

<i>For the periods ended</i>	December 31, 2022	December 31, 2021
100/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(3,696)	3,295
Weighted average units outstanding during the period (in thousands of units)	1,630	1,770
(Decrease) increase in net assets held for the benefit of policyowners per unit	(2.27)	1.86
100/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(67)	16
Weighted average units outstanding during the period (in thousands of units)	34	8
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.96)	1.93
100/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(2,572)	2,043
Weighted average units outstanding during the period (in thousands of units)	1,211	1,088
(Decrease) increase in net assets held for the benefit of policyowners per unit	(2.12)	1.88

Brokerage commissions

<i>For the periods ended</i>	December 31, 2022 (\$)	December 31, 2021 (\$)
Total brokerage amounts paid	24	7
Total brokerage amounts paid to related parties	0	2

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, 2022	December 31, 2021
Holdings in Investment Funds		
Fixed Income Funds	43.7%	26.3%
U.S. Equity Funds	55.7%	73.3%
Other Assets less Liabilities	0.6%	0.4%
	100.0%	100.0%

Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2022 and December 31, 2021.

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, 2022

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	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 20,116	24,902	22,981	22,417	23,073
Net asset value per unit ⁽¹⁾	\$ 12.37	14.61	12.74	12.00	10.76
Units issued and outstanding (000's) ⁽¹⁾	1,626	1,704	1,804	1,869	2,144
Management fees	% 1.50	1.50	1.50	1.50	1.50
Management expense ratio ⁽²⁾	% 3.09	3.08	3.08	3.09	3.08
Management expense ratio before waivers	% 3.09	3.08	3.08	3.09	3.08
Portfolio turnover rate ⁽³⁾	% 79.12	26.17	115.49	48.16	83.77

Years ended December 31,

100/100 Class F Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 411	355	89	283	187
Net asset value per unit ⁽¹⁾	\$ 11.96	13.97	12.05	11.23	9.96
Units issued and outstanding (000's) ⁽¹⁾	34	25	7	25	19
Management fees	% 0.50	0.50	0.50	0.50	0.50
Management expense ratio ⁽²⁾	% 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 ⁽³⁾	% 79.12	26.17	115.49	48.16	83.77

Years ended December 31,

100/100 Prestige Class Units	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 15,088	17,048	13,146	12,450	12,704
Net asset value per unit ⁽¹⁾	\$ 12.18	14.33	12.45	11.68	10.44
Units issued and outstanding (000's) ⁽¹⁾	1,239	1,190	1,056	1,066	1,217
Management fees	% 1.15	1.15	1.15	1.15	1.15
Management expense ratio ⁽²⁾	% 2.70	2.70	2.69	2.70	2.67
Management expense ratio before waivers	% 2.70	2.70	2.69	2.70	2.67
Portfolio turnover rate ⁽³⁾	% 79.12	26.17	115.49	48.16	83.77

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.

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

⁽³⁾ The Fund's portfolio turnover 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.

⁽⁴⁾ The information shown in this column is for the period beginning May 14, 2018 (the class' inception date) and ending December 31, 2018.

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

BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2022

BMO Canadian Balanced Growth GIF

STATEMENT OF FINANCIAL POSITION <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>			STATEMENT OF COMPREHENSIVE INCOME <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		
As at	December 31, 2022	December 31, 2021	For the periods ended	December 31, 2022	December 31, 2021
ASSETS			INCOME		
CURRENT ASSETS			Interest income		
Cash	142	98		2	—
Investments			Distributions received from investment trusts	629	473
Non-derivative financial assets	16,307	16,340	Other changes in fair value of investments and derivatives		
Subscriptions receivable	0	(4)	Net realized gain	33	341
Distribution receivable from investment trusts	94	84	Change in unrealized (depreciation) appreciation	(2,224)	941
Total assets	16,543	16,518	Net (loss) gain in fair value of investments and derivatives	(1,560)	1,755
LIABILITIES			Total (loss) income	(1,560)	1,755
CURRENT LIABILITIES			EXPENSES		
Redemptions payable	20	28	Management fees (note 7)	223	213
Accrued expenses	115	114	Fixed administration fees (note 7)	46	44
Total liabilities	135	142	Insurance fees (note 7)	188	182
Net assets held for the benefit of policyowners	16,408	16,376	Interest charges	0	0
Net assets held for the benefit of policyowners			Commissions and other portfolio transaction costs (note 7)	15	4
100/100 Class A Units	10,173	9,127	Total expenses	472	443
100/100 Class F Units	301	219	(Decrease) increase in net assets held for the benefit of policyowners	(2,032)	1,312
100/100 Prestige Class Units	5,934	7,030	(Decrease) increase in net assets held for the benefit of policyowners		
Net assets held for the benefit of policyowners per unit			100/100 Class A Units	(1,224)	746
100/100 Class A Units	\$ 10.48	\$ 11.82	100/100 Class F Units	(35)	20
100/100 Class F Units	\$ 10.64	\$ 11.88	100/100 Prestige Class Units	(773)	546
100/100 Prestige Class Units	\$ 10.15	\$ 11.41	(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)		
			100/100 Class A Units	(1.34)	0.93
			100/100 Class F Units	(1.25)	1.05
			100/100 Prestige Class Units	(1.30)	0.93

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, 2022	December 31, 2021
100/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	9,127	8,760
(Decrease) increase in net assets held for the benefit of policyowners	(1,224)	746
Withdrawable unit transactions		
Proceeds from withdrawable units issued	3,999	1,334
Withdrawal of withdrawable units	(1,729)	(1,713)
Net increase (decrease) from withdrawable unit transactions	2,270	(379)
Net increase in net assets held for the benefit of policyowners	1,046	367
Net assets held for the benefit of policyowners	10,173	9,127
100/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	219	206
(Decrease) increase in net assets held for the benefit of policyowners	(35)	20
Withdrawable unit transactions		
Proceeds from withdrawable units issued	125	—
Withdrawal of withdrawable units	(8)	(7)
Net increase (decrease) from withdrawable unit transactions	117	(7)
Net increase in net assets held for the benefit of policyowners	82	13
Net assets held for the benefit of policyowners	301	219

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, 2022	December 31, 2021
100/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	7,030	6,061
(Decrease) increase in net assets held for the benefit of policyowners	(773)	546
Withdrawable unit transactions		
Proceeds from withdrawable units issued	1,227	798
Withdrawal of withdrawable units	(1,550)	(375)
Net (decrease) increase from withdrawable unit transactions	(323)	423
Net (decrease) increase in net assets held for the benefit of policyowners	(1,096)	969
Net assets held for the benefit of policyowners	5,934	7,030
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	16,376	15,027
(Decrease) increase in net assets held for the benefit of policyowners	(2,032)	1,312
Withdrawable unit transactions		
Proceeds from withdrawable units issued	5,351	2,132
Withdrawal of withdrawable units	(3,287)	(2,095)
Net increase from withdrawable unit transactions	2,064	37
Net increase in net assets held for the benefit of policyowners	32	1,349
Net assets held for the benefit of policyowners	16,408	16,376

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, 2022	December 31, 2021
Cash flows from operating activities		
(Decrease) increase in net assets held for the benefit of policyowners	(2,032)	1,312
Adjustments for:		
Net realized gain on sale of investments and derivatives	(32)	(341)
Change in unrealized depreciation (appreciation) of investments and derivatives	2,223	(941)
Increase in distribution receivable from investment trusts	(10)	(12)
Increase in accrued expenses	1	11
Non-cash distributions from investment trusts	(156)	(57)
Purchases of investments	(15,749)	(4,660)
Proceeds from sale and maturity of investments	13,747	4,618
Net cash used in operating activities	(2,008)	(70)
Cash flows from financing activities		
Proceeds from issuances of withdrawable units	4,382	1,460
Amounts paid on withdrawal of withdrawable units	(2,330)	(1,410)
Net cash from financing activities	2,052	50
Net increase (decrease) in cash	44	(20)
Cash at beginning of period	98	118
Cash at end of period	142	98
Supplementary Information:		
Interest received, net of withholding taxes*	2	—
Distributions received from investment trusts*	463	404
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, 2022</i>	Number of Units	Cost* (\$)	Fair Value (\$)
HOLDINGS IN INVESTMENT FUNDS			
Canadian Equity Fund — 46.6%			
BMO S&P/TSX Capped Composite Index ETF	294,570	7,594	7,645
Fixed Income Funds — 41.1%			
BMO Mid Corporate Bond Index ETF	151,250	2,261	2,189
BMO Mid Federal Bond Index ETF	285,070	4,300	4,060
BMO Mid-Term US IG Corporate Bond Index ETF	30,140	535	506
		7,096	6,755
International Equity Fund — 4.7%			
BMO MSCI EAFE Index ETF	40,290	751	762
U.S. Equity Fund — 7.0%			
BMO S&P 500 Index ETF	20,130	1,082	1,145
Total Investment Portfolio — 99.4%		16,523	16,307
Other Assets Less Liabilities — 0.6%			101
Net assets held for the benefit of policyowners — 100.0%			16,408

* 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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 and 100/100 Class F Units 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, 2022

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 F Units	May 14, 2018
100/100 Prestige Class Units	October 1, 2014

Change in units

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

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
100/100 Class A Units		
Units issued and outstanding, beginning of period	772	804
Issued for cash	357	118
Withdrawn during the period	(158)	(150)
Units issued and outstanding, end of period	971	772
100/100 Class F Units		
Units issued and outstanding, beginning of period	18	19
Issued for cash	11	—
Withdrawn during the period	(1)	(1)
Units issued and outstanding, end of period	28	18
100/100 Prestige Class Units		
Units issued and outstanding, beginning of period	616	578
Issued for cash	114	72
Withdrawn during the period	(146)	(34)
Units issued and outstanding, end of period	584	616

Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2022		
Class	Number of Units	Value of Units (\$)
100/100 Class F Units	1,000	11
As at December 31, 2021		
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 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, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	16,307	—	—	16,307

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	16,340	—	—	16,340

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	As at December 31, 2021
Carrying amount		
BMO Mid Corporate Bond Index ETF	2,189	1,900
BMO Mid Federal Bond Index ETF	4,060	3,556
BMO Mid-Term US IG Corporate Bond Index ETF	506	430
BMO MSCI EAFE Index ETF	762	832
BMO S&P 500 Index ETF	1,145	1,261
BMO S&P/TSX Capped Composite Index ETF	7,645	8,361
Total	16,307	16,340

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

BMO Mid Corporate Bond Index ETF	0.44%	0.19%
BMO Mid Federal Bond Index ETF	0.40%	1.22%
BMO Mid-Term US IG Corporate Bond Index ETF	0.02%	0.02%
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	0.11%	0.11%

BMO Canadian 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, 2022



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, 2022 and December 31, 2021 is calculated as follows:

<i>For the periods ended</i>	December 31, 2022	December 31, 2021
100/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1,224)	746
Weighted average units outstanding during the period (in thousands of units)	913	804
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.34)	0.93
100/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(35)	20
Weighted average units outstanding during the period (in thousands of units)	28	19
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.25)	1.05
100/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(773)	546
Weighted average units outstanding during the period (in thousands of units)	597	590
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.30)	0.93

Brokerage commissions

<i>For the periods ended</i>	December 31, 2022 (\$)	December 31, 2021 (\$)
Total brokerage amounts paid	15	4
Total brokerage amounts paid to related parties	0	1

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

Concentration risk

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

<i>As at</i>	December 31, 2022	December 31, 2021
Holdings in Investment Funds		
Canadian Equity Funds	46.6%	51.1%
Fixed Income Funds	41.1%	35.9%
International Equity Funds	4.7%	5.1%
U.S. Equity Funds	7.0%	7.7%
Other Assets less Liabilities	0.6%	0.2%
	100.0%	100.0%

Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2022 and December 31, 2021.

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

BMO Canadian Balanced Growth GIF

Supplementary Information

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

December 31, 2022

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	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 10,173	9,127	8,760	9,612	9,259
Net asset value per unit ⁽¹⁾	\$ 10.48	11.82	10.90	10.87	9.86
Units issued and outstanding (000's) ⁽¹⁾	971	772	804	884	938
Management fees	% 1.50	1.50	1.50	1.50	1.50
Management expense ratio ⁽²⁾	% 3.09	3.09	3.08	3.08	3.08
Management expense ratio before waivers	% 3.09	3.09	3.08	3.08	3.08
Portfolio turnover rate ⁽³⁾	% 83.92	29.52	73.41	35.07	39.73

Years ended December 31,

100/100 Class F Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 301	219	206	341	244
Net asset value per unit ⁽¹⁾	\$ 10.64	11.88	10.83	10.70	9.60
Units issued and outstanding (000's) ⁽¹⁾	28	18	19	32	25
Management fees	% 0.50	0.50	0.50	0.50	0.50
Management expense ratio ⁽²⁾	% 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 ⁽³⁾	% 83.92	29.52	73.41	35.07	39.73

Years ended December 31,

100/100 Prestige Class Units	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 5,934	7,030	6,061	5,784	6,476
Net asset value per unit ⁽¹⁾	\$ 10.15	11.41	10.48	10.42	9.42
Units issued and outstanding (000's) ⁽¹⁾	584	616	578	556	689
Management fees	% 1.15	1.15	1.15	1.15	1.15
Management expense ratio ⁽²⁾	% 2.70	2.70	2.69	2.68	2.64
Management expense ratio before waivers	% 2.70	2.70	2.69	2.68	2.64
Portfolio turnover rate ⁽³⁾	% 83.92	29.52	73.41	35.07	39.73

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.

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

⁽³⁾ The Fund's portfolio turnover 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.

⁽⁴⁾ The information shown in this column is for the period beginning May 14, 2018 (the class' inception date) and ending December 31, 2018.

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

BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2022

BMO Canadian Income Strategy GIF

STATEMENT OF FINANCIAL POSITION <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>			STATEMENT OF COMPREHENSIVE INCOME <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		
As at	December 31, 2022	December 31, 2021	For the periods ended	December 31, 2022	December 31, 2021
ASSETS			INCOME		
CURRENT ASSETS			Interest income		
Cash	85	56		1	—
Investments			Distributions received from investment trusts	325	221
Non-derivative financial assets	8,275	7,303	Other changes in fair value of investments and derivatives		
Subscriptions receivable	6	—	Net realized gain	87	186
Distribution receivable from investment trusts	40	29	Change in unrealized (depreciation) appreciation	(1,109)	547
Total assets	8,406	7,388	Net (loss) gain in fair value of investments and derivatives	(696)	954
LIABILITIES			Total (loss) income	(696)	954
CURRENT LIABILITIES			EXPENSES		
Redemptions payable	7	3	Management fees (note 7)	115	102
Accrued expenses	53	47	Fixed administration fees (note 7)	21	19
Total liabilities	60	50	Insurance fees (note 7)	67	60
Net assets held for the benefit of policyowners	8,346	7,338	Interest charges	0	0
Net assets held for the benefit of policyowners			Commissions and other portfolio transaction costs (note 7)	5	2
100/100 Class A Units	5,109	4,740	Total expenses	208	183
100/100 Class F Units	12	13	(Decrease) increase in net assets held for the benefit of policyowners	(904)	771
100/100 Prestige Class Units	3,225	2,585	(Decrease) increase in net assets held for the benefit of policyowners		
Net assets held for the benefit of policyowners per unit			100/100 Class A Units	(623)	491
100/100 Class A Units	\$ 11.10	\$ 12.49	100/100 Class F Units	(1)	2
100/100 Class F Units	\$ 11.70	\$ 13.03	100/100 Prestige Class Units	(280)	278
100/100 Prestige Class Units	\$ 10.91	\$ 12.23	(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)		
			100/100 Class A Units	(1.40)	1.31
			100/100 Class F Units	(1.33)	1.49
			100/100 Prestige Class Units	(1.21)	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, 2022	December 31, 2021
100/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	4,740	4,133
(Decrease) increase in net assets held for the benefit of policyowners	(623)	491
Withdrawable unit transactions		
Proceeds from withdrawable units issued	2,936	1,030
Withdrawal of withdrawable units	(1,944)	(914)
Net increase from withdrawable unit transactions	992	116
Net increase in net assets held for the benefit of policyowners	369	607
Net assets held for the benefit of policyowners	5,109	4,740
100/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	13	11
(Decrease) increase in net assets held for the benefit of policyowners	(1)	2
Net (decrease) increase in net assets held for the benefit of policyowners	(1)	2
Net assets held for the benefit of policyowners	12	13
100/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	2,585	2,450
(Decrease) increase in net assets held for the benefit of policyowners	(280)	278
Withdrawable unit transactions		
Proceeds from withdrawable units issued	1,449	367
Withdrawal of withdrawable units	(529)	(510)
Net increase (decrease) from withdrawable unit transactions	920	(143)
Net increase in net assets held for the benefit of policyowners	640	135
Net assets held for the benefit of policyowners	3,225	2,585

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, 2022	December 31, 2021
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	7,338	6,594
(Decrease) increase in net assets held for the benefit of policyowners	(904)	771
Withdrawable unit transactions		
Proceeds from withdrawable units issued	4,385	1,397
Withdrawal of withdrawable units	(2,473)	(1,424)
Net increase (decrease) from withdrawable unit transactions	1,912	(27)
Net increase in net assets held for the benefit of policyowners	1,008	744
Net assets held for the benefit of policyowners	8,346	7,338

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

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

For the periods ended	December 31, 2022	December 31, 2021
Cash flows from operating activities		
(Decrease) increase in net assets held for the benefit of policyowners	(904)	771
Adjustments for:		
Net realized gain on sale of investments and derivatives	(87)	(186)
Change in unrealized depreciation (appreciation) of investments and derivatives	1,109	(547)
Increase in distribution receivable from investment trusts	(11)	(2)
Increase in accrued expenses	6	4
Non-cash distributions from investment trusts	(95)	(33)
Purchases of investments	(5,383)	(1,943)
Proceeds from sale and maturity of investments	3,485	1,950
Net cash (used in) from operating activities	(1,880)	14
Cash flows from financing activities		
Proceeds from issuances of withdrawable units	2,847	1,084
Amounts paid on withdrawal of withdrawable units	(938)	(1,109)
Net cash from (used in) financing activities	1,909	(25)
Net increase (decrease) in cash	29	(11)
Cash at beginning of period	56	67
Cash at end of period	85	56
Supplementary Information:		
Interest received, net of withholding taxes*	1	—
Distributions received from investment trusts*	219	186
Interest expense paid*	0	0

*These items are from operating activities

SCHEDULE OF INVESTMENT PORTFOLIO

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

As at December 31, 2022	Number of Units	Cost* (\$)	Fair Value (\$)
HOLDINGS IN INVESTMENT FUNDS			
Canadian Equity Funds — 38.4%			
BMO Canadian Dividend ETF	32,740	595	620
BMO Equal Weight Banks Index ETF	10,905	352	366
BMO Equal Weight REITs Index ETF	12,920	325	284
BMO Equal Weight Utilities Index ETF	12,555	303	281
BMO Low Volatility Canadian Equity ETF	15,720	583	620
BMO S&P/TSX Capped Composite Index ETF	40,020	1,004	1,038
		3,162	3,209
Fixed Income Funds — 31.7%			
BMO Mid Corporate Bond Index ETF	59,570	915	862
BMO Mid Federal Bond Index ETF	111,410	1,717	1,587
BMO Mid-Term US IG Corporate Bond Index ETF	11,830	216	199
		2,848	2,648
International Equity Fund — 10.1%			
BMO MSCI EAFE Index ETF	44,390	832	839
Preferred Share Fixed Income Fund — 3.8%			
BMO Laddered Preferred Share Index ETF	34,985	353	317
U.S. Equity Fund — 15.1%			
BMO S&P 500 Index ETF	22,180	1,158	1,262
Total Investment Portfolio — 99.1%		8,353	8,275
Other Assets Less Liabilities — 0.9%			71
Net assets held for the benefit of policyowners — 100.0%			8,346

* 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, 2022

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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 at 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 and 100/100 Class F Units 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 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 F Units	May 14, 2018
100/100 Prestige Class Units	October 1, 2014

Change in units

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

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
100/100 Class A Units		
Units issued and outstanding, beginning of period	379	369
Issued for cash	254	87
Withdrawn during the period	(173)	(77)
Units issued and outstanding, end of period	460	379
100/100 Class F Units		
Units issued and outstanding, beginning of period	1	1
Units issued and outstanding, end of period	1	1
100/100 Prestige Class Units		
Units issued and outstanding, beginning of period	211	225
Issued for cash	131	31
Withdrawn during the period	(46)	(45)
Units issued and outstanding, end of period	296	211

Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2022		
Class	Number of Units	Value of Units (\$)
100/100 Class F Units	1,000	12
As at December 31, 2021		
Class	Number of Units	Value of Units (\$)
100/100 Class F Units	1,000	13

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, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	8,275	—	—	8,275

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	7,303	—	—	7,303

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	As at December 31, 2021
BMO Canadian Dividend ETF	620	581
BMO Equal Weight Banks Index ETF	366	358
BMO Equal Weight REITs Index ETF	284	267
BMO Equal Weight Utilities Index ETF	281	262
BMO Laddered Preferred Share Index ETF	317	303
BMO Low Volatility Canadian Equity ETF	620	580
BMO Mid Corporate Bond Index ETF	862	650
BMO Mid Federal Bond Index ETF	1,587	1,200
BMO Mid-Term US IG Corporate Bond Index ETF	199	144
BMO MSCI EAFE Index ETF	839	791
BMO S&P 500 Index ETF	1,262	1,188
BMO S&P/TSX Capped Composite Index ETF	1,038	979
Total	8,275	7,303

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

BMO Canadian Dividend ETF	0.06%	0.07%
BMO Equal Weight Banks Index ETF	0.01%	0.01%
BMO Equal Weight REITs Index ETF	0.05%	0.03%
BMO Equal Weight Utilities Index ETF	0.07%	0.05%
BMO Laddered Preferred Share Index ETF	0.02%	0.01%
BMO Low Volatility Canadian Equity ETF	0.02%	0.02%
BMO Mid Corporate Bond Index ETF	0.17%	0.06%

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, 2022

Carrying amount as a % of the underlying fund's Net Asset	As at December 31, 2022	As at December 31, 2021
BMO Mid Federal Bond Index ETF	0.16%	0.41%
BMO Mid-Term US IG Corporate Bond Index ETF	0.01%	0.01%
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	0.02%	0.01%

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, 2022 and December 31, 2021 is calculated as follows:

For the periods ended	December 31, 2022	December 31, 2021
100/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(623)	491
Weighted average units outstanding during the period (in thousands of units)	444	375
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.40)	1.31
100/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1)	2
Weighted average units outstanding during the period (in thousands of units)	1	1
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.33)	1.49
100/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(280)	278
Weighted average units outstanding during the period (in thousands of units)	230	210
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.21)	1.33

Brokerage commissions

For the periods ended	December 31, 2022 (\$)	December 31, 2021 (\$)
Total brokerage amounts paid	4	2
Total brokerage amounts paid to related parties	0	1

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

Concentration risk

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

As at	December 31, 2022	December 31, 2021
Holdings in Investment Funds		
Canadian Equity Funds	38.4%	41.2%
Fixed Income Funds	31.7%	27.2%
International Equity Funds	10.1%	10.8%
Preferred Share Fixed Income Fund	3.8%	4.1%
U.S. Equity Funds	15.1%	16.2%
Other Assets less Liabilities	0.9%	0.5%
	100.0%	100.0%

Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2022 and December 31, 2021.

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, 2022

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		2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$	5,109	4,740	4,133	4,230	4,452
Net asset value per unit ⁽¹⁾	\$	11.10	12.49	11.18	10.60	9.67
Units issued and outstanding (000's) ⁽¹⁾		460	379	369	399	461
Management fees	%	1.70	1.70	1.70	1.70	1.70
Management expense ratio ⁽²⁾	%	3.02	3.02	3.01	3.01	3.01
Management expense ratio before waivers	%	3.02	3.02	3.01	3.01	3.01
Portfolio turnover rate ⁽³⁾	%	45.61	28.53	74.96	24.31	30.75

Years ended December 31,

100/100 Class F Units		2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$	12	13	11	11	10
Net asset value per unit ⁽¹⁾	\$	11.70	13.03	11.54	10.82	9.77
Units issued and outstanding (000's) ⁽¹⁾		1	1	1	1	1
Management fees	%	0.70	0.70	0.70	0.70	0.70
Management expense ratio ⁽²⁾	%	1.95	1.95	1.95	1.95	1.93
Management expense ratio before waivers	%	1.95	1.95	1.95	1.95	1.93
Portfolio turnover rate ⁽³⁾	%	45.61	28.53	74.96	24.31	30.75

Years ended December 31,

100/100 Prestige Class Units		2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$	3,225	2,585	2,450	2,043	1,739
Net asset value per unit ⁽¹⁾	\$	10.91	12.23	10.91	10.30	9.37
Units issued and outstanding (000's) ⁽¹⁾		296	211	225	198	186
Management fees	%	1.35	1.35	1.35	1.35	1.35
Management expense ratio ⁽²⁾	%	2.67	2.67	2.67	2.67	2.64
Management expense ratio before waivers	%	2.67	2.67	2.67	2.67	2.64
Portfolio turnover rate ⁽³⁾	%	45.61	28.53	74.96	24.31	30.75

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.

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

⁽³⁾ The Fund's portfolio turnover 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.

⁽⁴⁾ The information shown in this column is for the period beginning May 14, 2018 (the class' inception date) and ending December 31, 2018.

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

BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2022

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, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash	763	—
Investments		
Non-derivative financial assets	75,338	54,958
Receivable for investments sold	—	174
Subscriptions receivable	970	485
Distribution receivable from investment trusts	432	251
Total assets	77,503	55,868
LIABILITIES		
CURRENT LIABILITIES		
Bank indebtedness	—	6
Payable for investments purchased	270	—
Redemptions payable	418	310
Accrued expenses	419	304
Total liabilities	1,107	620
Net assets held for the benefit of policyowners	76,396	55,248
Net assets held for the benefit of policyowners		
75/75 Class A Units	17,061	11,392
75/100 Class A Units	24,291	19,971
75/75 Class F Units	48	16
75/100 Class F Units	295	121
75/75 Prestige Class Units	12,611	8,264
75/100 Prestige Class Units	22,090	15,484
Net assets held for the benefit of policyowners per unit		
75/75 Class A Units	\$ 16.36	\$ 15.49
75/100 Class A Units	\$ 16.00	\$ 15.20
75/75 Class F Units	\$ 16.57	\$ 15.52
75/100 Class F Units	\$ 16.28	\$ 15.31
75/75 Prestige Class Units	\$ 13.31	\$ 12.59
75/100 Prestige Class Units	\$ 13.19	\$ 12.51

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

For the periods ended	December 31, 2022	December 31, 2021
INCOME		
Distributions received from investment trusts	2,747	3,682
Other changes in fair value of investments and derivatives		
Net realized gain	246	602
Change in unrealized appreciation	2,375	5,218
Net gain in fair value of investments and derivatives	5,368	9,502
Total income	5,368	9,502
EXPENSES		
Management fees (note 7)	768	604
Fixed administration fees (note 7)	176	138
Insurance fees (note 7)	517	407
Interest charges	0	0
Commissions and other portfolio transaction costs (note 7)	4	3
Total expenses	1,465	1,152
Increase in net assets held for the benefit of policyowners	3,903	8,350
Increase in net assets held for the benefit of policyowners		
75/75 Class A Units	857	1,734
75/100 Class A Units	1,244	2,990
75/75 Class F Units	2	3
75/100 Class F Units	7	16
75/75 Prestige Class Units	615	1,225
75/100 Prestige Class Units	1,178	2,382
Increase in net assets held for the benefit of policyowners per unit (note 3)		
75/75 Class A Units	1.03	2.38
75/100 Class A Units	0.87	2.26
75/75 Class F Units	1.82	2.51
75/100 Class F Units	1.15	2.57
75/75 Prestige Class Units	0.83	2.01
75/100 Prestige Class Units	0.79	1.92

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, 2022	December 31, 2021
75/75 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	11,392	9,357
Increase in net assets held for the benefit of policyowners	857	1,734
Withdrawable unit transactions		
Proceeds from withdrawable units issued	12,174	3,864
Withdrawal of withdrawable units	(7,362)	(3,563)
Net increase from withdrawable unit transactions	4,812	301
Net increase in net assets held for the benefit of policyowners	5,669	2,035
Net assets held for the benefit of policyowners	17,061	11,392
75/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	19,971	18,644
Increase in net assets held for the benefit of policyowners	1,244	2,990
Withdrawable unit transactions		
Proceeds from withdrawable units issued	16,704	8,639
Withdrawal of withdrawable units	(13,628)	(10,302)
Net increase (decrease) from withdrawable unit transactions	3,076	(1,663)
Net increase in net assets held for the benefit of policyowners	4,320	1,327
Net assets held for the benefit of policyowners	24,291	19,971
75/75 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	16	13
Increase in net assets held for the benefit of policyowners	2	3
Withdrawable unit transactions		
Proceeds from withdrawable units issued	30	—
Net increase from withdrawable unit transactions	30	—
Net increase in net assets held for the benefit of policyowners	32	3
Net assets held for the benefit of policyowners	48	16

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, 2022	December 31, 2021
75/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	121	61
Increase in net assets held for the benefit of policyowners	7	16
Withdrawable unit transactions		
Proceeds from withdrawable units issued	230	44
Withdrawal of withdrawable units	(63)	—
Net increase from withdrawable unit transactions	167	44
Net increase in net assets held for the benefit of policyowners	174	60
Net assets held for the benefit of policyowners	295	121
75/75 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	8,264	5,857
Increase in net assets held for the benefit of policyowners	615	1,225
Withdrawable unit transactions		
Proceeds from withdrawable units issued	5,472	2,432
Withdrawal of withdrawable units	(1,740)	(1,250)
Net increase from withdrawable unit transactions	3,732	1,182
Net increase in net assets held for the benefit of policyowners	4,347	2,407
Net assets held for the benefit of policyowners	12,611	8,264

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, 2022	December 31, 2021
75/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	15,484	13,353
Increase in net assets held for the benefit of policyowners	1,178	2,382
Withdrawable unit transactions		
Proceeds from withdrawable units issued	9,890	4,698
Withdrawal of withdrawable units	(4,462)	(4,949)
Net increase (decrease) from withdrawable unit transactions	5,428	(251)
Net increase in net assets held for the benefit of policyowners	6,606	2,131
Net assets held for the benefit of policyowners	22,090	15,484
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	55,248	47,285
Increase in net assets held for the benefit of policyowners	3,903	8,350
Withdrawable unit transactions		
Proceeds from withdrawable units issued	44,500	19,677
Withdrawal of withdrawable units	(27,255)	(20,064)
Net increase (decrease) from withdrawable unit transactions	17,245	(387)
Net increase in net assets held for the benefit of policyowners	21,148	7,963
Net assets held for the benefit of policyowners	76,396	55,248

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

STATEMENT OF CASH FLOWS <i>(All amounts in thousands of Canadian dollars)</i>			SCHEDULE OF INVESTMENT PORTFOLIO <i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>For the periods ended</i>	December 31, 2022	December 31, 2021	<i>As at December 31, 2022</i>	Number of Units	Cost* (\$)	Fair Value (\$)
Cash flows from operating activities			HOLDINGS IN INVESTMENT FUND			
Increase in net assets held for the benefit of policyowners	3,903	8,350	U.S. Equity Fund — 98.6%			
Adjustments for:			BMO Low Volatility US Equity ETF			
Net realized gain on sale of investments and derivatives	(246)	(602)	1,547,070	65,420	75,338	
Change in unrealized appreciation of investments and derivatives	(2,375)	(5,218)	Total Investment Portfolio — 98.6%			
Increase in distribution receivable from investment trusts	(181)	(8)		65,420	75,338	
Increase in accrued expenses	115	33	Other Assets Less Liabilities — 1.4%			
Non-cash distributions from investment trusts	(1,418)	(2,719)	Net assets held for the benefit			
Purchases of investments	(17,454)	(5,128)	of policyowners — 100.0%			
Proceeds from sale and maturity of investments	1,556	5,821	76,396			
Net cash (used in) from operating activities	(16,100)	529				
Cash flows from financing activities						
Proceeds from issuances of withdrawable units	28,638	11,940				
Amounts paid on withdrawal of withdrawable units	(11,769)	(12,501)				
Net cash from (used in) financing activities	16,869	(561)				
Net increase (decrease) in cash	769	(32)				
Cash and bank indebtedness at beginning of period	(6)	26				
Cash and bank indebtedness at end of period	763	(6)				
Supplementary Information:						
Distributions received from investment trusts*	1,148	955				
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.

*These items are from operating activities

BMO Low Volatility U.S. Equity GIF

Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2022

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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 at 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 and 100/100 Class F Units 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 F Units, 75/100 Class F Units, 75/75 Prestige Class Units and 75/100 Prestige Class 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 F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
75/75 Prestige Class Units	May 6, 2019
75/100 Prestige Class Units	May 6, 2019

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, 2022	December 31, 2021
75/75 Class A Units		
Units issued and outstanding, beginning of period	736	713
Issued for cash	777	282
Withdrawn during the period	(470)	(259)
Units issued and outstanding, end of period	1,043	736

75/100 Class A Units

Units issued and outstanding, beginning of period	1,314	1,442
Issued for cash	1,097	631
Withdrawn during the period	(892)	(759)
Units issued and outstanding, end of period	1,519	1,314

75/75 Class F Units

Units issued and outstanding, beginning of period	1	1
Issued for cash	2	—
Units issued and outstanding, end of period	3	1

75/100 Class F Units

Units issued and outstanding, beginning of period	8	5
Issued for cash	14	3
Withdrawn during the period	(4)	—
Units issued and outstanding, end of period	18	8

75/75 Prestige Class Units

Units issued and outstanding, beginning of period	656	550
Issued for cash	430	218
Withdrawn during the period	(139)	(112)
Units issued and outstanding, end of period	947	656

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
75/100 Prestige Class Units		
Units issued and outstanding, beginning of period	1,238	1,259
Issued for cash	787	419
Withdrawn during the period	(351)	(440)
Units issued and outstanding, end of period	1,674	1,238

Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2022	Number of Units	Value of Units (\$)
Class		
75/75 Class F Units	1,000	17
75/100 Class F Units	1,000	16
75/75 Prestige Class Units	1,000	13
75/100 Prestige Class Units	1,000	13

As at December 31, 2021	Number of Units	Value of Units (\$)
Class		
75/75 Class F Units	1,000	16
75/100 Class F Units	1,000	15
75/75 Prestige Class Units	1,000	13
75/100 Prestige Class Units	1,000	13

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).

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 (%)
Currencies					
U.S. Dollar	592	75,226	—	75,818	99.2

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, 2022



As at December 31, 2021

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	410	54,842	—	55,252	100.0

As at December 31, 2022 and December 31, 2021, 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 \$3,791 (December 31, 2021 — \$2,763). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Interest rate risk

As at December 31, 2022 and December 31, 2021, 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 \$5,698 (December 31, 2021 — \$4,594). 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, 2022 and December 31, 2021, 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, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	75,338	—	—	75,338

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	54,958	—	—	54,958

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	As at December 31, 2021
BMO Low Volatility US Equity ETF	75,338	54,958

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

BMO Low Volatility US Equity ETF	4.54%	2.66%
----------------------------------	-------	-------

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, 2022 and December 31, 2021 is calculated as follows:

For the periods ended	December 31, 2022	December 31, 2021
75/75 Class A Units		
Increase in net assets held for the benefit of policyowners	857	1,734
Weighted average units outstanding during the period (in thousands of units)	830	729
Increase in net assets held for the benefit of policyowners per unit	1.03	2.38
75/100 Class A Units		
Increase in net assets held for the benefit of policyowners	1,244	2,990
Weighted average units outstanding during the period (in thousands of units)	1,423	1,323
Increase in net assets held for the benefit of policyowners per unit	0.87	2.26
75/75 Class F Units		
Increase in net assets held for the benefit of policyowners	2	3
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	1.82	2.51

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, 2022



<i>For the periods ended</i>	December 31, 2022	December 31, 2021
75/100 Class F Units		
Increase in net assets held for the benefit of policyowners	7	16
Weighted average units outstanding during the period (in thousands of units)	6	6
Increase in net assets held for the benefit of policyowners per unit	1.15	2.57
75/75 Prestige Class Units		
Increase in net assets held for the benefit of policyowners	615	1,225
Weighted average units outstanding during the period (in thousands of units)	742	611
Increase in net assets held for the benefit of policyowners per unit	0.83	2.01
75/100 Prestige Class Units		
Increase in net assets held for the benefit of policyowners	1,178	2,382
Weighted average units outstanding during the period (in thousands of units)	1,494	1,244
Increase in net assets held for the benefit of policyowners per unit	0.79	1.92

Brokerage commissions

<i>For the periods ended</i>	December 31, 2022 (\$)	December 31, 2021 (\$)
Total brokerage amounts paid	4	3
Total brokerage amounts paid to related parties	0	1

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

Concentration risk

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

<i>As at</i>	December 31, 2022	December 31, 2021
Equities		
Communication Services	1.7%	1.6%
Consumer Discretionary	8.2%	9.7%
Consumer Staples	21.5%	19.2%
Energy	1.3%	1.1%
Financials	12.0%	11.9%
Health Care	17.0%	14.7%
Industrials	7.2%	7.1%
Information Technology	3.1%	4.1%
Materials	1.2%	1.3%
Real Estate	5.7%	7.0%
Utilities	19.6%	21.6%
Other Assets less Liabilities	1.5%	0.7%
	100.0%	100.0%

Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2022 and December 31, 2021.

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, 2022



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,				
	2022	2021	2020	2019	2018
75/75 Class A Units					
Net asset (000's) ⁽¹⁾	\$ 17,061	11,392	9,357	7,268	6,619
Net asset value per unit ⁽¹⁾	\$ 16.36	15.49	13.12	13.16	11.19
Units issued and outstanding (000's) ⁽¹⁾	1,043	736	713	552	592
Management fees	% 1.50	1.50	1.50	1.50	1.50
Management expense ratio ⁽²⁾	% 2.54	2.54	2.53	2.54	2.55
Management expense ratio before waivers	% 2.54	2.54	2.53	2.54	2.55
Portfolio turnover rate ⁽³⁾	% 2.20	10.48	7.95	4.51	11.54

	Years ended December 31,				
	2022	2021	2020	2019	2018
75/100 Class A Units					
Net asset (000's) ⁽¹⁾	\$ 24,291	19,971	18,644	15,406	11,678
Net asset value per unit ⁽¹⁾	\$ 16.00	15.20	12.93	13.01	11.10
Units issued and outstanding (000's) ⁽¹⁾	1,519	1,314	1,442	1,184	1,052
Management fees	% 1.50	1.50	1.50	1.50	1.50
Management expense ratio ⁽²⁾	% 2.89	2.90	2.89	2.89	2.90
Management expense ratio before waivers	% 2.89	2.90	2.89	2.89	2.90
Portfolio turnover rate ⁽³⁾	% 2.20	10.48	7.95	4.51	11.54

	Years ended December 31,				
	2022	2021	2020	2019	2018 ⁽⁴⁾
75/75 Class F Units					
Net asset (000's) ⁽¹⁾	\$ 48	16	13	13	11
Net asset value per unit ⁽¹⁾	\$ 16.57	15.52	13.01	12.91	10.85
Units issued and outstanding (000's) ⁽¹⁾	3	1	1	1	1
Management fees	% 0.50	0.50	0.50	0.50	0.50
Management expense ratio ⁽²⁾	% 1.44	1.44	1.42	1.42	1.45
Management expense ratio before waivers	% 1.44	1.44	1.42	1.42	1.45
Portfolio turnover rate ⁽³⁾	% 2.20	10.48	7.95	4.51	11.54

	Years ended December 31,				
	2022	2021	2020	2019	2018 ⁽⁴⁾
75/100 Class F Units					
Net asset (000's) ⁽¹⁾	\$ 295	121	61	61	11
Net asset value per unit ⁽¹⁾	\$ 16.28	15.31	12.88	12.83	10.83
Units issued and outstanding (000's) ⁽¹⁾	18	8	5	5	1
Management fees	% 0.50	0.50	0.50	0.50	0.50
Management expense ratio ⁽²⁾	% 1.80	1.80	1.80	1.80	1.81
Management expense ratio before waivers	% 1.80	1.80	1.80	1.80	1.81
Portfolio turnover rate ⁽³⁾	% 2.20	10.48	7.95	4.51	11.54

	Years ended December 31,			
	2022	2021	2020	2019 ⁽⁵⁾
75/75 Prestige Class Units				
Net asset (000's) ⁽¹⁾	\$ 12,611	8,264	5,857	4,056
Net asset value per unit ⁽¹⁾	\$ 13.31	12.59	10.64	10.69
Units issued and outstanding (000's) ⁽¹⁾	947	656	550	380
Management fees	% 1.32	1.32	1.32	1.32
Management expense ratio ⁽²⁾	% 2.35	2.34	2.36	2.36
Management expense ratio before waivers	% 2.35	2.34	2.36	2.36
Portfolio turnover rate ⁽³⁾	% 2.20	10.48	7.95	4.51

	Years ended December 31,			
	2022	2021	2020	2019 ⁽⁵⁾
75/100 Prestige Class Units				
Net asset (000's) ⁽¹⁾	\$ 22,090	15,484	13,353	8,281
Net asset value per unit ⁽¹⁾	\$ 13.19	12.51	10.60	10.66
Units issued and outstanding (000's) ⁽¹⁾	1,674	1,238	1,259	777
Management fees	% 1.23	1.23	1.23 [†]	1.32
Management expense ratio ⁽²⁾	% 2.60	2.60	2.63	2.70
Management expense ratio before waivers	% 2.60	2.60	2.63	2.70
Portfolio turnover rate ⁽³⁾	% 2.20	10.48	7.95	4.51

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.
⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.
⁽³⁾ The Fund's portfolio turnover 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.
⁽⁴⁾ The information shown in this column is for the period beginning May 14, 2018 (the class' inception date) and ending December 31, 2018.
⁽⁵⁾ The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.
[†] Effective May 11, 2020, 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, 2022

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, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash	373	215
Investments		
Non-derivative financial assets	35,464	40,444
Subscriptions receivable	0	372
Distribution receivable from investment trusts	188	174
Total assets	36,025	41,205
LIABILITIES		
CURRENT LIABILITIES		
Redemptions payable	13	391
Accrued expenses	226	253
Total liabilities	239	644
Net assets held for the benefit of policyowners	35,786	40,561
Net assets held for the benefit of policyowners		
100/100 Class A Units	19,255	21,839
100/100 Class F Units	11	12
100/100 Prestige Class Units	16,520	18,710
Net assets held for the benefit of policyowners per unit		
100/100 Class A Units	\$ 11.56	\$ 12.65
100/100 Class F Units	\$ 11.35	\$ 12.29
100/100 Prestige Class Units	\$ 11.28	\$ 12.29

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

For the periods ended	December 31, 2022	December 31, 2021
INCOME		
Interest income	3	0
Distributions received from investment trusts	1,469	1,426
Other changes in fair value of investments and derivatives		
Net realized gain	273	736
Change in unrealized (depreciation) appreciation	(4,255)	2,863
Net (loss) gain in fair value of investments and derivatives	(2,510)	5,025
Total (loss) income	(2,510)	5,025
EXPENSES		
Management fees (note 7)	530	583
Fixed administration fees (note 7)	103	112
Insurance fees (note 7)	300	328
Interest charges	0	0
Commissions and other portfolio transaction costs (note 7)	10	9
Total expenses	943	1,032
(Decrease) increase in net assets held for the benefit of policyowners	(3,453)	3,993
(Decrease) increase in net assets held for the benefit of policyowners		
100/100 Class A Units	(1,905)	2,232
100/100 Class F Units	(1)	1
100/100 Prestige Class Units	(1,547)	1,760
(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)		
100/100 Class A Units	(1.12)	1.17
100/100 Class F Units	(0.94)	1.25
100/100 Prestige Class Units	(1.03)	1.16

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, 2022	December 31, 2021
100/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	21,839	23,998
(Decrease) increase in net assets held for the benefit of policyowners	(1,905)	2,232
Withdrawable unit transactions		
Proceeds from withdrawable units issued	3,583	1,639
Withdrawal of withdrawable units	(4,262)	(6,030)
Net decrease from withdrawable unit transactions	(679)	(4,391)
Net decrease in net assets held for the benefit of policyowners	(2,584)	(2,159)
Net assets held for the benefit of policyowners	19,255	21,839
100/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	12	11
(Decrease) increase in net assets held for the benefit of policyowners	(1)	1
Net (decrease) increase in net assets held for the benefit of policyowners	(1)	1
Net assets held for the benefit of policyowners	11	12
100/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	18,710	17,362
(Decrease) increase in net assets held for the benefit of policyowners	(1,547)	1,760
Withdrawable unit transactions		
Proceeds from withdrawable units issued	2,082	1,741
Withdrawal of withdrawable units	(2,725)	(2,153)
Net decrease from withdrawable unit transactions	(643)	(412)
Net (decrease) increase in net assets held for the benefit of policyowners	(2,190)	1,348
Net assets held for the benefit of policyowners	16,520	18,710

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, 2022	December 31, 2021
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	40,561	41,371
(Decrease) increase in net assets held for the benefit of policyowners	(3,453)	3,993
Withdrawable unit transactions		
Proceeds from withdrawable units issued	5,665	3,380
Withdrawal of withdrawable units	(6,987)	(8,183)
Net decrease from withdrawable unit transactions	(1,322)	(4,803)
Net decrease in net assets held for the benefit of policyowners	(4,775)	(810)
Net assets held for the benefit of policyowners	35,786	40,561

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, 2022	December 31, 2021
Cash flows from operating activities		
(Decrease) increase in net assets held for the benefit of policyowners	(3,453)	3,993
Adjustments for:		
Net realized gain on sale of investments and derivatives	(273)	(736)
Change in unrealized depreciation (appreciation) of investments and derivatives	4,255	(2,863)
(Increase) decrease in distribution receivable from investment trusts	(14)	1
Decrease in accrued expenses	(27)	(6)
Non-cash distributions from investment trusts	(406)	(341)
Purchases of investments	(9,343)	(7,540)
Proceeds from sale and maturity of investments	10,747	12,129
Net cash from operating activities	1,486	4,637
Cash flows from financing activities		
Proceeds from issuances of withdrawable units	3,846	1,195
Amounts paid on withdrawal of withdrawable units	(5,174)	(5,988)
Net cash used in financing activities	(1,328)	(4,793)
Net increase (decrease) in cash	158	(156)
Cash at beginning of period	215	371
Cash at end of period	373	215
Supplementary Information:		
Interest received, net of withholding taxes*	3	0
Distributions received from investment trusts*	1,049	1,086
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, 2022</i>	Number of Units	Cost* (\$)	Fair Value (\$)
HOLDINGS IN INVESTMENT FUNDS			
Canadian Equity Funds — 30.5%			
BMO Canadian Dividend ETF	161,810	2,791	3,066
BMO Equal Weight REITs Index ETF	47,305	1,200	1,038
BMO Low Volatility Canadian Equity ETF	65,380	2,295	2,578
BMO S&P/TSX Capped Composite Index ETF	163,280	3,916	4,238
		10,202	10,920
Fixed Income Funds — 27.7%			
BMO Mid Corporate Bond Index ETF	222,440	3,542	3,219
BMO Mid Federal Bond Index ETF	416,620	6,800	5,933
BMO Mid-Term US IG Corporate Bond Index ETF	44,400	881	746
		11,223	9,898
Global Equity Fund — 5.8%			
BMO Global Infrastructure Index ETF	47,030	1,855	2,060
International Equity Fund — 9.4%			
BMO MSCI EAFE Index ETF	178,710	3,317	3,378
Preferred Share Fixed Income Fund — 3.7%			
BMO Laddered Preferred Share Index ETF	145,510	1,474	1,320
U.S. Equity Funds — 22.0%			
BMO Low Volatility US Equity ETF	78,610	3,344	3,828
BMO S&P 500 Index ETF	71,360	3,387	4,060
		6,731	7,888
Total Investment Portfolio — 99.1%		34,802	35,464
Other Assets Less Liabilities — 0.9%			322
Net assets held for the benefit of policyowners — 100.0%			35,786

* 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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 at 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 and 100/100 Class F Units 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, 2022

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 F Units	May 14, 2018
100/100 Prestige Class Units	October 1, 2014

Change in units

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

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
100/100 Class A Units		
Units issued and outstanding, beginning of period	1,727	2,091
Issued for cash	302	137
Withdrawn during the period	(363)	(501)
Units issued and outstanding, end of period	1,666	1,727
100/100 Class F Units		
Units issued and outstanding, beginning of period	1	1
Units issued and outstanding, end of period	1	1
100/100 Prestige Class Units		
Units issued and outstanding, beginning of period	1,522	1,561
Issued for cash	181	146
Withdrawn during the period	(238)	(185)
Units issued and outstanding, end of period	1,465	1,522

Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2022		
Class	Number of Units	Value of Units (\$)
100/100 Class F Units	1,000	11
As at December 31, 2021		
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 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, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	35,464	—	—	35,464

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	40,444	—	—	40,444

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	December 31, 2021
BMO Canadian Dividend ETF	3,066	3,485
BMO Equal Weight REITs Index ETF	1,038	1,173
BMO Global Infrastructure Index ETF	2,060	2,245
BMO Laddered Preferred Share Index ETF	1,320	1,427
BMO Low Volatility Canadian Equity ETF	2,578	2,904
BMO Low Volatility US Equity ETF	3,828	4,225
BMO Mid Corporate Bond Index ETF	3,219	3,845
BMO Mid Federal Bond Index ETF	5,933	7,091
BMO Mid-Term US IG Corporate Bond Index ETF	746	849
BMO MSCI EAFE Index ETF	3,378	3,766
BMO S&P 500 Index ETF	4,060	4,661
BMO S&P/TSX Capped Composite Index ETF	4,238	4,773
Total	35,464	40,444

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, 2022

Carrying amount as a % of the underlying fund's Net Asset	As at December 31, 2022	As at December 31, 2021
BMO Canadian Dividend ETF	0.32%	0.44%
BMO Equal Weight REITs Index ETF	0.18%	0.14%
BMO Global Infrastructure Index ETF	0.35%	0.58%
BMO Laddered Preferred Share Index ETF	0.08%	0.06%
BMO Low Volatility Canadian Equity ETF	0.09%	0.10%
BMO Low Volatility US Equity ETF	0.23%	0.20%
BMO Mid Corporate Bond Index ETF	0.65%	0.38%
BMO Mid Federal Bond Index ETF	0.59%	2.43%
BMO Mid-Term US IG Corporate Bond Index ETF	0.03%	0.04%
BMO MSCI EAFE Index ETF	0.06%	0.07%
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, 2022 and December 31, 2021 is calculated as follows:

	December 31, 2022	December 31, 2021
<i>For the periods ended</i>		
100/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1,905)	2,232
Weighted average units outstanding during the period (in thousands of units)	1,699	1,910
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.12)	1.17
100/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1)	1
Weighted average units outstanding during the period (in thousands of units)	1	1
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.94)	1.25
100/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1,547)	1,760
Weighted average units outstanding during the period (in thousands of units)	1,498	1,518
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.03)	1.16

Brokerage commissions

	December 31, 2022	December 31, 2021
<i>For the periods ended</i>		
	(\$)	(\$)
Total brokerage amounts paid	10	9
Total brokerage amounts paid to related parties	0	3

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

Concentration risk

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

<i>As at</i>	December 31, 2022	December 31, 2021
Holdings in Investment Funds		
Canadian Equity Funds	30.5%	30.4%
Fixed Income Funds	27.7%	29.1%
Global Equity Funds	5.8%	5.5%
International Equity Funds	9.4%	9.3%
Preferred Share Fixed Income Fund	3.7%	3.5%
U.S. Equity Funds	22.0%	21.9%
Other Assets less Liabilities	0.9%	0.3%
	100.0%	100.0%

Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2022 and December 31, 2021.

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, 2022

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	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 19,255	21,839	23,998	27,209	27,548
Net asset value per unit ⁽¹⁾	\$ 11.56	12.65	11.48	11.63	10.48
Units issued and outstanding (000's) ⁽¹⁾	1,666	1,726	2,091	2,340	2,628
Management fees	% 1.70	1.70	1.70	1.70	1.70
Management expense ratio ⁽²⁾	% 2.95	2.95	2.96	2.95	2.95
Management expense ratio before waivers	% 2.95	2.95	2.96	2.95	2.95
Portfolio turnover rate ⁽³⁾	% 25.13	18.74	75.49	20.70	18.43

Years ended December 31,

100/100 Class F Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 11	12	11	11	10
Net asset value per unit ⁽¹⁾	\$ 11.35	12.29	11.04	11.06	9.87
Units issued and outstanding (000's) ⁽¹⁾	1	1	1	1	1
Management fees	% 0.70	0.70	0.70	0.70	0.70
Management expense ratio ⁽²⁾	% 1.89	1.89	1.89	1.89	1.89
Management expense ratio before waivers	% 1.89	1.89	1.89	1.89	1.89
Portfolio turnover rate ⁽³⁾	% 25.13	18.74	75.49	20.70	18.43

Years ended December 31,

100/100 Prestige Class Units	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 16,520	18,710	17,362	17,339	16,496
Net asset value per unit ⁽¹⁾	\$ 11.28	12.29	11.12	11.22	10.08
Units issued and outstanding (000's) ⁽¹⁾	1,465	1,522	1,561	1,546	1,637
Management fees	% 1.35	1.35	1.35	1.35	1.35
Management expense ratio ⁽²⁾	% 2.58	2.58	2.56	2.56	2.55
Management expense ratio before waivers	% 2.58	2.58	2.56	2.56	2.55
Portfolio turnover rate ⁽³⁾	% 25.13	18.74	75.49	20.70	18.43

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.

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

⁽³⁾ The Fund's portfolio turnover 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.

⁽⁴⁾ The information shown in this column is for the period beginning May 14, 2018 (the class' inception date) and ending December 31, 2018.

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

BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2022

BMO Low Volatility Canadian Equity ETF GIF

STATEMENT OF FINANCIAL POSITION <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>			STATEMENT OF COMPREHENSIVE INCOME <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		
As at	December 31, 2022	December 31, 2021	For the periods ended	December 31, 2022	December 31, 2021
ASSETS			INCOME		
CURRENT ASSETS			Distributions received from investment trusts		
Cash	534	146		2,215	1,998
Investments			Other changes in fair value of investments and derivatives		
Non-derivative financial assets	54,552	40,145	Net realized gain	227	281
Subscriptions receivable	393	378	Change in unrealized (depreciation) appreciation		
Distribution receivable from investment trusts	373	247		(2,461)	5,154
Total assets	55,852	40,916	Net (loss) gain in fair value of investments and derivatives		
LIABILITIES				(19)	7,433
CURRENT LIABILITIES			Total (loss) income		
Payable for investments purchased	135	—		(19)	7,433
Redemptions payable	200	257	EXPENSES		
Accrued expenses	301	227	Management fees (note 7)		
Total liabilities	636	484		566	453
Net assets held for the benefit of policyowners			Fixed administration fees (note 7)		
	55,216	40,432		130	103
Net assets held for the benefit of policyowners			Insurance fees (note 7)		
75/75 Class A Units	12,770	9,870		372	291
75/100 Class A Units	17,549	14,298	Interest charges		
75/75 Class F Units	122	124		—	0
75/100 Class F Units	120	117	Commissions and other portfolio transaction costs (note 7)		
75/75 Prestige Class Units	7,413	4,455		5	2
75/100 Prestige Class Units	17,242	11,568	Total expenses		
Net assets held for the benefit of policyowners per unit				1,073	849
75/75 Class A Units	\$ 14.81	\$ 15.20	(Decrease) increase in net assets held for the benefit of policyowners		
75/100 Class A Units	\$ 14.43	\$ 14.87		(1,092)	6,584
75/75 Class F Units	\$ 14.33	\$ 14.55	(Decrease) increase in net assets held for the benefit of policyowners		
75/100 Class F Units	\$ 14.07	\$ 14.34		(224)	1,720
75/75 Prestige Class Units	\$ 12.31	\$ 12.62	75/100 Class A Units		
75/100 Prestige Class Units	\$ 12.17	\$ 12.50		(427)	2,397
			75/75 Class F Units		
				(2)	15
			75/100 Class F Units		
				(3)	15
			75/75 Prestige Class Units		
				(84)	733
			75/100 Prestige Class Units		
				(352)	1,704
			(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)		
			75/75 Class A Units		
				(0.31)	2.62
			75/100 Class A Units		
				(0.39)	2.46
			75/75 Class F Units		
				(0.22)	2.22
			75/100 Class F Units		
				(0.69)	2.25
			75/75 Prestige Class Units		
				(0.19)	2.10
			75/100 Prestige Class Units		
				(0.29)	2.02

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

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	December 31, 2022	December 31, 2021
75/75 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	9,870	8,596
(Decrease) increase in net assets held for the benefit of policyowners	(224)	1,720
Withdrawable unit transactions		
Proceeds from withdrawable units issued	8,278	2,233
Withdrawal of withdrawable units	(5,154)	(2,679)
Net increase (decrease) from withdrawable unit transactions	3,124	(446)
Net increase in net assets held for the benefit of policyowners	2,900	1,274
Net assets held for the benefit of policyowners	12,770	9,870
75/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	14,298	12,670
(Decrease) increase in net assets held for the benefit of policyowners	(427)	2,397
Withdrawable unit transactions		
Proceeds from withdrawable units issued	15,186	4,534
Withdrawal of withdrawable units	(11,508)	(5,303)
Net increase (decrease) from withdrawable unit transactions	3,678	(769)
Net increase in net assets held for the benefit of policyowners	3,251	1,628
Net assets held for the benefit of policyowners	17,549	14,298
75/75 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	124	59
(Decrease) increase in net assets held for the benefit of policyowners	(2)	15
Withdrawable unit transactions		
Proceeds from withdrawable units issued	—	50
Net increase from withdrawable unit transactions	—	50
Net (decrease) increase in net assets held for the benefit of policyowners	(2)	65
Net assets held for the benefit of policyowners	122	124

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, 2022	December 31, 2021
75/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	117	59
(Decrease) increase in net assets held for the benefit of policyowners	(3)	15
Withdrawable unit transactions		
Proceeds from withdrawable units issued	68	43
Withdrawal of withdrawable units	(62)	—
Net increase from withdrawable unit transactions	6	43
Net increase in net assets held for the benefit of policyowners	3	58
Net assets held for the benefit of policyowners	120	117
75/75 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	4,455	3,593
(Decrease) increase in net assets held for the benefit of policyowners	(84)	733
Withdrawable unit transactions		
Proceeds from withdrawable units issued	3,806	1,391
Withdrawal of withdrawable units	(764)	(1,262)
Net increase from withdrawable unit transactions	3,042	129
Net increase in net assets held for the benefit of policyowners	2,958	862
Net assets held for the benefit of policyowners	7,413	4,455

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, 2022	December 31, 2021
75/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	11,568	7,995
(Decrease) increase in net assets held for the benefit of policyowners	(352)	1,704
Withdrawable unit transactions		
Proceeds from withdrawable units issued	9,258	3,155
Withdrawal of withdrawable units	(3,232)	(1,286)
Net increase from withdrawable unit transactions	6,026	1,869
Net increase in net assets held for the benefit of policyowners	5,674	3,573
Net assets held for the benefit of policyowners	17,242	11,568
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	40,432	32,972
(Decrease) increase in net assets held for the benefit of policyowners	(1,092)	6,584
Withdrawable unit transactions		
Proceeds from withdrawable units issued	36,596	11,406
Withdrawal of withdrawable units	(20,720)	(10,530)
Net increase from withdrawable unit transactions	15,876	876
Net increase in net assets held for the benefit of policyowners	14,784	7,460
Net assets held for the benefit of policyowners	55,216	40,432

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, 2022	December 31, 2021
Cash flows from operating activities		
(Decrease) increase in net assets held for the benefit of policyowners	(1,092)	6,584
Adjustments for:		
Net realized gain on sale of investments and derivatives	(227)	(281)
Change in unrealized depreciation (appreciation) of investments and derivatives	2,461	(5,154)
Increase in distribution receivable from investment trusts	(126)	(15)
Increase in accrued expenses	74	38
Non-cash distributions from investment trusts	(939)	(1,057)
Purchases of investments	(17,201)	(3,365)
Proceeds from sale and maturity of investments	1,634	2,585
Net cash used in operating activities	(15,416)	(665)
Cash flows from financing activities		
Proceeds from issuances of withdrawable units	23,612	6,472
Amounts paid on withdrawal of withdrawable units	(7,808)	(5,730)
Net cash from financing activities	15,804	742
Net increase in cash	388	77
Cash at beginning of period	146	69
Cash at end of period	534	146
Supplementary Information:		
Distributions received from investment trusts*	1,150	926
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, 2022</i>	Number of Units	Cost* (\$)	Fair Value (\$)
HOLDINGS IN INVESTMENT FUND			
Canadian Equity Fund — 98.8%			
BMO Low Volatility Canadian Equity ETF	1,383,635	50,625	54,552
Total Investment Portfolio — 98.8%		50,625	54,552
Other Assets Less Liabilities — 1.2%			664
Net assets held for the benefit of policyowners — 100.0%			55,216

* 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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 at 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 and 100/100 Class F Units 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, 2022

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 75/75 Class F Units, 75/100 Class F Units 75/75 Prestige Class Units and 75/100 Prestige Class 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 F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
75/75 Prestige Class Units	May 6, 2019
75/100 Prestige Class Units	May 6, 2019

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, 2022	December 31, 2021
--	----------------------	----------------------

75/75 Class A Units

Units issued and outstanding, beginning of period	649	680
Issued for cash	562	159
Withdrawn during the period	(349)	(190)
Units issued and outstanding, end of period	862	649

75/100 Class A Units

Units issued and outstanding, beginning of period	962	1,021
Issued for cash	1,045	326
Withdrawn during the period	(790)	(385)
Units issued and outstanding, end of period	1,217	962

75/75 Class F Units

Units issued and outstanding, beginning of period	9	5
Issued for cash	—	4
Units issued and outstanding, end of period	9	9

75/100 Class F Units

Units issued and outstanding, beginning of period	8	5
Issued for cash	5	3
Withdrawn during the period	(4)	—
Units issued and outstanding, end of period	9	8

75/75 Prestige Class Units

Units issued and outstanding, beginning of period	353	343
Issued for cash	311	118
Withdrawn during the period	(62)	(108)
Units issued and outstanding, end of period	602	353

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
--	----------------------	----------------------

75/100 Prestige Class Units

Units issued and outstanding, beginning of period	925	768
Issued for cash	755	270
Withdrawn during the period	(263)	(113)
Units issued and outstanding, end of period	1,417	925

Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2022 Class	Number of Units	Value of Units (\$)
75/75 Class F Units	1,000	14
75/100 Class F Units	1,000	14
75/75 Prestige Class Units	1,000	12
75/100 Prestige Class Units	1,000	12

As at December 31, 2021 Class	Number of Units	Value of Units (\$)
75/75 Class F Units	1,000	15
75/100 Class F Units	1,000	14
75/75 Prestige Class Units	1,000	13
75/100 Prestige Class Units	1,000	13

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, 2022 and December 31, 2021, 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, 2022 and December 31, 2021, 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

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, 2022

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 \$4,266 (December 31, 2021 — \$3,288). 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, 2022 and December 31, 2021, 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, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	54,552	—	—	54,552

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	40,145	—	—	40,145

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	As at December 31, 2021
BMO Low Volatility Canadian Equity ETF	54,552	40,145

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

BMO Low Volatility Canadian Equity ETF	1.94%	1.34%
--	-------	-------

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, 2022 and December 31, 2021 is calculated as follows:

For the periods ended	December 31, 2022	December 31, 2021
75/75 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(224)	1,720
Weighted average units outstanding during the period (in thousands of units)	715	657
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.31)	2.62
75/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(427)	2,397
Weighted average units outstanding during the period (in thousands of units)	1,092	974
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.39)	2.46
75/75 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(2)	15
Weighted average units outstanding during the period (in thousands of units)	9	7
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.22)	2.22
75/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(3)	15
Weighted average units outstanding during the period (in thousands of units)	4	7
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.69)	2.25
75/75 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(84)	733
Weighted average units outstanding during the period (in thousands of units)	439	349
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.19)	2.10
75/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(352)	1,704
Weighted average units outstanding during the period (in thousands of units)	1,214	842
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.29)	2.02

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, 2022

Brokerage commissions

	December 31, 2022	December 31, 2021
<i>For the periods ended</i>	(\$)	(\$)
Total brokerage amounts paid	5	2
Total brokerage amounts paid to related parties	0	0

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

Concentration risk

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

<i>As at</i>	December 31, 2022	December 31, 2021
Equities		
Communication Services	9.9%	10.5%
Consumer Discretionary	5.2%	7.3%
Consumer Staples	15.5%	14.7%
Financials	19.4%	24.7%
Health Care	11.7%	—%
Industrials	—%	6.8%
Information Technology	3.5%	3.4%
Materials	9.7%	7.5%
Real Estate	7.3%	9.0%
Utilities	16.1%	15.4%
Other Assets less Liabilities	1.7%	0.7%
	100.0%	100.0%

Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2022 and December 31, 2021.

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, 2022



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,				
	2022	2021	2020	2019	2018
75/75 Class A Units					
Net asset (000's) ⁽¹⁾	\$ 12,770	9,870	8,596	8,403	5,381
Net asset value per unit ⁽¹⁾	\$ 14.81	15.20	12.64	12.72	10.68
Units issued and outstanding (000's) ⁽¹⁾	862	649	680	661	504
Management fees	% 1.55	1.55	1.55	1.55	1.55
Management expense ratio ⁽²⁾	% 2.52	2.53	2.54	2.55	2.55
Management expense ratio before waivers	% 2.52	2.53	2.54	2.55	2.55
Portfolio turnover rate ⁽³⁾	% 3.51	7.01	9.67	4.49	12.94

	Years ended December 31,				
	2022	2021	2020	2019	2018
75/100 Class A Units					
Net asset (000's) ⁽¹⁾	\$ 17,549	14,298	12,670	11,294	9,929
Net asset value per unit ⁽¹⁾	\$ 14.43	14.87	12.41	12.54	10.57
Units issued and outstanding (000's) ⁽¹⁾	1,217	962	1,021	901	939
Management fees	% 1.55	1.55	1.55	1.55	1.55
Management expense ratio ⁽²⁾	% 2.93	2.94	2.94	2.95	2.96
Management expense ratio before waivers	% 2.93	2.94	2.94	2.95	2.96
Portfolio turnover rate ⁽³⁾	% 3.51	7.01	9.67	4.49	12.94

	Years ended December 31,				
	2022	2021	2020	2019	2018 ⁽⁴⁾
75/75 Class F Units					
Net asset (000's) ⁽¹⁾	\$ 122	124	59	59	49
Net asset value per unit ⁽¹⁾	\$ 14.33	14.55	11.97	11.92	9.90
Units issued and outstanding (000's) ⁽¹⁾	9	9	5	5	5
Management fees	% 0.55	0.55	0.55	0.55	0.55
Management expense ratio ⁽²⁾	% 1.44	1.44	1.44	1.44	1.43
Management expense ratio before waivers	% 1.44	1.44	1.44	1.44	1.43
Portfolio turnover rate ⁽³⁾	% 3.51	7.01	9.67	4.49	12.94

	Years ended December 31,				
	2022	2021	2020	2019	2018 ⁽⁴⁾
75/100 Class F Units					
Net asset (000's) ⁽¹⁾	\$ 120	117	59	59	10
Net asset value per unit ⁽¹⁾	\$ 14.07	14.34	11.84	11.84	9.87
Units issued and outstanding (000's) ⁽¹⁾	9	8	5	5	1
Management fees	% 0.55	0.55	0.55	0.55	0.55
Management expense ratio ⁽²⁾	% 1.85	1.85	1.85	1.85	1.83
Management expense ratio before waivers	% 1.85	1.85	1.85	1.85	1.83
Portfolio turnover rate ⁽³⁾	% 3.51	7.01	9.67	4.49	12.94

	Years ended December 31,			
	2022	2021	2020	2019 ⁽⁵⁾
75/75 Prestige Class Units				
Net asset (000's) ⁽¹⁾	\$ 7,413	4,455	3,593	2,931
Net asset value per unit ⁽¹⁾	\$ 12.31	12.62	10.47	10.52
Units issued and outstanding (000's) ⁽¹⁾	602	353	343	279
Management fees	% 1.37	1.37	1.37	1.37
Management expense ratio ⁽²⁾	% 2.34	2.34	2.35	2.34
Management expense ratio before waivers	% 2.34	2.34	2.35	2.34
Portfolio turnover rate ⁽³⁾	% 3.51	7.01	9.67	4.49

	Years ended December 31,			
	2022	2021	2020	2019 ⁽⁵⁾
75/100 Prestige Class Units				
Net asset (000's) ⁽¹⁾	\$ 17,242	11,568	7,995	6,958
Net asset value per unit ⁽¹⁾	\$ 12.17	12.50	10.41	10.49
Units issued and outstanding (000's) ⁽¹⁾	1,417	925	768	663
Management fees	% 1.28	1.28	1.28 [†]	1.37
Management expense ratio ⁽²⁾	% 2.64	2.65	2.69	2.75
Management expense ratio before waivers	% 2.64	2.65	2.69	2.75
Portfolio turnover rate ⁽³⁾	% 3.51	7.01	9.67	4.49

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.

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

⁽³⁾ The Fund's portfolio turnover 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.

⁽⁴⁾ The information shown in this column is for the period beginning May 14, 2018 (the class' inception date) and ending December 31, 2018.

⁽⁵⁾ The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.

[†] Effective May 11, 2020, 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, 2022

BMO Monthly Income GIF

STATEMENT OF FINANCIAL POSITION

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

As at	December 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash	644	1,158
Investments		
Non-derivative financial assets	67,395	72,753
Subscriptions receivable	274	274
Total assets	68,313	74,185
LIABILITIES		
CURRENT LIABILITIES		
Redemptions payable	175	298
Accrued expenses	481	500
Total liabilities	656	798
Net assets held for the benefit of policyowners	67,657	73,387
Net assets held for the benefit of policyowners		
75/75 Class A Units	3,790	4,235
75/100 Class A Units	9,109	11,869
100/100 Class A Units	17,073	18,300
75/75 Class F Units	18	20
75/100 Class F Units	164	72
100/100 Class F Units	251	250
75/75 Prestige Class Units	4,892	3,511
75/100 Prestige Class Units	9,187	12,651
100/100 Prestige Class Units	23,173	22,479
Net assets held for the benefit of policyowners per unit		
75/75 Class A Units	\$ 11.70	\$ 13.02
75/100 Class A Units	\$ 11.53	\$ 12.87
100/100 Class A Units	\$ 11.26	\$ 12.62
75/75 Class F Units	\$ 11.90	\$ 13.10
75/100 Class F Units	\$ 11.75	\$ 12.97
100/100 Class F Units	\$ 11.55	\$ 12.79
75/75 Prestige Class Units	\$ 10.72	\$ 11.92
75/100 Prestige Class Units	\$ 10.65	\$ 11.86
100/100 Prestige Class Units	\$ 11.55	\$ 12.89

STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	December 31, 2022	December 31, 2021
INCOME		
Interest income	11	1
Distributions received from investment trusts	3,732	3,512
Other changes in fair value of investments and derivatives		
Net realized gain	62	237
Change in unrealized (depreciation) appreciation	(9,468)	4,210
Net (loss) gain in fair value of investments and derivatives	(5,663)	7,960
Total (loss) income	(5,663)	7,960
EXPENSES		
Management fees (note 7)	1,100	1,027
Fixed administration fees (note 7)	191	177
Insurance fees (note 7)	661	607
Interest charges	0	—
Total expenses	1,952	1,811
(Decrease) increase in net assets held for the benefit of policyowners	(7,615)	6,149
(Decrease) increase in net assets held for the benefit of policyowners		
75/75 Class A Units	(435)	402
75/100 Class A Units	(1,123)	1,132
100/100 Class A Units	(1,976)	1,608
75/75 Class F Units	(2)	3
75/100 Class F Units	(6)	6
100/100 Class F Units	(26)	25
75/75 Prestige Class Units	(389)	283
75/100 Prestige Class Units	(1,240)	887
100/100 Prestige Class Units	(2,418)	1,803
(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)		
75/75 Class A Units	(1.30)	1.25
75/100 Class A Units	(1.36)	1.20
100/100 Class A Units	(1.34)	1.12
75/75 Class F Units	(1.20)	1.37
75/100 Class F Units	(0.79)	1.35
100/100 Class F Units	(1.23)	1.27
75/75 Prestige Class Units	(1.17)	1.13
75/100 Prestige Class Units	(1.20)	1.12
100/100 Prestige Class Units	(1.28)	1.19

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, 2022	December 31, 2021
75/75 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	4,235	3,825
(Decrease) increase in net assets held for the benefit of policyowners	(435)	402
Withdrawable unit transactions		
Proceeds from withdrawable units issued	3,195	1,926
Withdrawal of withdrawable units	(3,205)	(1,918)
Net (decrease) increase from withdrawable unit transactions	(10)	8
Net (decrease) increase in net assets held for the benefit of policyowners	(445)	410
Net assets held for the benefit of policyowners	3,790	4,235
75/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	11,869	12,307
(Decrease) increase in net assets held for the benefit of policyowners	(1,123)	1,132
Withdrawable unit transactions		
Proceeds from withdrawable units issued	5,808	12,495
Withdrawal of withdrawable units	(7,445)	(14,065)
Net decrease from withdrawable unit transactions	(1,637)	(1,570)
Net decrease in net assets held for the benefit of policyowners	(2,760)	(438)
Net assets held for the benefit of policyowners	9,109	11,869

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, 2022	December 31, 2021
100/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	18,300	16,706
(Decrease) increase in net assets held for the benefit of policyowners	(1,976)	1,608
Withdrawable unit transactions		
Proceeds from withdrawable units issued	5,566	8,710
Withdrawal of withdrawable units	(4,817)	(8,724)
Net increase (decrease) from withdrawable unit transactions	749	(14)
Net (decrease) increase in net assets held for the benefit of policyowners	(1,227)	1,594
Net assets held for the benefit of policyowners	17,073	18,300
75/75 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	20	17
(Decrease) increase in net assets held for the benefit of policyowners	(2)	3
Net (decrease) increase in net assets held for the benefit of policyowners	(2)	3
Net assets held for the benefit of policyowners	18	20
75/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	72	56
(Decrease) increase in net assets held for the benefit of policyowners	(6)	6
Withdrawable unit transactions		
Proceeds from withdrawable units issued	98	10
Net increase from withdrawable unit transactions	98	10
Net increase in net assets held for the benefit of policyowners	92	16
Net assets held for the benefit of policyowners	164	72

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, 2022	December 31, 2021
100/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	250	225
(Decrease) increase in net assets held for the benefit of policyowners	(26)	25
Withdrawable unit transactions		
Proceeds from withdrawable units issued	28	—
Withdrawal of withdrawable units	(1)	—
Net increase from withdrawable unit transactions	27	—
Net increase in net assets held for the benefit of policyowners	1	25
Net assets held for the benefit of policyowners	251	250
75/75 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	3,511	2,492
(Decrease) increase in net assets held for the benefit of policyowners	(389)	283
Withdrawable unit transactions		
Proceeds from withdrawable units issued	2,262	912
Withdrawal of withdrawable units	(492)	(176)
Net increase from withdrawable unit transactions	1,770	736
Net increase in net assets held for the benefit of policyowners	1,381	1,019
Net assets held for the benefit of policyowners	4,892	3,511

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, 2022	December 31, 2021
75/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	12,651	7,113
(Decrease) increase in net assets held for the benefit of policyowners	(1,240)	887
Withdrawable unit transactions		
Proceeds from withdrawable units issued	4,334	8,637
Withdrawal of withdrawable units	(6,558)	(3,986)
Net (decrease) increase from withdrawable unit transactions	(2,224)	4,651
Net (decrease) increase in net assets held for the benefit of policyowners	(3,464)	5,538
Net assets held for the benefit of policyowners	9,187	12,651
100/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	22,479	16,845
(Decrease) increase in net assets held for the benefit of policyowners	(2,418)	1,803
Withdrawable unit transactions		
Proceeds from withdrawable units issued	4,657	6,479
Withdrawal of withdrawable units	(1,545)	(2,648)
Net increase from withdrawable unit transactions	3,112	3,831
Net increase in net assets held for the benefit of policyowners	694	5,634
Net assets held for the benefit of policyowners	23,173	22,479

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, 2022	December 31, 2021
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	73,387	59,586
(Decrease) increase in net assets held for the benefit of policyowners	(7,615)	6,149
Withdrawable unit transactions		
Proceeds from withdrawable units issued	25,948	39,169
Withdrawal of withdrawable units	(24,063)	(31,517)
Net increase from withdrawable unit transactions	1,885	7,652
Net (decrease) increase in net assets held for the benefit of policyowners	(5,730)	13,801
Net assets held for the benefit of policyowners	67,657	73,387

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

STATEMENT OF CASH FLOWS <i>(All amounts in thousands of Canadian dollars)</i>			SCHEDULE OF INVESTMENT PORTFOLIO <i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>For the periods ended</i>	December 31, 2022	December 31, 2021	As at December 31, 2022	Number of Units	Cost* (\$)	Fair Value (\$)
Cash flows from operating activities			HOLDINGS IN INVESTMENT FUND			
(Decrease) increase in net assets held for the benefit of policyowners	(7,615)	6,149	Canadian Balanced Fund — 99.6%			
Adjustments for:			BMO Monthly Income Fund, Series I			
Net realized gain on sale of investments and derivatives	(62)	(237)	7,605,425	70,724	67,395	
Change in unrealized depreciation (appreciation) of investments and derivatives	9,468	(4,210)	Total Investment Portfolio — 99.6%			
(Decrease) increase in accrued expenses	(19)	70	70,724 67,395			
Non-cash distributions from investment trusts	(3,732)	(3,512)	Other Assets Less Liabilities — 0.4%			
Purchases of investments	(5,801)	(9,350)	Net assets held for the benefit			
Proceeds from sale and maturity of investments	5,485	3,925	of policyowners — 100.0%			
Net cash used in operating activities	(2,276)	(7,165)	67,657			
Cash flows from financing activities						
Proceeds from issuances of withdrawable units	15,769	22,942				
Amounts paid on withdrawal of withdrawable units	(14,007)	(15,315)				
Net cash from financing activities	1,762	7,627				
Net (decrease) increase in cash	(514)	462				
Cash at beginning of period	1,158	696				
Cash at end of period	644	1,158				
Supplementary Information:						
Interest received, net of withholding taxes*	11	1				
Interest expense paid*	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, 2022

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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 and 100/100 Class F Units 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, 2022

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, 100/100 Class F Units, 75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class 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 F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
100/100 Class F Units	May 14, 2018
75/75 Prestige Class Units	May 6, 2019
75/100 Prestige Class Units	May 6, 2019
100/100 Prestige Class Units	January 6, 2017

Change in units

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

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
75/75 Class A Units		
Units issued and outstanding, beginning of period	325	325
Issued for cash	267	153
Withdrawn during the period	(268)	(153)
Units issued and outstanding, end of period	324	325
75/100 Class A Units		
Units issued and outstanding, beginning of period	922	1,054
Issued for cash	488	1,008
Withdrawn during the period	(620)	(1,140)
Units issued and outstanding, end of period	790	922
100/100 Class A Units		
Units issued and outstanding, beginning of period	1,451	1,454
Issued for cash	479	714
Withdrawn during the period	(414)	(717)
Units issued and outstanding, end of period	1,516	1,451
75/75 Class F Units		
Units issued and outstanding, beginning of period	1	1
Units issued and outstanding, end of period	1	1
75/100 Class F Units		
Units issued and outstanding, beginning of period	6	5
Issued for cash	8	1
Units issued and outstanding, end of period	14	6

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
100/100 Class F Units		
Units issued and outstanding, beginning of period	20	20
Issued for cash	2	—
Withdrawn during the period	(0)	—
Units issued and outstanding, end of period	22	20
75/75 Prestige Class Units		
Units issued and outstanding, beginning of period	295	231
Issued for cash	207	79
Withdrawn during the period	(46)	(15)
Units issued and outstanding, end of period	456	295
75/100 Prestige Class Units		
Units issued and outstanding, beginning of period	1,067	663
Issued for cash	394	757
Withdrawn during the period	(598)	(353)
Units issued and outstanding, end of period	863	1,067
100/100 Prestige Class Units		
Units issued and outstanding, beginning of period	1,744	1,441
Issued for cash	390	518
Withdrawn during the period	(128)	(215)
Units issued and outstanding, end of period	2,006	1,744

Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2022	Number of Units	Value of Units (\$)
Class		
75/75 Class F Units	1,000	12
75/100 Class F Units	1,000	12
100/100 Class F Units	1,000	12
75/75 Prestige Class Units	1,000	11
75/100 Prestige Class Units	1,000	11
As at December 31, 2021		
Class		
75/75 Class F Units	1,000	13
75/100 Class F Units	1,000	13
100/100 Class F Units	1,000	13
75/75 Prestige Class Units	1,000	12
75/100 Prestige Class Units	1,000	12

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,

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, 2022

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, 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
Total	170	6,196	(571)	5,795	8.6

As at December 31, 2021

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
Japanese Yen	(0)	—	—	(0)	(0.0)
Norwegian Krone	0	—	—	0	0.0
Swiss Franc	3	—	—	3	0.0
U.S. Dollar	17	10,611	(220)	10,408	14.2
Total	22	10,611	(220)	10,413	14.2

As at December 31, 2022 and December 31, 2021, 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 \$290 (December 31, 2021 — \$521). 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, 2022	December 31, 2021
Less than one year	5,976	1,999
One to three years	5,592	5,649
Three to five years	3,089	6,123
Five to ten years	8,230	10,319
Greater than ten years	6,400	8,095
Total	29,287	32,185

As at December 31, 2022 and December 31, 2021, 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 \$1,664 (December 31, 2021 — \$2,369). 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 \$6,420 (December 31, 2021 — \$6,978). 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, 2022	December 31, 2021
R-1 High	6.6	2.2
R-1 Mid	0.2	—
R-1 Low	1.7	—
AAA	3.7	5.1
AA	5.1	6.8
A	14.4	16.1
BBB	10.4	12.9
BB	1.1	0.7
B	0.1	0.0
Total	43.3	43.8

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, 2022

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, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	67,395	—	—	67,395

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	72,753	—	—	72,753

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	As at December 31, 2021
BMO Monthly Income Fund, Series I	67,395	72,753

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

BMO Monthly Income Fund, Series I	1.42%	1.43%
-----------------------------------	-------	-------

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, 2022 and December 31, 2021 is calculated as follows:

For the periods ended	December 31, 2022	December 31, 2021
75/75 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(435)	402
Weighted average units outstanding during the period (in thousands of units)	336	322
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.30)	1.25

For the periods ended	December 31, 2022	December 31, 2021
75/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1,123)	1,132
Weighted average units outstanding during the period (in thousands of units)	826	942
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.36)	1.20
100/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1,976)	1,608
Weighted average units outstanding during the period (in thousands of units)	1,473	1,432
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.34)	1.12
75/75 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(2)	3
Weighted average units outstanding during the period (in thousands of units)	1	1
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.20)	1.37
75/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(6)	6
Weighted average units outstanding during the period (in thousands of units)	7	5
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.79)	1.35
100/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(26)	25
Weighted average units outstanding during the period (in thousands of units)	22	20
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.23)	1.27
75/75 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(389)	283
Weighted average units outstanding during the period (in thousands of units)	334	250
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.17)	1.13
75/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1,240)	887
Weighted average units outstanding during the period (in thousands of units)	1,036	792
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.20)	1.12

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, 2022

<i>For the periods ended</i>	December 31, 2022	December 31, 2021
100/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(2,418)	1,803
Weighted average units outstanding during the period (in thousands of units)	1,887	1,512
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.28)	1.19

<i>As at</i>	December 31, 2022	December 31, 2021
Global Equity Funds	2.9%	—%
International Equity Funds	3.0%	—%
U.S. Equity Funds	—%	1.6%
Swaps		
Credit Default Swaps	0.0%	—%
Other Assets less Liabilities	1.3%	1.5%
	100.0%	100.0%

Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2022 and December 31, 2021.

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, 2022	December 31, 2021
Money Market Investments		
Federal	6.6%	2.2%
Provincial	1.9%	—%
Canadian Bonds & Debentures		
Federal Bonds	3.8%	5.2%
Provincial Bonds	10.1%	12.2%
Corporate Bonds & Debentures	16.7%	18.4%
Asset-Backed Securities	0.0%	0.0%
Foreign Bonds & Debentures		
Australia	0.4%	0.4%
France	0.1%	0.1%
Germany	—%	0.7%
United Kingdom	0.5%	0.6%
United States	3.3%	4.0%
Canadian Equities		
Communication Services	3.9%	3.9%
Consumer Staples	4.5%	4.7%
Energy	3.2%	2.2%
Financials	8.9%	8.1%
Industrials	3.2%	2.6%
Information Technology	1.7%	1.1%
Materials	1.8%	1.7%
Real Estate	3.4%	4.2%
Utilities	4.4%	4.3%
Foreign Equities		
United Kingdom	0.0%	—%
United States	9.3%	14.7%
Holdings in Investment Funds		
Canadian Equity Funds	3.7%	5.6%
Emerging Markets Equity Funds	1.4%	—%

Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2022 and December 31, 2021.

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, 2022



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	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 3,790	4,235	3,825	3,774	4,657
Net asset value per unit ⁽¹⁾	\$ 11.70	13.02	11.79	11.41	10.12
Units issued and outstanding (000's) ⁽¹⁾	324	325	325	331	460
Management fees	% 1.60	1.60	1.60	1.60	1.60
Management expense ratio ⁽²⁾	% 2.57	2.57	2.57	2.59	2.61
Management expense ratio before waivers	% 2.57	2.57	2.57	2.59	2.61
Portfolio turnover rate ⁽³⁾	% 7.97	6.25	5.46	5.64	6.71

	Years ended December 31,				
75/100 Class A Units	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 9,109	11,869	12,307	9,791	5,910
Net asset value per unit ⁽¹⁾	\$ 11.53	12.87	11.68	11.34	10.08
Units issued and outstanding (000's) ⁽¹⁾	790	922	1,054	863	586
Management fees	% 1.60	1.60	1.60	1.60	1.60
Management expense ratio ⁽²⁾	% 2.83	2.84	2.83	2.83	2.78
Management expense ratio before waivers	% 2.83	2.84	2.83	2.83	2.78
Portfolio turnover rate ⁽³⁾	% 7.97	6.25	5.46	5.64	6.71

	Years ended December 31,				
100/100 Class A Units	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 17,073	18,300	16,706	14,961	11,397
Net asset value per unit ⁽¹⁾	\$ 11.26	12.62	11.49	11.20	10.00
Units issued and outstanding (000's) ⁽¹⁾	1,516	1,451	1,454	1,335	1,140
Management fees	% 1.60	1.60	1.60	1.60	1.60
Management expense ratio ⁽²⁾	% 3.22	3.22	3.23	3.21	3.20
Management expense ratio before waivers	% 3.22	3.22	3.23	3.21	3.20
Portfolio turnover rate ⁽³⁾	% 7.97	6.25	5.46	5.64	6.71

	Years ended December 31,				
75/75 Class F Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 18	20	17	17	15
Net asset value per unit ⁽¹⁾	\$ 11.90	13.10	11.73	11.24	9.85
Units issued and outstanding (000's) ⁽¹⁾	1	1	1	1	1
Management fees	% 0.60	0.60	0.60	0.60	0.60
Management expense ratio ⁽²⁾	% 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 ⁽³⁾	% 7.97	6.25	5.46	5.64	6.71

	Years ended December 31,				
75/100 Class F Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 164	72	56	44	10
Net asset value per unit ⁽¹⁾	\$ 11.75	12.97	11.64	11.18	9.83
Units issued and outstanding (000's) ⁽¹⁾	14	6	5	4	1
Management fees	% 0.60	0.60	0.60	0.60	0.60
Management expense ratio ⁽²⁾	% 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 ⁽³⁾	% 7.97	6.25	5.46	5.64	6.71

	Years ended December 31,				
100/100 Class F Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 251	250	225	217	10
Net asset value per unit ⁽¹⁾	\$ 11.55	12.79	11.53	11.12	9.81
Units issued and outstanding (000's) ⁽¹⁾	22	20	20	20	1
Management fees	% 0.60	0.60	0.60	0.60	0.60
Management expense ratio ⁽²⁾	% 2.12	2.12	2.12	2.13	2.12
Management expense ratio before waivers	% 2.12	2.12	2.12	2.13	2.12
Portfolio turnover rate ⁽³⁾	% 7.97	6.25	5.46	5.64	6.71

	Years ended December 31,			
75/75 Prestige Class Units	2022	2021	2020	2019 ⁽⁵⁾
Net asset (000's) ⁽¹⁾	\$ 4,892	3,511	2,492	1,660
Net asset value per unit ⁽¹⁾	\$ 10.72	11.92	10.77	10.42
Units issued and outstanding (000's) ⁽¹⁾	456	295	231	159
Management fees	% 1.46	1.46	1.46	1.46
Management expense ratio ⁽²⁾	% 2.41	2.40	2.44	2.44
Management expense ratio before waivers	% 2.41	2.40	2.44	2.44
Portfolio turnover rate ⁽³⁾	% 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, 2022

Years ended December 31,

75/100 Prestige Class Units	2022	2021	2020	2019 ⁽⁵⁾
Net asset (000's) ⁽¹⁾	\$ 9,187	12,651	7,113	3,597
Net asset value per unit ⁽¹⁾	\$ 10.65	11.86	10.73	10.40
Units issued and outstanding (000's) ⁽¹⁾	863	1,067	663	346
Management fees	% 1.37	1.37	1.37 [†]	1.46
Management expense ratio ⁽²⁾	% 2.58	2.59	2.66	2.72
Management expense ratio before waivers	% 2.58	2.59	2.66	2.72
Portfolio turnover rate ⁽³⁾	% 7.97	6.25	5.46	5.64

Years ended December 31,

100/100 Prestige Class Units	2022	2021	2020	2019	2018
Net asset (000's) ⁽¹⁾	\$ 23,173	22,479	16,845	17,503	12,669
Net asset value per unit ⁽¹⁾	\$ 11.55	12.89	11.69	11.35	10.08
Units issued and outstanding (000's) ⁽¹⁾	2,006	1,744	1,441	1,543	1,257
Management fees	% 1.25	1.25	1.25	1.25	1.25
Management expense ratio ⁽²⁾	% 2.79	2.79	2.80	2.79	2.77
Management expense ratio before waivers	% 2.79	2.79	2.80	2.79	2.77
Portfolio turnover rate ⁽³⁾	% 7.97	6.25	5.46	5.64	6.71

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.

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

⁽³⁾ The Fund's portfolio turnover 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.

⁽⁴⁾ The information shown in this column is for the period beginning May 14, 2018 (the class' inception date) and ending December 31, 2018.

⁽⁵⁾ The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.

[†] Effective May 11, 2020, the management fee rate was reduced from 1.46% to 1.37%.

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

BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2022

BMO Asset Allocation GIF

STATEMENT OF FINANCIAL POSITION

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

As at	December 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash	304	457
Investments		
Non-derivative financial assets	19,389	16,208
Subscriptions receivable	444	11
Total assets	20,137	16,676
LIABILITIES		
CURRENT LIABILITIES		
Redemptions payable	236	8
Accrued expenses	135	109
Total liabilities	371	117
Net assets held for the benefit of policyowners	19,766	16,559
Net assets held for the benefit of policyowners		
75/75 Class A Units	1,522	1,386
75/100 Class A Units	1,556	1,359
100/100 Class A Units	3,492	3,110
75/75 Class F Units	142	104
75/100 Class F Units	11	13
100/100 Class F Units	203	12
75/75 Prestige Class Units	2,227	1,240
75/100 Prestige Class Units	3,782	2,581
100/100 Prestige Class Units	6,831	6,754
Net assets held for the benefit of policyowners per unit		
75/75 Class A Units	\$ 11.02	\$ 12.49
75/100 Class A Units	\$ 10.83	\$ 12.32
100/100 Class A Units	\$ 10.63	\$ 12.14
75/75 Class F Units	\$ 11.53	\$ 12.94
75/100 Class F Units	\$ 11.40	\$ 12.82
100/100 Class F Units	\$ 11.19	\$ 12.64
75/75 Prestige Class Units	\$ 10.69	\$ 12.09
75/100 Prestige Class Units	\$ 10.63	\$ 12.06
100/100 Prestige Class Units	\$ 10.85	\$ 12.35

STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	December 31, 2022	December 31, 2021
INCOME		
Interest income	11	0
Distributions received from investment trusts	1,578	578
Other changes in fair value of investments and derivatives		
Net realized (loss) gain	(10)	47
Change in unrealized (depreciation) appreciation	(3,287)	935
Net (loss) gain in fair value of investments and derivatives	(1,708)	1,560
Total (loss) income	(1,708)	1,560
EXPENSES		
Management fees (note 7)	282	192
Fixed administration fees (note 7)	51	34
Insurance fees (note 7)	167	116
Interest charges	0	0
Total expenses	500	342
(Decrease) increase in net assets held for the benefit of policyowners	(2,208)	1,218
(Decrease) increase in net assets held for the benefit of policyowners		
75/75 Class A Units	(170)	86
75/100 Class A Units	(169)	124
100/100 Class A Units	(400)	213
75/75 Class F Units	(11)	11
75/100 Class F Units	(2)	2
100/100 Class F Units	(5)	2
75/75 Prestige Class Units	(161)	119
75/100 Prestige Class Units	(430)	166
100/100 Prestige Class Units	(860)	495
(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)		
75/75 Class A Units	(1.40)	1.27
75/100 Class A Units	(1.24)	1.21
100/100 Class A Units	(1.38)	1.08
75/75 Class F Units	(1.41)	1.42
75/100 Class F Units	(1.42)	1.37
100/100 Class F Units	(0.81)	1.14
75/75 Prestige Class Units	(1.03)	1.21
75/100 Prestige Class Units	(1.42)	1.13
100/100 Prestige Class Units	(1.43)	1.14

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, 2022	December 31, 2021
75/75 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	1,386	493
(Decrease) increase in net assets held for the benefit of policyowners	(170)	86
Withdrawable unit transactions		
Proceeds from withdrawable units issued	2,362	979
Withdrawal of withdrawable units	(2,056)	(172)
Net increase from withdrawable unit transactions	306	807
Net increase in net assets held for the benefit of policyowners	136	893
Net assets held for the benefit of policyowners	1,522	1,386
75/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	1,359	1,056
(Decrease) increase in net assets held for the benefit of policyowners	(169)	124
Withdrawable unit transactions		
Proceeds from withdrawable units issued	2,430	2,221
Withdrawal of withdrawable units	(2,064)	(2,042)
Net increase from withdrawable unit transactions	366	179
Net increase in net assets held for the benefit of policyowners	197	303
Net assets held for the benefit of policyowners	1,556	1,359

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, 2022	December 31, 2021
100/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	3,110	1,567
(Decrease) increase in net assets held for the benefit of policyowners	(400)	213
Withdrawable unit transactions		
Proceeds from withdrawable units issued	3,047	5,102
Withdrawal of withdrawable units	(2,265)	(3,772)
Net increase from withdrawable unit transactions	782	1,330
Net increase in net assets held for the benefit of policyowners	382	1,543
Net assets held for the benefit of policyowners	3,492	3,110
75/75 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	104	78
(Decrease) increase in net assets held for the benefit of policyowners	(11)	11
Withdrawable unit transactions		
Proceeds from withdrawable units issued	49	15
Net increase from withdrawable unit transactions	49	15
Net increase in net assets held for the benefit of policyowners	38	26
Net assets held for the benefit of policyowners	142	104
75/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	13	11
(Decrease) increase in net assets held for the benefit of policyowners	(2)	2
Net (decrease) increase in net assets held for the benefit of policyowners	(2)	2
Net assets held for the benefit of policyowners	11	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, 2022	December 31, 2021
100/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	12	109
(Decrease) increase in net assets held for the benefit of policyowners	(5)	2
Withdrawable unit transactions		
Proceeds from withdrawable units issued	196	—
Withdrawal of withdrawable units	(0)	(99)
Net increase (decrease) from withdrawable unit transactions	196	(99)
Net increase (decrease) in net assets held for the benefit of policyowners	191	(97)
Net assets held for the benefit of policyowners	203	12
75/75 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	1,240	1,049
(Decrease) increase in net assets held for the benefit of policyowners	(161)	119
Withdrawable unit transactions		
Proceeds from withdrawable units issued	1,826	136
Withdrawal of withdrawable units	(678)	(64)
Net increase from withdrawable unit transactions	1,148	72
Net increase in net assets held for the benefit of policyowners	987	191
Net assets held for the benefit of policyowners	2,227	1,240

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, 2022	December 31, 2021
75/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	2,581	834
(Decrease) increase in net assets held for the benefit of policyowners	(430)	166
Withdrawable unit transactions		
Proceeds from withdrawable units issued	2,087	1,890
Withdrawal of withdrawable units	(456)	(309)
Net increase from withdrawable unit transactions	1,631	1,581
Net increase in net assets held for the benefit of policyowners	1,201	1,747
Net assets held for the benefit of policyowners	3,782	2,581
100/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	6,754	2,764
(Decrease) increase in net assets held for the benefit of policyowners	(860)	495
Withdrawable unit transactions		
Proceeds from withdrawable units issued	1,979	3,629
Withdrawal of withdrawable units	(1,042)	(134)
Net increase from withdrawable unit transactions	937	3,495
Net increase in net assets held for the benefit of policyowners	77	3,990
Net assets held for the benefit of policyowners	6,831	6,754

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, 2022	December 31, 2021
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	16,559	7,961
(Decrease) increase in net assets held for the benefit of policyowners	(2,208)	1,218
Withdrawable unit transactions		
Proceeds from withdrawable units issued	13,976	13,972
Withdrawal of withdrawable units	(8,561)	(6,592)
Net increase from withdrawable unit transactions	5,415	7,380
Net increase in net assets held for the benefit of policyowners	3,207	8,598
Net assets held for the benefit of policyowners	19,766	16,559

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

STATEMENT OF CASH FLOWS <i>(All amounts in thousands of Canadian dollars)</i>			SCHEDULE OF INVESTMENT PORTFOLIO <i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>For the periods ended</i>	December 31, 2022	December 31, 2021	As at December 31, 2022	Number of Units	Cost* (\$)	Fair Value (\$)
Cash flows from operating activities			HOLDINGS IN INVESTMENT FUND			
(Decrease) increase in net assets held for the benefit of policyowners	(2,208)	1,218	Canadian Balanced Fund — 98.1%			
Adjustments for:			BMO Asset Allocation Fund, Series I			
Net realized loss (gain) on sale of investments and derivatives	10	(47)		1,419,267	21,205	19,389
Change in unrealized depreciation (appreciation) of investments and derivatives	3,287	(935)	Total Investment Portfolio — 98.1%			
Increase in accrued expenses	26	57				21,205
Non-cash distributions from investment trusts	(1,578)	(578)	Other Assets Less Liabilities — 1.9%			
Purchases of investments	(5,850)	(7,360)	Net assets held for the benefit			
Proceeds from sale and maturity of investments	950	480	of policyowners — 100.0%			
Net cash used in operating activities	(5,363)	(7,165)				19,766
Cash flows from financing activities						
Proceeds from issuances of withdrawable units	7,933	8,349				
Amounts paid on withdrawal of withdrawable units	(2,723)	(930)				
Net cash from financing activities	5,210	7,419				
Net (decrease) increase in cash	(153)	254				
Cash at beginning of period	457	203				
Cash at end of period	304	457				
Supplementary Information:						
Interest received, net of withholding taxes*	11	0				
Interest expense paid*	0	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 Asset Allocation GIF

Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2022

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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 and 100/100 Class F Units 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, 2022

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, 100/100 Class F Units, 75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class 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 F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
100/100 Class F Units	May 14, 2018
75/75 Prestige Class Units	May 6, 2019
75/100 Prestige Class Units	May 6, 2019
100/100 Prestige Class 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, 2022	December 31, 2021
75/75 Class A Units		
Units issued and outstanding, beginning of period	111	44
Issued for cash	211	81
Withdrawn during the period	(184)	(14)
Units issued and outstanding, end of period	138	111
75/100 Class A Units		
Units issued and outstanding, beginning of period	110	95
Issued for cash	212	189
Withdrawn during the period	(178)	(174)
Units issued and outstanding, end of period	144	110
100/100 Class A Units		
Units issued and outstanding, beginning of period	256	143
Issued for cash	278	441
Withdrawn during the period	(206)	(328)
Units issued and outstanding, end of period	328	256
75/75 Class F Units		
Units issued and outstanding, beginning of period	8	7
Issued for cash	4	1
Units issued and outstanding, end of period	12	8
75/100 Class F Units		
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, 2022	December 31, 2021
100/100 Class F Units		
Units issued and outstanding, beginning of period	1	10
Issued for cash	17	—
Withdrawn during the period	(0)	(9)
Units issued and outstanding, end of period	18	1
75/75 Prestige Class Units		
Units issued and outstanding, beginning of period	103	96
Issued for cash	169	12
Withdrawn during the period	(64)	(5)
Units issued and outstanding, end of period	208	103
75/100 Prestige Class Units		
Units issued and outstanding, beginning of period	214	77
Issued for cash	184	164
Withdrawn during the period	(42)	(27)
Units issued and outstanding, end of period	356	214
100/100 Prestige Class Units		
Units issued and outstanding, beginning of period	547	248
Issued for cash	176	310
Withdrawn during the period	(94)	(11)
Units issued and outstanding, end of period	629	547

Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2022	Number of Units	Value of Units (\$)
Class		
100/100 Class A 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
75/75 Prestige Class Units	2,035	22
75/100 Prestige Class Units	2,029	22
100/100 Prestige Class Units	1,000	11
As at December 31, 2021		
Class		
100/100 Class A Units	1,000	12
75/75 Class F Units	1,000	13
75/100 Class F Units	1,000	13
100/100 Class F Units	1,000	13
75/75 Prestige Class Units	2,035	25
75/100 Prestige Class Units	2,029	24
100/100 Prestige Class Units	1,000	12

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, 2022

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, 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, 2021

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	5	39	(39)	5	0.0

As at December 31, 2022 and December 31, 2021, 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 \$19 (December 31, 2021 — \$0). 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, 2022	December 31, 2021
Less than one year	1,519	144
One to three years	1,393	952
Three to five years	838	1,137
Five to ten years	2,680	1,937
Greater than ten years	2,020	1,573
Total	8,450	5,743

As at December 31, 2022 and December 31, 2021, 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,

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

respectively, by approximately \$501 (December 31, 2021 — \$436). 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 \$1,938 (December 31, 2021 — \$1,596). 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, 2022	December 31, 2021
R-1 High	6.0	0.6
R-1 Low	1.0	—
AAA	4.1	4.7
AA	4.9	5.0
A	12.3	10.8
BBB	13.6	12.8
BB	0.8	0.7
B	0.1	—
Total	42.8	34.6

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, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	19,389	—	—	19,389

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, 2022

As at December 31, 2021				
Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	16,208	—	—	16,208

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	As at December 31, 2021
BMO Asset Allocation Fund, Series I	19,389	16,208

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

BMO Asset Allocation Fund, Series I	1.33%	0.93%
-------------------------------------	-------	-------

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, 2022 and December 31, 2021 is calculated as follows:

For the periods ended	December 31, 2022	December 31, 2021
75/75 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(170)	86
Weighted average units outstanding during the period (in thousands of units)	122	68
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.40)	1.27
75/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(169)	124
Weighted average units outstanding during the period (in thousands of units)	135	102
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.24)	1.21
100/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(401)	213
Weighted average units outstanding during the period (in thousands of units)	292	198
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.38)	1.08

For the periods ended	December 31, 2022	December 31, 2021
75/75 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(12)	11
Weighted average units outstanding during the period (in thousands of units)	8	8
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.41)	1.42
75/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1)	2
Weighted average units outstanding during the period (in thousands of units)	1	1
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.42)	1.37
100/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(6)	2
Weighted average units outstanding during the period (in thousands of units)	7	2
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.81)	1.14
75/75 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(160)	119
Weighted average units outstanding during the period (in thousands of units)	156	98
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.03)	1.21
75/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(429)	166
Weighted average units outstanding during the period (in thousands of units)	302	147
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.42)	1.13
100/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(860)	495
Weighted average units outstanding during the period (in thousands of units)	599	434
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.43)	1.14

Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2022 and December 31, 2021.

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, 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, 2022	December 31, 2021
Money Market Investments		
Federal	6.0%	0.6%
Provincial	1.0%	—%
Canadian Bonds & Debentures		
Federal Bonds	4.1%	4.7%
Provincial Bonds	10.0%	9.9%
Corporate Bonds & Debentures	17.4%	15.4%
Asset-Backed Securities	0.1%	0.1%
Foreign Bonds & Debentures		
Australia	0.5%	0.5%
France	0.1%	0.1%
United Kingdom	0.4%	0.4%
United States	3.1%	3.0%
Canadian Equities		
Communication Services	0.9%	0.7%
Consumer Discretionary	0.7%	1.3%
Consumer Staples	1.9%	2.0%
Energy	6.0%	4.6%
Financials	11.3%	11.6%
Health Care	0.1%	—%
Industrials	4.3%	3.6%
Information Technology	2.2%	4.0%
Materials	4.6%	4.3%
Real Estate	1.2%	1.8%
Utilities	2.6%	2.2%
Foreign Equities		
United States	2.1%	0.4%
Holdings in Investment Funds		
Canadian Equity Funds	3.0%	2.5%
Emerging Markets Equity Funds	1.5%	—%
Global Equity Funds	2.9%	—%
International Equity Funds	3.1%	6.9%
U.S. Equity Funds	6.0%	16.8%
Swaps		
Credit Default Swaps	0.0%	—%
Other Assets less Liabilities		
	2.9%	2.6%
	100.0%	100.0%

Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2022 and December 31, 2021.

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, 2022



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	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 1,522	1,386	493	507	279
Net asset value per unit ⁽¹⁾	\$ 11.02	12.49	11.24	10.67	9.53
Units issued and outstanding (000's) ⁽¹⁾	138	111	44	48	29
Management fees	% 1.60	1.60	1.60	1.60	1.60
Management expense ratio ⁽²⁾	% 2.50	2.49	2.50	2.58	2.60
Management expense ratio before waivers	% 2.50	2.49	2.50	2.58	2.60
Portfolio turnover rate ⁽³⁾	% 5.43	3.96	18.13	1.75	5.48

Years ended December 31,					
75/100 Class A Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 1,556	1,359	1,056	696	397
Net asset value per unit ⁽¹⁾	\$ 10.83	12.32	11.13	10.60	9.49
Units issued and outstanding (000's) ⁽¹⁾	144	110	95	66	42
Management fees	% 1.60	1.60	1.60	1.60	1.60
Management expense ratio ⁽²⁾	% 2.81	2.80	2.81	2.84	2.84
Management expense ratio before waivers	% 2.81	2.80	2.81	2.84	2.84
Portfolio turnover rate ⁽³⁾	% 5.43	3.96	18.13	1.75	5.48

Years ended December 31,					
100/100 Class A Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 3,492	3,110	1,567	1,295	603
Net asset value per unit ⁽¹⁾	\$ 10.63	12.14	10.99	10.52	9.46
Units issued and outstanding (000's) ⁽¹⁾	328	256	143	123	64
Management fees	% 1.60	1.60	1.60	1.60	1.60
Management expense ratio ⁽²⁾	% 3.19	3.21	3.22	3.30	3.29
Management expense ratio before waivers	% 3.19	3.21	3.22	3.30	3.29
Portfolio turnover rate ⁽³⁾	% 5.43	3.96	18.13	1.75	5.48

Years ended December 31,					
75/75 Class F Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 142	104	78	73	10
Net asset value per unit ⁽¹⁾	\$ 11.53	12.94	11.53	10.84	9.57
Units issued and outstanding (000's) ⁽¹⁾	12	8	7	7	1
Management fees	% 0.60	0.60	0.60	0.60	0.60
Management expense ratio ⁽²⁾	% 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 ⁽³⁾	% 5.43	3.96	18.13	1.75	5.48

Years ended December 31,					
75/100 Class F Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 11	13	11	11	10
Net asset value per unit ⁽¹⁾	\$ 11.40	12.82	11.46	10.79	9.56
Units issued and outstanding (000's) ⁽¹⁾	1	1	1	1	1
Management fees	% 0.60	0.60	0.60	0.60	0.60
Management expense ratio ⁽²⁾	% 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 ⁽³⁾	% 5.43	3.96	18.13	1.75	5.48

Years ended December 31,					
100/100 Class F Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 203	12	109	11	9
Net asset value per unit ⁽¹⁾	\$ 11.19	12.64	11.34	10.72	9.53
Units issued and outstanding (000's) ⁽¹⁾	18	1	10	1	1
Management fees	% 0.60	0.60	0.60	0.60	0.60
Management expense ratio ⁽²⁾	% 2.13	2.12	2.13	2.12	2.12
Management expense ratio before waivers	% 2.13	2.12	2.13	2.12	2.12
Portfolio turnover rate ⁽³⁾	% 5.43	3.96	18.13	1.75	5.48

Years ended December 31,				
75/75 Prestige Class Units	2022	2021	2020	2019 ⁽⁵⁾
Net asset (000's) ⁽¹⁾	\$ 2,227	1,240	1,049	915
Net asset value per unit ⁽¹⁾	\$ 10.69	12.09	10.88	10.32
Units issued and outstanding (000's) ⁽¹⁾	208	103	96	89
Management fees	% 1.46	1.46	1.46	1.46
Management expense ratio ⁽²⁾	% 2.43	2.43	2.45	2.45
Management expense ratio before waivers	% 2.43	2.43	2.45	2.45
Portfolio turnover rate ⁽³⁾	% 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, 2022

Years ended December 31,

75/100 Prestige Class Units	2022	2021	2020	2019 ⁽⁵⁾
Net asset (000's) ⁽¹⁾	\$ 3,782	2,581	834	504
Net asset value per unit ⁽¹⁾	\$ 10.63	12.06	10.86	10.31
Units issued and outstanding (000's) ⁽¹⁾	356	214	77	49
Management fees	% 1.37	1.37	1.37 [†]	1.46
Management expense ratio ⁽²⁾	% 2.57	2.49	2.52	2.57
Management expense ratio before waivers	% 2.57	2.49	2.52	2.57
Portfolio turnover rate ⁽³⁾	% 5.43	3.96	18.13	1.75

Years ended December 31,

100/100 Prestige Class Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 6,831	6,754	2,764	2,973	668
Net asset value per unit ⁽¹⁾	\$ 10.85	12.35	11.16	10.60	9.49
Units issued and outstanding (000's) ⁽¹⁾	629	547	248	281	70
Management fees	% 1.25	1.25	1.25	1.25	1.25
Management expense ratio ⁽²⁾	% 2.84	2.81	2.77	2.86	2.86
Management expense ratio before waivers	% 2.84	2.81	2.77	2.86	2.86
Portfolio turnover rate ⁽³⁾	% 5.43	3.96	18.13	1.75	5.48

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.

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

⁽³⁾ The Fund's portfolio turnover 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.

⁽⁴⁾ The information shown in this column is for the period beginning May 14, 2018 (the class' inception date) and ending December 31, 2018.

⁽⁵⁾ The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.

[†] Effective May 11, 2020, the management fee rate was reduced from 1.46% to 1.37%.

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

BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2022

BMO Dividend GIF

STATEMENT OF FINANCIAL POSITION

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

As at	December 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash	669	1,334
Investments		
Non-derivative financial assets	64,262	55,540
Subscriptions receivable	479	1,067
Total assets	65,410	57,941
LIABILITIES		
CURRENT LIABILITIES		
Redemptions payable	297	702
Accrued expenses	466	367
Total liabilities	763	1,069
Net assets held for the benefit of policyowners	64,647	56,872
Net assets held for the benefit of policyowners		
75/75 Class A Units	8,528	6,408
75/100 Class A Units	22,633	21,524
75/75 Class F Units	83	248
75/100 Class F Units	692	410
75/75 Prestige Class Units	9,746	7,598
75/100 Prestige Class Units	22,965	20,684
Net assets held for the benefit of policyowners per unit		
75/75 Class A Units	\$ 12.42	\$ 13.78
75/100 Class A Units	\$ 12.20	\$ 13.59
75/75 Class F Units	\$ 13.05	\$ 14.31
75/100 Class F Units	\$ 12.84	\$ 14.14
75/75 Prestige Class Units	\$ 11.54	\$ 12.78
75/100 Prestige Class Units	\$ 11.41	\$ 12.67

STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	December 31, 2022	December 31, 2021
INCOME		
Interest income	18	1
Distributions received from investment trusts	1,914	1,283
Other changes in fair value of investments and derivatives		
Net realized gain	401	302
Change in unrealized (depreciation) appreciation	(7,278)	7,964
Net (loss) gain in fair value of investments and derivatives	(4,945)	9,550
Total (loss) income	(4,945)	9,550
EXPENSES		
Management fees (note 7)	1,057	740
Fixed administration fees (note 7)	180	125
Insurance fees (note 7)	578	404
Total expenses	1,815	1,269
(Decrease) increase in net assets held for the benefit of policyowners	(6,760)	8,281
(Decrease) increase in net assets held for the benefit of policyowners		
75/75 Class A Units	(822)	1,004
75/100 Class A Units	(2,534)	3,431
75/75 Class F Units	(13)	21
75/100 Class F Units	(46)	41
75/75 Prestige Class Units	(885)	1,046
75/100 Prestige Class Units	(2,460)	2,738
(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)		
75/75 Class A Units	(1.33)	2.39
75/100 Class A Units	(1.37)	2.35
75/75 Class F Units	(1.33)	2.25
75/100 Class F Units	(1.22)	2.58
75/75 Prestige Class Units	(1.25)	2.21
75/100 Prestige Class Units	(1.25)	2.14

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, 2022	December 31, 2021
75/75 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	6,408	4,119
(Decrease) increase in net assets held for the benefit of policyowners	(822)	1,004
Withdrawable unit transactions		
Proceeds from withdrawable units issued	7,985	6,186
Withdrawal of withdrawable units	(5,043)	(4,901)
Net increase from withdrawable unit transactions	2,942	1,285
Net increase in net assets held for the benefit of policyowners	2,120	2,289
Net assets held for the benefit of policyowners	8,528	6,408
75/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	21,524	16,478
(Decrease) increase in net assets held for the benefit of policyowners	(2,534)	3,431
Withdrawable unit transactions		
Proceeds from withdrawable units issued	25,000	23,155
Withdrawal of withdrawable units	(21,357)	(21,540)
Net increase from withdrawable unit transactions	3,643	1,615
Net increase in net assets held for the benefit of policyowners	1,109	5,046
Net assets held for the benefit of policyowners	22,633	21,524

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, 2022	December 31, 2021
75/75 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	248	59
(Decrease) increase in net assets held for the benefit of policyowners	(13)	21
Withdrawable unit transactions		
Proceeds from withdrawable units issued	0	169
Withdrawal of withdrawable units	(152)	(1)
Net (decrease) increase from withdrawable unit transactions	(152)	168
Net (decrease) increase in net assets held for the benefit of policyowners	(165)	189
Net assets held for the benefit of policyowners	83	248
75/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	410	11
(Decrease) increase in net assets held for the benefit of policyowners	(46)	41
Withdrawable unit transactions		
Proceeds from withdrawable units issued	341	358
Withdrawal of withdrawable units	(13)	—
Net increase from withdrawable unit transactions	328	358
Net increase in net assets held for the benefit of policyowners	282	399
Net assets held for the benefit of policyowners	692	410

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, 2022	December 31, 2021
75/75 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	7,598	4,111
(Decrease) increase in net assets held for the benefit of policyowners	(885)	1,046
Withdrawable unit transactions		
Proceeds from withdrawable units issued	3,727	3,676
Withdrawal of withdrawable units	(694)	(1,235)
Net increase from withdrawable unit transactions	3,033	2,441
Net increase in net assets held for the benefit of policyowners	2,148	3,487
Net assets held for the benefit of policyowners	9,746	7,598
75/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	20,684	10,529
(Decrease) increase in net assets held for the benefit of policyowners	(2,460)	2,738
Withdrawable unit transactions		
Proceeds from withdrawable units issued	13,653	13,382
Withdrawal of withdrawable units	(8,912)	(5,965)
Net increase from withdrawable unit transactions	4,741	7,417
Net increase in net assets held for the benefit of policyowners	2,281	10,155
Net assets held for the benefit of policyowners	22,965	20,684

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, 2022	December 31, 2021
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	56,872	35,307
(Decrease) increase in net assets held for the benefit of policyowners	(6,760)	8,281
Withdrawable unit transactions		
Proceeds from withdrawable units issued	50,706	46,926
Withdrawal of withdrawable units	(36,171)	(33,642)
Net increase from withdrawable unit transactions	14,535	13,284
Net increase in net assets held for the benefit of policyowners	7,775	21,565
Net assets held for the benefit of policyowners	64,647	56,872

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, 2022	December 31, 2021	<i>As at December 31, 2022</i>	Number of Units	Cost* (\$)	Fair Value (\$)
Cash flows from operating activities			HOLDINGS IN INVESTMENT FUND			
(Decrease) increase in net assets held for the benefit of policyowners	(6,760)	8,281	Canadian Equity Fund — 99.4%			
Adjustments for:			BMO Dividend Fund, Series I			
Net realized gain on sale of investments and derivatives	(401)	(302)		3,564,715	62,266	64,262
Change in unrealized depreciation (appreciation) of investments and derivatives	7,278	(7,964)	Total Investment Portfolio — 99.4%			
Increase in accrued expenses	99	132			62,266	64,262
Non-cash distributions from investment trusts	(1,914)	(1,283)	Other Assets Less Liabilities — 0.6%			
Purchases of investments	(17,725)	(13,000)	Net assets held for the benefit of policyowners — 100.0%			
Proceeds from sale and maturity of investments	4,040	1,950				385
Net cash used in operating activities	(15,383)	(12,186)				
Cash flows from financing activities						
Proceeds from issuances of withdrawable units	33,819	29,450				
Amounts paid on withdrawal of withdrawable units	(19,101)	(16,507)				
Net cash from financing activities	14,718	12,943				
Net (decrease) increase in cash	(665)	757				
Cash at beginning of period	1,334	577				
Cash at end of period	669	1,334				
Supplementary Information:						
Interest received, net of withholding taxes*	18	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 Dividend GIF

Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)
December 31, 2022

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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 at 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 and 100/100 Class F Units 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, 2022

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 75/75 Class F Units, 75/100 Class F Units, 75/75 Prestige Class Units and 75/100 Prestige Class 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 F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
75/75 Prestige Class Units	May 6, 2019
75/100 Prestige Class Units	May 6, 2019

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, 2022	December 31, 2021
75/75 Class A Units		
Units issued and outstanding, beginning of period	465	363
Issued for cash	609	480
Withdrawn during the period	(387)	(378)
Units issued and outstanding, end of period	687	465

75/100 Class A Units

Units issued and outstanding, beginning of period	1,584	1,465
Issued for cash	1,915	1,817
Withdrawn during the period	(1,643)	(1,698)
Units issued and outstanding, end of period	1,856	1,584

75/75 Class F Units

Units issued and outstanding, beginning of period	17	5
Issued for cash	0	12
Withdrawn during the period	(11)	(0)
Units issued and outstanding, end of period	6	17

75/100 Class F Units

Units issued and outstanding, beginning of period	29	1
Issued for cash	26	28
Withdrawn during the period	(1)	—
Units issued and outstanding, end of period	54	29

75/75 Prestige Class Units

Units issued and outstanding, beginning of period	594	391
Issued for cash	308	309
Withdrawn during the period	(57)	(106)
Units issued and outstanding, end of period	845	594

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
75/100 Prestige Class Units		
Units issued and outstanding, beginning of period	1,632	1,007
Issued for cash	1,121	1,132
Withdrawn during the period	(740)	(507)
Units issued and outstanding, end of period	2,013	1,632

Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2022 Class	Number of Units	Value of Units (\$)
75/75 Class F Units	1,000	13
75/100 Class F Units	1,000	13
75/75 Prestige Class Units	2,083	24
75/100 Prestige Class Units	2,078	24

As at December 31, 2021 Class	Number of Units	Value of Units (\$)
75/75 Class F Units	1,000	14
75/100 Class F Units	1,000	14
75/75 Prestige Class Units	2,083	27
75/100 Prestige Class Units	2,078	26

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, 2022	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Currencies					
U.S. Dollar	177	14,346	(9,263)	5,260	8.1

As at December 31, 2021	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Currencies					
U.S. Dollar	131	12,154	(7,740)	4,545	8.0

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, 2022

As at December 31, 2022 and December 31, 2021, 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, 2021 — \$227). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Interest rate risk

As at December 31, 2022 and December 31, 2021, 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 \$5,627 (December 31, 2021 — \$5,007). 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, 2022 and December 31, 2021, 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, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	64,262	—	—	64,262

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	55,540	—	—	55,540

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$nil).

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

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, 2022	As at December 31, 2021
BMO Dividend Fund, Series I	64,262	55,540

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

BMO Dividend Fund, Series I	0.88%	0.72%
-----------------------------	-------	-------

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, 2022 and December 31, 2021 is calculated as follows:

For the periods ended	December 31, 2022	December 31, 2021
75/75 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(822)	1,004
Weighted average units outstanding during the period (in thousands of units)	617	419
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.33)	2.39
75/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(2,534)	3,431
Weighted average units outstanding during the period (in thousands of units)	1,846	1,463
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.37)	2.35
75/75 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(13)	21
Weighted average units outstanding during the period (in thousands of units)	10	10
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.33)	2.25
75/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(46)	41
Weighted average units outstanding during the period (in thousands of units)	38	16
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.22)	2.58

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, 2022

<i>For the periods ended</i>	December 31, 2022	December 31, 2021
75/75 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(885)	1,046
Weighted average units outstanding during the period (in thousands of units)	706	474
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.25)	2.21
75/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(2,460)	2,738
Weighted average units outstanding during the period (in thousands of units)	1,972	1,281
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.25)	2.14

Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2022 and December 31, 2021.

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, 2022	December 31, 2021
Money Market Investments		
Federal	1.3%	2.3%
Provincial	0.9%	0.1%
Equities		
Communication Services	3.8%	3.6%
Consumer Discretionary	2.8%	2.1%
Consumer Staples	3.7%	2.1%
Energy	8.3%	8.0%
Financials	36.5%	38.9%
Health Care	1.4%	1.2%
Industrials	15.4%	11.8%
Information Technology	8.6%	9.1%
Materials	2.3%	2.4%
Real Estate	4.7%	5.4%
Utilities	10.1%	10.4%
Other Assets less Liabilities	0.2%	2.6%
	100.0%	100.0%

Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2022 and December 31, 2021.

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, 2022



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	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 8,528	6,408	4,119	2,464	1,333
Net asset value per unit ⁽¹⁾	\$ 12.42	13.78	11.36	11.36	9.33
Units issued and outstanding (000's) ⁽¹⁾	687	465	363	217	143
Management fees	% 1.60	1.60	1.60	1.60	1.60
Management expense ratio ⁽²⁾	% 2.67	2.68	2.63	2.72	2.73
Management expense ratio before waivers	% 2.67	2.68	2.63	2.72	2.73
Portfolio turnover rate ⁽³⁾	% 6.37	4.46	0.82	1.71	1.60

	Years ended December 31,				
75/100 Class A Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 22,633	21,524	16,478	10,426	2,629
Net asset value per unit ⁽¹⁾	\$ 12.20	13.59	11.25	11.28	9.30
Units issued and outstanding (000's) ⁽¹⁾	1,856	1,584	1,465	924	283
Management fees	% 1.60	1.60	1.60	1.60	1.60
Management expense ratio ⁽²⁾	% 3.07	3.07	3.06	3.07	3.07
Management expense ratio before waivers	% 3.07	3.07	3.06	3.07	3.07
Portfolio turnover rate ⁽³⁾	% 6.37	4.46	0.82	1.71	1.60

	Years ended December 31,				
75/75 Class F Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 83	248	59	58	47
Net asset value per unit ⁽¹⁾	\$ 13.05	14.31	11.68	11.55	9.38
Units issued and outstanding (000's) ⁽¹⁾	6	17	5	5	5
Management fees	% 0.60	0.60	0.60	0.60	0.60
Management expense ratio ⁽²⁾	% 1.53	1.62	1.62	1.62	1.62
Management expense ratio before waivers	% 1.53	1.62	1.62	1.62	1.62
Portfolio turnover rate ⁽³⁾	% 6.37	4.46	0.82	1.71	1.60

	Years ended December 31,				
75/100 Class F Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 692	410	11	11	9
Net asset value per unit ⁽¹⁾	\$ 12.84	14.14	11.58	11.49	9.37
Units issued and outstanding (000's) ⁽¹⁾	54	29	1	1	1
Management fees	% 0.60	0.60	0.60	0.60	0.60
Management expense ratio ⁽²⁾	% 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 ⁽³⁾	% 6.37	4.46	0.82	1.71	1.60

	Years ended December 31,			
75/75 Prestige Class Units	2022	2021	2020	2019 ⁽⁵⁾
Net asset (000's) ⁽¹⁾	\$ 9,746	7,598	4,111	2,705
Net asset value per unit ⁽¹⁾	\$ 11.54	12.78	10.52	10.49
Units issued and outstanding (000's) ⁽¹⁾	845	594	391	258
Management fees	% 1.42	1.42	1.42	1.42
Management expense ratio ⁽²⁾	% 2.51	2.53	2.54	2.54
Management expense ratio before waivers	% 2.51	2.53	2.54	2.54
Portfolio turnover rate ⁽³⁾	% 6.37	4.46	0.82	1.71

	Years ended December 31,			
75/100 Prestige Class Units	2022	2021	2020	2019 ⁽⁵⁾
Net asset (000's) ⁽¹⁾	\$ 22,965	20,684	10,529	5,701
Net asset value per unit ⁽¹⁾	\$ 11.41	12.67	10.46	10.47
Units issued and outstanding (000's) ⁽¹⁾	2,013	1,632	1,007	544
Management fees	% 1.33	1.33	1.33 [†]	1.42
Management expense ratio ⁽²⁾	% 2.76	2.76	2.78	2.85
Management expense ratio before waivers	% 2.76	2.76	2.78	2.85
Portfolio turnover rate ⁽³⁾	% 6.37	4.46	0.82	1.71

(1) This information is provided as at December 31 of the period shown, as applicable.
(2) The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.
(3) The Fund's portfolio turnover 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.
(4) The information shown in this column is for the period beginning May 14, 2018 (the class' inception date) and ending December 31, 2018.
(5) The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.
[†] Effective May 11, 2020, 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, 2022

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, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash	922	240
Investments		
Non-derivative financial assets	23,485	14,309
Receivable for investments sold	—	125
Subscriptions receivable	35	245
Total assets	24,442	14,919
LIABILITIES		
CURRENT LIABILITIES		
Payable for investments purchased	150	—
Redemptions payable	43	5
Accrued expenses	168	99
Total liabilities	361	104
Net assets held for the benefit of policyowners	24,081	14,815
Net assets held for the benefit of policyowners		
75/75 Class A Units	8,415	4,342
75/100 Class A Units	4,135	3,453
75/75 Class F Units	13	13
75/100 Class F Units	13	13
75/75 Prestige Class Units	5,661	3,458
75/100 Prestige Class Units	5,844	3,536
Net assets held for the benefit of policyowners per unit		
75/75 Class A Units	\$ 12.23	\$ 12.37
75/100 Class A Units	\$ 12.09	\$ 12.26
75/75 Class F Units	\$ 12.95	\$ 12.94
75/100 Class F Units	\$ 12.75	\$ 12.79
75/75 Prestige Class Units	\$ 12.41	\$ 12.52
75/100 Prestige Class Units	\$ 12.24	\$ 12.37

STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	December 31, 2022	December 31, 2021
INCOME		
Interest income	12	0
Distributions received from investment trusts	985	615
Other changes in fair value of investments and derivatives		
Net realized gain	195	190
Change in unrealized (depreciation) appreciation	(1,193)	2,110
Net (loss) gain in fair value of investments and derivatives	(1)	2,915
Total (loss) income	(1)	2,915
EXPENSES		
Management fees (note 7)	356	204
Fixed administration fees (note 7)	58	33
Insurance fees (note 7)	160	100
Interest charges	—	0
Total expenses	574	337
(Decrease) increase in net assets held for the benefit of policyowners	(575)	2,578
(Decrease) increase in net assets held for the benefit of policyowners		
75/75 Class A Units	(199)	524
75/100 Class A Units	(42)	1,025
75/75 Class F Units	0	3
75/100 Class F Units	(0)	3
75/75 Prestige Class Units	(223)	380
75/100 Prestige Class Units	(111)	643
(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)		
75/75 Class A Units	(0.35)	2.21
75/100 Class A Units	(0.15)	2.76
75/75 Class F Units	0.00	2.92
75/100 Class F Units	(0.04)	2.86
75/75 Prestige Class Units	(0.53)	2.22
75/100 Prestige Class Units	(0.32)	2.57

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, 2022	December 31, 2021
75/75 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	4,342	1,089
(Decrease) increase in net assets held for the benefit of policyowners	(199)	524
Withdrawable unit transactions		
Proceeds from withdrawable units issued	10,637	5,210
Withdrawal of withdrawable units	(6,365)	(2,481)
Net increase from withdrawable unit transactions	4,272	2,729
Net increase in net assets held for the benefit of policyowners	4,073	3,253
Net assets held for the benefit of policyowners	8,415	4,342
75/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	3,453	4,150
(Decrease) increase in net assets held for the benefit of policyowners	(42)	1,025
Withdrawable unit transactions		
Proceeds from withdrawable units issued	5,566	3,129
Withdrawal of withdrawable units	(4,842)	(4,851)
Net increase (decrease) from withdrawable unit transactions	724	(1,722)
Net increase (decrease) in net assets held for the benefit of policyowners	682	(697)
Net assets held for the benefit of policyowners	4,135	3,453
75/75 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	13	10
Increase in net assets held for the benefit of policyowners	0	3
Net increase in net assets held for the benefit of policyowners	0	3
Net assets held for the benefit of policyowners	13	13

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, 2022	December 31, 2021
75/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	13	10
(Decrease) increase in net assets held for the benefit of policyowners	(0)	3
Net (decrease) increase in net assets held for the benefit of policyowners	(0)	3
Net assets held for the benefit of policyowners	13	13
75/75 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	3,458	754
(Decrease) increase in net assets held for the benefit of policyowners	(223)	380
Withdrawable unit transactions		
Proceeds from withdrawable units issued	4,334	2,327
Withdrawal of withdrawable units	(1,908)	(3)
Net increase from withdrawable unit transactions	2,426	2,324
Net increase in net assets held for the benefit of policyowners	2,203	2,704
Net assets held for the benefit of policyowners	5,661	3,458
75/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	3,536	1,956
(Decrease) increase in net assets held for the benefit of policyowners	(111)	643
Withdrawable unit transactions		
Proceeds from withdrawable units issued	3,768	2,071
Withdrawal of withdrawable units	(1,349)	(1,134)
Net increase from withdrawable unit transactions	2,419	937
Net increase in net assets held for the benefit of policyowners	2,308	1,580
Net assets held for the benefit of policyowners	5,844	3,536

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, 2022	December 31, 2021
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	14,815	7,969
(Decrease) increase in net assets held for the benefit of policyowners	(575)	2,578
Withdrawable unit transactions		
Proceeds from withdrawable units issued	24,305	12,737
Withdrawal of withdrawable units	(14,464)	(8,469)
Net increase from withdrawable unit transactions	9,841	4,268
Net increase in net assets held for the benefit of policyowners	9,266	6,846
Net assets held for the benefit of policyowners	24,081	14,815

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, 2022	December 31, 2021
Cash flows from operating activities		
(Decrease) increase in net assets held for the benefit of policyowners	(575)	2,578
Adjustments for:		
Net realized gain on sale of investments and derivatives	(195)	(190)
Change in unrealized depreciation (appreciation) of investments and derivatives	1,193	(2,110)
Increase in accrued expenses	69	44
Non-cash distributions from investment trusts	(985)	(615)
Purchases of investments	(10,504)	(5,280)
Proceeds from sale and maturity of investments	1,590	1,560
Net cash used in operating activities	(9,407)	(4,013)
Cash flows from financing activities		
Proceeds from issuances of withdrawable units	15,870	8,044
Amounts paid on withdrawal of withdrawable units	(5,781)	(4,016)
Net cash from financing activities	10,089	4,028
Net increase in cash	682	15
Cash at beginning of period	240	225
Cash at end of period	922	240
Supplementary Information:		
Interest received, net of withholding taxes*	12	0
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, 2022</i>	Number of Units	Cost* (\$)	Fair Value (\$)
HOLDINGS IN INVESTMENT FUND			
Canadian Equity Fund — 97.5%			
BMO Monthly High Income Fund II, Series I	1,156,337	22,849	23,485
Total Investment Portfolio — 97.5%		22,849	23,485
Other Assets Less Liabilities — 2.5%			596
Net assets held for the benefit of policyowners — 100.0%			24,081

* 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, 2022

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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 at 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 and 100/100 Class F Units 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

BMO Monthly High Income II GIF

Notes to the Financial Statements (cont'd)

(All amounts in thousands of Canadian dollars)

December 31, 2022

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, 2022

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 75/75 Class F Units, 75/100 Class F Units, 75/75 Prestige Class Units and 75/100 Prestige Class 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 F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
75/75 Prestige Class Units	May 6, 2019
75/100 Prestige Class Units	May 6, 2019

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, 2022	December 31, 2021
75/75 Class A Units		
Units issued and outstanding, beginning of period	351	113
Issued for cash	832	453
Withdrawn during the period	(495)	(215)
Units issued and outstanding, end of period	688	351
75/100 Class A Units		
Units issued and outstanding, beginning of period	282	431
Issued for cash	446	276
Withdrawn during the period	(386)	(425)
Units issued and outstanding, end of period	342	282
75/75 Class F Units		
Units issued and outstanding, beginning of period	1	1
Units issued and outstanding, end of period	1	1
75/100 Class F Units		
Units issued and outstanding, beginning of period	1	1
Units issued and outstanding, end of period	1	1
75/75 Prestige Class Units		
Units issued and outstanding, beginning of period	276	77
Issued for cash	329	199
Withdrawn during the period	(149)	(0)
Units issued and outstanding, end of period	456	276
75/100 Prestige Class Units		
Units issued and outstanding, beginning of period	286	202
Issued for cash	297	182
Withdrawn during the period	(106)	(98)
Units issued and outstanding, end of period	477	286

Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2022		
Class	Number of Units	Value of Units (\$)
75/75 Class F Units	1,000	13
75/100 Class F Units	1,000	13
75/75 Prestige Class Units	2,009	25
75/100 Prestige Class Units	2,006	25
As at December 31, 2021		
Class	Number of Units	Value of Units (\$)
75/75 Class F Units	1,000	13
75/100 Class F Units	1,000	13
75/75 Prestige Class Units	2,009	25
75/100 Prestige Class Units	2,006	25

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, 2022 and December 31, 2021, 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, 2022 and December 31, 2021, 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 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 \$2,342 (December 31, 2021 — \$1,467). 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, 2022 and December 31, 2021, the Fund did not have significant exposure, through its investment in the underlying fund, to credit risk.

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, 2022

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, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	23,485	—	—	23,485

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	14,309	—	—	14,309

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	As at December 31, 2021
BMO Monthly High Income Fund II, Series I	23,485	14,309

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

BMO Monthly High Income Fund II, Series I	2.98%	1.79%
---	-------	-------

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, 2022 and December 31, 2021 is calculated as follows:

For the periods ended	December 31, 2022	December 31, 2021
75/75 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(199)	524
Weighted average units outstanding during the period (in thousands of units)	568	237
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.35)	2.21

For the periods ended	December 31, 2022	December 31, 2021
75/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(42)	1,025
Weighted average units outstanding during the period (in thousands of units)	279	372
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.15)	2.76
75/75 Class F Units		
Increase in net assets held for the benefit of policyowners	0	3
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	0.00	2.92
75/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(0)	3
Weighted average units outstanding during the period (in thousands of units)	1	1
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.04)	2.86
75/75 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(223)	380
Weighted average units outstanding during the period (in thousands of units)	421	171
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.53)	2.22
75/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(111)	643
Weighted average units outstanding during the period (in thousands of units)	351	251
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.32)	2.57

Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2022 and December 31, 2021.

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, 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, 2022	December 31, 2021
Money Market Investments		
Federal	2.9%	1.6%
Equities		
Communication Services	4.6%	5.8%
Consumer Discretionary	3.5%	4.1%
Energy	23.5%	19.9%
Financials	28.2%	30.5%
Health Care	2.9%	4.1%
Industrials	6.1%	4.4%
Information Technology	3.8%	2.1%
Materials	4.4%	3.8%
Real Estate	6.4%	8.7%
Utilities	10.9%	11.4%
Other Assets less Liabilities	2.8%	3.6%
	100.0%	100.0%

Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2022 and December 31, 2021.

BMO Monthly High Income II GIF

Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)
December 31, 2022



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,				
	2022	2021	2020	2019	2018 ⁽⁴⁾
75/75 Class A Units					
Net asset (000's) ⁽¹⁾	\$ 8,415	4,342	1,089	689	535
Net asset value per unit ⁽¹⁾	\$ 12.23	12.37	9.67	10.58	9.06
Units issued and outstanding (000's) ⁽¹⁾	688	351	113	65	59
Management fees	% 1.65	1.65	1.65	1.65	1.65
Management expense ratio ⁽²⁾	% 2.82	2.76	2.75	2.77	2.79
Management expense ratio before waivers	% 2.82	2.76	2.75	2.77	2.79
Portfolio turnover rate ⁽³⁾	% 7.44	14.69	18.41	4.57	—

	Years ended December 31,				
	2022	2021	2020	2019	2018 ⁽⁴⁾
75/100 Class A Units					
Net asset (000's) ⁽¹⁾	\$ 4,135	3,453	4,150	3,469	459
Net asset value per unit ⁽¹⁾	\$ 12.09	12.26	9.63	10.52	9.04
Units issued and outstanding (000's) ⁽¹⁾	342	282	431	330	51
Management fees	% 1.65	1.65	1.65	1.65	1.65
Management expense ratio ⁽²⁾	% 3.11	3.12	3.12	3.13	3.13
Management expense ratio before waivers	% 3.11	3.12	3.12	3.13	3.13
Portfolio turnover rate ⁽³⁾	% 7.44	14.69	18.41	4.57	—

	Years ended December 31,				
	2022	2021	2020	2019	2018 ⁽⁴⁾
75/75 Class F Units					
Net asset (000's) ⁽¹⁾	\$ 13	13	10	11	9
Net asset value per unit ⁽¹⁾	\$ 12.95	12.94	10.02	10.77	9.13
Units issued and outstanding (000's) ⁽¹⁾	1	1	1	1	1
Management fees	% 0.65	0.65	0.65	0.65	0.65
Management expense ratio ⁽²⁾	% 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 ⁽³⁾	% 7.44	14.69	18.41	4.57	—

	Years ended December 31,				
	2022	2021	2020	2019	2018 ⁽⁴⁾
75/100 Class F Units					
Net asset (000's) ⁽¹⁾	\$ 13	13	10	11	9
Net asset value per unit ⁽¹⁾	\$ 12.75	12.79	9.93	10.71	9.11
Units issued and outstanding (000's) ⁽¹⁾	1	1	1	1	1
Management fees	% 0.65	0.65	0.65	0.65	0.65
Management expense ratio ⁽²⁾	% 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 ⁽³⁾	% 7.44	14.69	18.41	4.57	—

	Years ended December 31,			
	2022	2021	2020	2019 ⁽⁵⁾
75/75 Prestige Class Units				
Net asset (000's) ⁽¹⁾	\$ 5,661	3,458	754	655
Net asset value per unit ⁽¹⁾	\$ 12.41	12.52	9.77	10.50
Units issued and outstanding (000's) ⁽¹⁾	456	276	77	62
Management fees	% 1.47	1.47	1.47	1.47
Management expense ratio ⁽²⁾	% 2.60	2.50	2.50	2.50
Management expense ratio before waivers	% 2.60	2.50	2.50	2.50
Portfolio turnover rate ⁽³⁾	% 7.44	14.69	18.41	4.57

	Years ended December 31,			
	2022	2021	2020	2019 ⁽⁵⁾
75/100 Prestige Class Units				
Net asset (000's) ⁽¹⁾	\$ 5,844	3,536	1,956	745
Net asset value per unit ⁽¹⁾	\$ 12.24	12.37	9.69	10.48
Units issued and outstanding (000's) ⁽¹⁾	477	286	202	71
Management fees	% 1.38	1.38	1.38 [†]	1.47
Management expense ratio ⁽²⁾	% 2.80	2.81	2.78	2.85
Management expense ratio before waivers	% 2.80	2.81	2.78	2.85
Portfolio turnover rate ⁽³⁾	% 7.44	14.69	18.41	4.57

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.
⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.
⁽³⁾ The Fund's portfolio turnover 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, 2018, no sales of portfolio securities were made by the fund. As a result, the portfolio turnover rate for this period was zero.
⁽⁴⁾ The information shown in this column is for the period beginning May 14, 2018 (the class' inception date) and ending December 31, 2018.
⁽⁵⁾ The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.
[†] Effective May 11, 2020, 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, 2022

BMO Tactical Balanced GIF

STATEMENT OF FINANCIAL POSITION <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>			STATEMENT OF COMPREHENSIVE INCOME <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		
<i>As at</i>	December 31, 2022	December 31, 2021	<i>For the periods ended</i>	December 31, 2022	December 31, 2021
ASSETS			INCOME		
CURRENT ASSETS			Interest income		
Cash	425	980		1	0
Investments			Distributions received from investment trusts		
Non-derivative financial assets	23,160	29,900		851	1,805
Subscriptions receivable	6	161	Other changes in fair value of investments and derivatives		
Total assets	23,591	31,041		(305)	406
LIABILITIES			Change in unrealized depreciation		
CURRENT LIABILITIES				(1,848)	(608)
Redemptions payable	15	207	Net (loss) gain in fair value of investments and derivatives		
Accrued expenses	152	205		(1,301)	1,603
Total liabilities	167	412	Total (loss) income		
Net assets held for the benefit of policyowners	23,424	30,629		(1,301)	1,603
Net assets held for the benefit of policyowners			EXPENSES		
75/75 Class A Units	3,998	4,994	Management fees (note 7)		
75/100 Class A Units	5,485	6,870		428	531
75/75 Class F Units	73	77	Fixed administration fees (note 7)		
75/100 Class F Units	10	11		72	90
75/75 Prestige Class Units	5,363	6,935	Insurance fees (note 7)		
75/100 Prestige Class Units	8,495	11,742		179	222
Net assets held for the benefit of policyowners per unit			Interest charges		
75/75 Class A Units	\$ 9.97	\$ 10.62		1	1
75/100 Class A Units	\$ 9.83	\$ 10.51	Total expenses		
75/75 Class F Units	\$ 10.49	\$ 11.05		680	844
75/100 Class F Units	\$ 10.33	\$ 10.93	(Decrease) increase in net assets held for the benefit of policyowners		
75/75 Prestige Class Units	\$ 10.01	\$ 10.66		(1,981)	759
75/100 Prestige Class Units	\$ 9.96	\$ 10.63	(Decrease) increase in net assets held for the benefit of policyowners		
				(317)	120
			75/100 Class A Units		
				(427)	154
			75/75 Class F Units		
				(4)	3
			75/100 Class F Units		
				(1)	1
			75/75 Prestige Class Units		
				(400)	199
			75/100 Prestige Class Units		
				(832)	282
			(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)		
			75/75 Class A Units		
				(0.77)	0.24
			75/100 Class A Units		
				(0.73)	0.20
			75/75 Class F Units		
				(0.57)	0.41
			75/100 Class F Units		
				(0.59)	0.37
			75/75 Prestige Class Units		
				(0.70)	0.32
			75/100 Prestige Class Units		
				(0.82)	0.24

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, 2022	December 31, 2021
75/75 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	4,994	5,914
(Decrease) increase in net assets held for the benefit of policyowners	(317)	120
Withdrawable unit transactions		
Proceeds from withdrawable units issued	1,008	2,867
Withdrawal of withdrawable units	(1,687)	(3,907)
Net decrease from withdrawable unit transactions	(679)	(1,040)
Net decrease in net assets held for the benefit of policyowners	(996)	(920)
Net assets held for the benefit of policyowners	3,998	4,994
75/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	6,870	10,097
(Decrease) increase in net assets held for the benefit of policyowners	(427)	154
Withdrawable unit transactions		
Proceeds from withdrawable units issued	3,094	2,644
Withdrawal of withdrawable units	(4,052)	(6,025)
Net decrease from withdrawable unit transactions	(958)	(3,381)
Net decrease in net assets held for the benefit of policyowners	(1,385)	(3,227)
Net assets held for the benefit of policyowners	5,485	6,870
75/75 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	77	74
(Decrease) increase in net assets held for the benefit of policyowners	(4)	3
Net (decrease) increase in net assets held for the benefit of policyowners	(4)	3
Net assets held for the benefit of policyowners	73	77

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, 2022	December 31, 2021
75/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	11	10
(Decrease) increase in net assets held for the benefit of policyowners	(1)	1
Net (decrease) increase in net assets held for the benefit of policyowners	(1)	1
Net assets held for the benefit of policyowners	10	11
75/75 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	6,935	6,377
(Decrease) increase in net assets held for the benefit of policyowners	(400)	199
Withdrawable unit transactions		
Proceeds from withdrawable units issued	426	1,695
Withdrawal of withdrawable units	(1,598)	(1,336)
Net (decrease) increase from withdrawable unit transactions	(1,172)	359
Net (decrease) increase in net assets held for the benefit of policyowners	(1,572)	558
Net assets held for the benefit of policyowners	5,363	6,935
75/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	11,742	13,257
(Decrease) increase in net assets held for the benefit of policyowners	(832)	282
Withdrawable unit transactions		
Proceeds from withdrawable units issued	2,617	1,849
Withdrawal of withdrawable units	(5,032)	(3,646)
Net decrease from withdrawable unit transactions	(2,415)	(1,797)
Net decrease in net assets held for the benefit of policyowners	(3,247)	(1,515)
Net assets held for the benefit of policyowners	8,495	11,742

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, 2022	December 31, 2021
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	30,629	35,729
(Decrease) increase in net assets held for the benefit of policyowners	(1,981)	759
Withdrawable unit transactions		
Proceeds from withdrawable units issued	7,145	9,055
Withdrawal of withdrawable units	(12,369)	(14,914)
Net decrease from withdrawable unit transactions	(5,224)	(5,859)
Net decrease in net assets held for the benefit of policyowners	(7,205)	(5,100)
Net assets held for the benefit of policyowners	23,424	30,629

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

STATEMENT OF CASH FLOWS <i>(All amounts in thousands of Canadian dollars)</i>			SCHEDULE OF INVESTMENT PORTFOLIO <i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>For the periods ended</i>	December 31, 2022	December 31, 2021	As at December 31, 2022	Number of Units	Cost* (\$)	Fair Value (\$)
Cash flows from operating activities			HOLDINGS IN INVESTMENT FUND			
(Decrease) increase in net assets held for the benefit of policyowners	(1,981)	759	Global Balanced Fund — 98.9%			
Adjustments for:			BMO Tactical Balanced ETF Fund, Series I			
Net realized loss (gain) on sale of investments and derivatives	305	(406)	2,414,229	24,504	23,160	
Change in unrealized depreciation of investments and derivatives	1,848	608	Total Investment Portfolio — 98.9%			
Decrease in accrued expenses	(53)	(29)	24,504 23,160			
Non-cash distributions from investment trusts	(851)	(1,805)	Other Assets Less Liabilities — 1.1%			
Purchases of investments	(1,627)	(2,074)	Net assets held for the benefit			
Proceeds from sale and maturity of investments	7,065	9,535	of policyowners — 100.0%			
Net cash from operating activities	4,706	6,588	23,424			
Cash flows from financing activities						
Proceeds from issuances of withdrawable units	4,384	5,466				
Amounts paid on withdrawal of withdrawable units	(9,645)	(11,089)				
Net cash used in financing activities	(5,261)	(5,623)				
Net (decrease) increase in cash	(555)	965				
Cash at beginning of period	980	15				
Cash at end of period	425	980				
Supplementary Information:						
Interest received, net of withholding taxes*	1	0				
Interest expense paid*	1	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 Tactical Balanced GIF

Notes to the Financial Statements

(All amounts in thousands of Canadian dollars)

December 31, 2022

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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 at 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 and 100/100 Class F Units 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, 2022

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 75/75 Class F Units, 75/100 Class F Units, 75/75 Prestige Class Units and 75/100 Prestige Class 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 F Units	May 14, 2018
75/100 Class F Units	May 14, 2018
75/75 Prestige Class Units	May 6, 2019
75/100 Prestige Class Units	May 6, 2019

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, 2022	December 31, 2021
75/75 Class A Units		
Units issued and outstanding, beginning of period	470	572
Issued for cash	99	279
Withdrawn during the period	(168)	(381)
Units issued and outstanding, end of period	401	470
75/100 Class A Units		
Units issued and outstanding, beginning of period	654	984
Issued for cash	311	256
Withdrawn during the period	(407)	(586)
Units issued and outstanding, end of period	558	654
75/75 Class F Units		
Units issued and outstanding, beginning of period	7	7
Units issued and outstanding, end of period	7	7
75/100 Class F Units		
Units issued and outstanding, beginning of period	1	1
Units issued and outstanding, end of period	1	1
75/75 Prestige Class Units		
Units issued and outstanding, beginning of period	650	615
Issued for cash	41	164
Withdrawn during the period	(155)	(129)
Units issued and outstanding, end of period	536	650
75/100 Prestige Class Units		
Units issued and outstanding, beginning of period	1,105	1,282
Issued for cash	259	177
Withdrawn during the period	(512)	(354)
Units issued and outstanding, end of period	852	1,105

Units held by the Company

The Company held the following units of the Fund:

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
75/75 Prestige Class Units		1,998	20
75/100 Prestige Class Units		1,995	20
As at December 31, 2021			
Class		Number of Units	Value of Units (\$)
75/75 Class F Units		1,000	11
75/100 Class F Units		1,000	11
75/75 Prestige Class Units		1,998	21
75/100 Prestige Class Units		1,995	21

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, 2022	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	281	14,510	(16,121)	(1,331)	(5.7)
Total	281	14,510	(16,121)	(1,331)	(5.7)

As at December 31, 2021	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Currencies					
Euro	(1,070)	6,721	(6,183)	(532)	(1.7)

As at December 31, 2022 and December 31, 2021, 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 \$67 (December 31, 2021 — \$27). 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.

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, 2022

Interest rate risk

As at December 31, 2022 and December 31, 2021, 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 \$1,626 (December 31, 2021 — \$994). 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, 2022 and December 31, 2021, 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, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	23,160	—	—	23,160

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	29,900	—	—	29,900

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	As at December 31, 2021
BMO Tactical Balanced ETF Fund, Series I	23,160	29,900

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

BMO Tactical Balanced ETF Fund, Series I	10.01%	9.28%
--	--------	-------

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, 2022 and December 31, 2021 is calculated as follows:

For the periods ended	December 31, 2022	December 31, 2021
75/75 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(317)	120
Weighted average units outstanding during the period (in thousands of units)	414	498
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.77)	0.24
75/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(427)	154
Weighted average units outstanding during the period (in thousands of units)	584	766
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.73)	0.20
75/75 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(4)	3
Weighted average units outstanding during the period (in thousands of units)	7	7
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.57)	0.41
75/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1)	1
Weighted average units outstanding during the period (in thousands of units)	1	1
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.59)	0.37

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, 2022

<i>For the periods ended</i>	December 31, 2022	December 31, 2021
75/75 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(400)	199
Weighted average units outstanding during the period (in thousands of units)	574	628
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.70)	0.32
75/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(832)	282
Weighted average units outstanding during the period (in thousands of units)	1,018	1,181
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.82)	0.24

Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2022 and December 31, 2021.

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, 2022	December 31, 2021
Holdings in Investment Funds		
Canadian Fixed Income Funds	—%	0.4%
Emerging Markets Equity Funds	19.3%	7.4%
Emerging Markets Fixed Income Funds	11.2%	6.9%
Global Equity Funds	12.5%	7.8%
International Equity Funds	29.0%	30.7%
North American Equity Funds	—%	1.1%
Preferred Share Fixed Income Funds	—%	1.4%
U.S. Equity Funds	18.1%	33.2%
U.S. Fixed Income Funds	10.8%	1.0%
Derivatives		
Purchased Put Option Contracts	—%	1.5%
Written Put Option Contracts	—%	(0.7)%
Other Assets less Liabilities	(0.9)%	9.3%
	100.0%	100.0%

Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2022 and December 31, 2021.

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

BMO Tactical Balanced GIF

Supplementary Information

(All amounts in thousands of Canadian dollars, except per unit data)
December 31, 2022



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	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 3,998	4,994	5,914	3,090	4,402
Net asset value per unit ⁽¹⁾	\$ 9.97	10.62	10.33	10.09	9.60
Units issued and outstanding (000's) ⁽¹⁾	401	470	572	306	459
Management fees	% 1.60	1.60	1.60	1.60	1.60
Management expense ratio ⁽²⁾	% 2.57	2.57	2.52	2.61	2.61
Management expense ratio before waivers	% 2.57	2.57	2.52	2.61	2.61
Portfolio turnover rate ⁽³⁾	% 6.33	6.54	3.34	7.02	9.66

	Years ended December 31,				
75/100 Class A Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 5,485	6,870	10,097	5,562	6,384
Net asset value per unit ⁽¹⁾	\$ 9.83	10.51	10.26	10.05	9.58
Units issued and outstanding (000's) ⁽¹⁾	558	654	984	554	666
Management fees	% 1.60	1.60	1.60	1.60	1.60
Management expense ratio ⁽²⁾	% 2.87	2.87	2.86	2.93	2.93
Management expense ratio before waivers	% 2.87	2.87	2.86	2.93	2.93
Portfolio turnover rate ⁽³⁾	% 6.33	6.54	3.34	7.02	9.66

	Years ended December 31,				
75/75 Class F Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 73	77	74	84	49
Net asset value per unit ⁽¹⁾	\$ 10.49	11.05	10.64	10.29	9.67
Units issued and outstanding (000's) ⁽¹⁾	7	7	7	8	5
Management fees	% 0.60	0.60	0.60	0.60	0.60
Management expense ratio ⁽²⁾	% 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 ⁽³⁾	% 6.33	6.54	3.34	7.02	9.66

	Years ended December 31,				
75/100 Class F Units	2022	2021	2020	2019	2018 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 10	11	10	10	10
Net asset value per unit ⁽¹⁾	\$ 10.33	10.93	10.55	10.23	9.64
Units issued and outstanding (000's) ⁽¹⁾	1	1	1	1	1
Management fees	% 0.60	0.60	0.60	0.60	0.60
Management expense ratio ⁽²⁾	% 1.78	1.78	1.77	1.77	1.77
Management expense ratio before waivers	% 1.78	1.78	1.77	1.77	1.77
Portfolio turnover rate ⁽³⁾	% 6.33	6.54	3.34	7.02	9.66

	Years ended December 31,			
75/75 Prestige Class Units	2022	2021	2020	2019 ⁽⁵⁾
Net asset (000's) ⁽¹⁾	\$ 5,363	6,935	6,377	4,655
Net asset value per unit ⁽¹⁾	\$ 10.01	10.66	10.37	10.12
Units issued and outstanding (000's) ⁽¹⁾	536	650	615	460
Management fees	% 1.46	1.46	1.46	1.46
Management expense ratio ⁽²⁾	% 2.46	2.45	2.46	2.46
Management expense ratio before waivers	% 2.46	2.45	2.46	2.46
Portfolio turnover rate ⁽³⁾	% 6.33	6.54	3.34	7.02

	Years ended December 31,			
75/100 Prestige Class Units	2022	2021	2020	2019 ⁽⁵⁾
Net asset (000's) ⁽¹⁾	\$ 8,495	11,742	13,257	7,999
Net asset value per unit ⁽¹⁾	\$ 9.96	10.63	10.34	10.11
Units issued and outstanding (000's) ⁽¹⁾	852	1,105	1,282	791
Management fees	% 1.37	1.37	1.37 [†]	1.46
Management expense ratio ⁽²⁾	% 2.63	2.60	2.60	2.67
Management expense ratio before waivers	% 2.63	2.60	2.60	2.67
Portfolio turnover rate ⁽³⁾	% 6.33	6.54	3.34	7.02

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.
⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.
⁽³⁾ The Fund's portfolio turnover 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.
⁽⁴⁾ The information shown in this column is for the period beginning May 14, 2018 (the class' inception date) and ending December 31, 2018.
⁽⁵⁾ The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.
[†] Effective May 11, 2020, the management fee rate was reduced from 1.46% to 1.37%.

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

BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2022

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, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash	240	658
Investments		
Non-derivative financial assets	21,928	22,075
Subscriptions receivable	—	230
Total assets	22,168	22,963
LIABILITIES		
CURRENT LIABILITIES		
Redemptions payable	4	145
Accrued expenses	154	149
Total liabilities	158	294
Net assets held for the benefit of policyowners	22,010	22,669
Net assets held for the benefit of policyowners		
75/75 Class A Units	957	1,149
75/100 Class A Units	4,199	5,217
100/100 Class A Units	3,035	3,284
75/75 Class F Units	10	12
75/100 Class F Units	226	274
100/100 Class F Units	10	12
75/75 Prestige Class Units	2,030	1,369
75/100 Prestige Class Units	7,030	7,119
100/100 Prestige Class Units	4,513	4,233
Net assets held for the benefit of policyowners per unit		
75/75 Class A Units	\$ 9.76	\$ 11.72
75/100 Class A Units	\$ 9.70	\$ 11.66
100/100 Class A Units	\$ 9.49	\$ 11.46
75/75 Class F Units	\$ 10.17	\$ 12.07
75/100 Class F Units	\$ 10.09	\$ 11.99
100/100 Class F Units	\$ 9.93	\$ 11.86
75/75 Prestige Class Units	\$ 9.83	\$ 11.77
75/100 Prestige Class Units	\$ 9.76	\$ 11.70
100/100 Prestige Class Units	\$ 9.79	\$ 11.77

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

For the periods ended	December 31, 2022	December 31, 2021
INCOME		
Interest income	3	0
Distributions received from investment trusts	—	2,030
Other changes in fair value of investments and derivatives		
Net realized (loss) gain	(210)	39
Change in unrealized depreciation	(3,231)	(1,054)
Net (loss) gain in fair value of investments and derivatives	(3,438)	1,015
Total (loss) income	(3,438)	1,015
EXPENSES		
Management fees (note 7)	361	262
Fixed administration fees (note 7)	61	44
Insurance fees (note 7)	188	136
Interest charges	0	—
Total expenses	610	442
(Decrease) increase in net assets held for the benefit of policyowners	(4,048)	573
(Decrease) increase in net assets held for the benefit of policyowners		
75/75 Class A Units	(202)	35
75/100 Class A Units	(884)	156
100/100 Class A Units	(610)	83
75/75 Class F Units	(2)	1
75/100 Class F Units	(43)	16
100/100 Class F Units	(2)	1
75/75 Prestige Class Units	(286)	13
75/100 Prestige Class Units	(1,260)	164
100/100 Prestige Class Units	(759)	104
(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)		
75/75 Class A Units	(1.92)	0.45
75/100 Class A Units	(1.99)	0.43
100/100 Class A Units	(1.92)	0.39
75/75 Class F Units	(1.90)	0.72
75/100 Class F Units	(1.91)	0.71
100/100 Class F Units	(1.93)	0.64
75/75 Prestige Class Units	(1.53)	0.23
75/100 Prestige Class Units	(1.81)	0.41
100/100 Prestige Class Units	(1.71)	0.44

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, 2022	December 31, 2021
75/75 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	1,149	468
(Decrease) increase in net assets held for the benefit of policyowners	(202)	35
Withdrawable unit transactions		
Proceeds from withdrawable units issued	1,564	2,056
Withdrawal of withdrawable units	(1,554)	(1,410)
Net increase from withdrawable unit transactions	10	646
Net (decrease) increase in net assets held for the benefit of policyowners	(192)	681
Net assets held for the benefit of policyowners	957	1,149
75/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	5,217	3,006
(Decrease) increase in net assets held for the benefit of policyowners	(884)	156
Withdrawable unit transactions		
Proceeds from withdrawable units issued	3,552	8,253
Withdrawal of withdrawable units	(3,686)	(6,198)
Net (decrease) increase from withdrawable unit transactions	(134)	2,055
Net (decrease) increase in net assets held for the benefit of policyowners	(1,018)	2,211
Net assets held for the benefit of policyowners	4,199	5,217

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, 2022	December 31, 2021
100/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	3,284	1,459
(Decrease) increase in net assets held for the benefit of policyowners	(610)	83
Withdrawable unit transactions		
Proceeds from withdrawable units issued	2,239	4,345
Withdrawal of withdrawable units	(1,878)	(2,603)
Net increase from withdrawable unit transactions	361	1,742
Net (decrease) increase in net assets held for the benefit of policyowners	(249)	1,825
Net assets held for the benefit of policyowners	3,035	3,284
75/75 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	12	11
(Decrease) increase in net assets held for the benefit of policyowners	(2)	1
Net (decrease) increase in net assets held for the benefit of policyowners	(2)	1
Net assets held for the benefit of policyowners	10	12
75/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	274	261
(Decrease) increase in net assets held for the benefit of policyowners	(43)	16
Withdrawable unit transactions		
Withdrawal of withdrawable units	(5)	(3)
Net decrease from withdrawable unit transactions	(5)	(3)
Net (decrease) increase in net assets held for the benefit of policyowners	(48)	13
Net assets held for the benefit of policyowners	226	274

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)

For the periods ended	December 31, 2022	December 31, 2021
100/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	12	11
(Decrease) increase in net assets held for the benefit of policyowners	(2)	1
Net (decrease) increase in net assets held for the benefit of policyowners	(2)	1
Net assets held for the benefit of policyowners	10	12
75/75 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	1,369	380
(Decrease) increase in net assets held for the benefit of policyowners	(286)	13
Withdrawable unit transactions		
Proceeds from withdrawable units issued	1,219	1,163
Withdrawal of withdrawable units	(272)	(187)
Net increase from withdrawable unit transactions	947	976
Net increase in net assets held for the benefit of policyowners	661	989
Net assets held for the benefit of policyowners	2,030	1,369
75/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	7,119	2,186
(Decrease) increase in net assets held for the benefit of policyowners	(1,260)	164
Withdrawable unit transactions		
Proceeds from withdrawable units issued	2,733	5,455
Withdrawal of withdrawable units	(1,562)	(686)
Net increase from withdrawable unit transactions	1,171	4,769
Net (decrease) increase in net assets held for the benefit of policyowners	(89)	4,933
Net assets held for the benefit of policyowners	7,030	7,119

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, 2022	December 31, 2021
100/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	4,233	1,859
(Decrease) increase in net assets held for the benefit of policyowners	(759)	104
Withdrawable unit transactions		
Proceeds from withdrawable units issued	1,431	2,591
Withdrawal of withdrawable units	(392)	(321)
Net increase from withdrawable unit transactions	1,039	2,270
Net increase in net assets held for the benefit of policyowners	280	2,374
Net assets held for the benefit of policyowners	4,513	4,233
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	22,669	9,641
(Decrease) increase in net assets held for the benefit of policyowners	(4,048)	573
Withdrawable unit transactions		
Proceeds from withdrawable units issued	12,738	23,863
Withdrawal of withdrawable units	(9,349)	(11,408)
Net increase from withdrawable unit transactions	3,389	12,455
Net (decrease) increase in net assets held for the benefit of policyowners	(659)	13,028
Net assets held for the benefit of policyowners	22,010	22,669

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, 2022	December 31, 2021
Cash flows from operating activities		
(Decrease) increase in net assets held for the benefit of policyowners	(4,048)	573
Adjustments for:		
Net realized loss (gain) on sale of investments and derivatives	210	(39)
Change in unrealized depreciation of investments and derivatives	3,231	1,054
Increase in accrued expenses	5	87
Non-cash distributions from investment trusts	—	(2,030)
Purchases of investments	(4,745)	(12,079)
Proceeds from sale and maturity of investments	1,450	500
Net cash used in operating activities	(3,897)	(11,934)
Cash flows from financing activities		
Proceeds from issuances of withdrawable units	12,969	15,226
Amounts paid on withdrawal of withdrawable units	(9,490)	(2,806)
Net cash from financing activities	3,479	12,420
Net (decrease) increase in cash	(418)	486
Cash at beginning of period	658	172
Cash at end of period	240	658
Supplementary Information:		
Interest received, net of withholding taxes*	3	0
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, 2022</i>	Number of Units	Cost* (\$)	Fair Value (\$)
HOLDINGS IN INVESTMENT FUND			
Global Balanced Fund — 99.6%			
BMO Sustainable Global Balanced Fund, Series I	1,953,213	25,544	21,928
Total Investment Portfolio — 99.6%		25,544	21,928
Other Assets Less Liabilities — 0.4%			82
Net assets held for the benefit of policyowners — 100.0%			22,010

* 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, 2022

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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 at 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 and 100/100 Class F Units 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, 2022 (cont'd)

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, 2022



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 F Units, 75/100 Class F Units, 100/100 Class F Units, 75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class 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 F Units	May 6, 2019
75/100 Class F Units	May 6, 2019
100/100 Class F Units	May 6, 2019
75/75 Prestige Class Units	May 6, 2019
75/100 Prestige Class Units	May 6, 2019
100/100 Prestige Class Units	May 6, 2019

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, 2022	December 31, 2021
75/75 Class A Units		
Units issued and outstanding, beginning of period	98	42
Issued for cash	151	176
Withdrawn during the period	(151)	(120)
Units issued and outstanding, end of period	98	98
75/100 Class A Units		
Units issued and outstanding, beginning of period	447	271
Issued for cash	350	713
Withdrawn during the period	(364)	(537)
Units issued and outstanding, end of period	433	447
100/100 Class A Units		
Units issued and outstanding, beginning of period	287	133
Issued for cash	222	382
Withdrawn during the period	(189)	(228)
Units issued and outstanding, end of period	320	287
75/75 Class F Units		
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, 2022	December 31, 2021
75/100 Class F Units		
Units issued and outstanding, beginning of period	23	23
Withdrawn during the period	(1)	(0)
Units issued and outstanding, end of period	22	23

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
100/100 Class F Units		
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, 2022	December 31, 2021
75/75 Prestige Class Units		
Units issued and outstanding, beginning of period	116	34
Issued for cash	118	98
Withdrawn during the period	(27)	(16)
Units issued and outstanding, end of period	207	116

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
75/100 Prestige Class Units		
Units issued and outstanding, beginning of period	608	197
Issued for cash	269	471
Withdrawn during the period	(156)	(60)
Units issued and outstanding, end of period	721	608

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
100/100 Prestige Class Units		
Units issued and outstanding, beginning of period	360	166
Issued for cash	140	222
Withdrawn during the period	(39)	(28)
Units issued and outstanding, end of period	461	360

Units held by the Company

The Company held the following units of the Fund:

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

As at December 31, 2021	Number of Units	Value of Units (\$)
Class		
100/100 Class A 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
75/75 Prestige Class Units	1,000	12
75/100 Prestige Class Units	1,000	12
100/100 Prestige Class Units	1,000	12

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, 2022



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, 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
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
Total	409	20,420	(8,421)	12,408	56.4

As at December 31, 2021

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Australian Dollar	(4)	547	(374)	169	0.7
Brazilian Real	0	26	—	26	0.1
Danish Krone	—	117	—	117	0.5
Euro	18	3,862	(2,944)	936	4.1
Hong Kong Dollar	(1)	321	—	320	1.4
Japanese Yen	(1)	1,885	(1,131)	753	3.3
Mexican Peso	3	312	(315)	0	(0.0)
New Zealand Dollar	0	—	—	0	0.0
Norwegian Krone	0	—	—	0	0.0
Pound Sterling	9	1,259	(882)	386	1.7
South African Rand	4	129	(129)	4	0.0
South Korean Won	(6)	221	—	215	0.9
Swedish Krona	—	159	—	159	0.7

As at December 31, 2021

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Swiss Franc	4	193	(30)	167	0.7
Taiwan New Dollar	3	292	—	295	1.3
Thai Baht	—	17	—	17	0.1
Turkish Lira	—	36	—	36	0.2
U.S. Dollar	(122)	10,895	(3,849)	6,924	30.5
Total	(93)	20,271	(9,654)	10,524	46.2

As at December 31, 2022 and December 31, 2021, 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 \$620 (December 31, 2021 — \$526). 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, 2022	December 31, 2021
Less than one year	1,012	902
One to three years	2,552	2,703
Three to five years	969	1,754
Five to ten years	2,542	3,085
Greater than ten years	1,515	1,710
Total	8,590	10,154

As at December 31, 2022 and December 31, 2021, 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 \$514 (December 31, 2021 — \$648). 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 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 \$2,466 (December 31, 2021 — \$2,085). Historical correlation may not be representative of future correlation, and accordingly, actual

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, 2022



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, 2022	December 31, 2021
AAA	17.0	19.0
AA	4.3	6.3
A	9.4	10.2
BBB	7.8	7.4
BB	0.6	0.8
Unrated	—	1.4
Total	39.1	45.1

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, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	21,928	—	—	21,928

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	22,075	—	—	22,075

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	December 31, 2021
BMO Sustainable Global Balanced Fund, Series I	21,928	22,075

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

	As at December 31, 2022	As at December 31, 2021
BMO Sustainable Global Balanced Fund, Series I	33.93%	25.66%

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, 2022 and December 31, 2021 is calculated as follows:

For the periods ended	December 31, 2022	December 31, 2021
75/75 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(202)	35
Weighted average units outstanding during the period (in thousands of units)	105	77
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.92)	0.45
75/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(884)	156
Weighted average units outstanding during the period (in thousands of units)	443	360
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.99)	0.43
100/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(610)	83
Weighted average units outstanding during the period (in thousands of units)	319	215
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.92)	0.39
75/75 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(2)	1
Weighted average units outstanding during the period (in thousands of units)	1	1
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.90)	0.72
75/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(43)	16
Weighted average units outstanding during the period (in thousands of units)	23	23
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.91)	0.71

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, 2022



<i>For the periods ended</i>	December 31, 2022	December 31, 2021	<i>As at</i>	December 31, 2022	December 31, 2021
100/100 Class F Units			Italy	—%	0.9%
(Decrease) increase in net assets held for the benefit of policyowners	(2)	1	Japan	3.8%	4.9%
Weighted average units outstanding during the period (in thousands of units)	1	1	Luxembourg	0.2%	—%
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.93)	0.64	Mexico	1.9%	1.6%
75/75 Prestige Class Units			Netherlands	0.8%	0.7%
(Decrease) increase in net assets held for the benefit of policyowners	(286)	13	Portugal	0.1%	0.1%
Weighted average units outstanding during the period (in thousands of units)	186	57	Qatar	0.4%	0.3%
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.53)	0.23	South Africa	0.4%	0.6%
75/100 Prestige Class Units			South Korea	0.6%	0.5%
(Decrease) increase in net assets held for the benefit of policyowners	(1,260)	164	Spain	0.8%	1.3%
Weighted average units outstanding during the period (in thousands of units)	695	396	Supranational	1.1%	1.2%
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.81)	0.41	Sweden	0.4%	0.2%
100/100 Prestige Class Units			Switzerland	0.6%	0.5%
(Decrease) increase in net assets held for the benefit of policyowners	(759)	104	United Arab Emirates	1.0%	0.4%
Weighted average units outstanding during the period (in thousands of units)	444	236	United Kingdom	2.1%	1.7%
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.71)	0.44	United States	17.1%	15.8%
			Foreign Equities		
			Australia	1.6%	1.3%
			Belgium	—%	0.1%
			Brazil	—%	0.6%
			Canada	1.2%	1.9%
			China	—%	2.1%
			Denmark	1.5%	0.5%
			Finland	—%	0.1%
			France	0.9%	0.9%
			Germany	0.6%	1.7%
			Hong Kong	—%	0.1%
			India	1.9%	—%
			Ireland	1.8%	0.1%
			Italy	—%	0.3%
			Japan	5.0%	3.2%
			Netherlands	1.8%	0.7%
			South Korea	—%	1.0%
			Spain	—%	0.5%
			Sweden	—%	0.7%
			Switzerland	1.1%	1.0%
			Taiwan	1.1%	1.3%
			Thailand	—%	0.1%
			Turkey	—%	0.2%
			United Kingdom	4.7%	1.4%
			United States	32.8%	29.2%
			Other Assets less Liabilities	5.0%	6.2%
				100.0%	100.0%
			Offsetting financial assets and financial liabilities		
			There were no amounts offset as at December 31, 2022 and December 31, 2021.		

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

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, 2022



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,			
	2022	2021	2020	2019 ⁽⁴⁾
75/75 Class A Units				
Net asset (000's) ⁽¹⁾	\$ 957	1,149	468	180
Net asset value per unit ⁽¹⁾	\$ 9.76	11.72	11.13	10.40
Units issued and outstanding (000's) ⁽¹⁾	98	98	42	17
Management fees	% 1.65	1.65	1.65	1.65
Management expense ratio ⁽²⁾	% 2.65	2.66	2.67	2.67
Management expense ratio before waivers	% 2.65	2.66	2.67	2.67
Portfolio turnover rate ⁽³⁾	% 6.71	3.24	8.93	2.31

	Years ended December 31,			
	2022	2021	2020	2019 ⁽⁴⁾
75/100 Class A Units				
Net asset (000's) ⁽¹⁾	\$ 4,199	5,217	3,006	950
Net asset value per unit ⁽¹⁾	\$ 9.70	11.66	11.11	10.41
Units issued and outstanding (000's) ⁽¹⁾	433	447	271	91
Management fees	% 1.65	1.65	1.65	1.65
Management expense ratio ⁽²⁾	% 2.87	2.87	2.88	2.88
Management expense ratio before waivers	% 2.87	2.87	2.88	2.88
Portfolio turnover rate ⁽³⁾	% 6.71	3.24	8.93	2.31

	Years ended December 31,			
	2022	2021	2020	2019 ⁽⁴⁾
100/100 Class A Units				
Net asset (000's) ⁽¹⁾	\$ 3,035	3,284	1,459	972
Net asset value per unit ⁽¹⁾	\$ 9.49	11.46	10.94	10.36
Units issued and outstanding (000's) ⁽¹⁾	320	287	133	94
Management fees	% 1.65	1.65	1.65	1.65
Management expense ratio ⁽²⁾	% 3.28	3.30	3.31	3.32
Management expense ratio before waivers	% 3.28	3.30	3.31	3.32
Portfolio turnover rate ⁽³⁾	% 6.71	3.24	8.93	2.31

	Years ended December 31,			
	2022	2021	2020	2019 ⁽⁴⁾
75/75 Class F Units				
Net asset (000's) ⁽¹⁾	\$ 10	12	11	11
Net asset value per unit ⁽¹⁾	\$ 10.17	12.07	11.34	10.48
Units issued and outstanding (000's) ⁽¹⁾	1	1	1	1
Management fees	% 0.65	0.65	0.65	0.65
Management expense ratio ⁽²⁾	% 1.53	1.53	1.53	1.53
Management expense ratio before waivers	% 1.53	1.53	1.53	1.53
Portfolio turnover rate ⁽³⁾	% 6.71	3.24	8.93	2.31

	Years ended December 31,			
	2022	2021	2020	2019 ⁽⁴⁾
75/100 Class F Units				
Net asset (000's) ⁽¹⁾	\$ 226	274	261	143
Net asset value per unit ⁽¹⁾	\$ 10.09	11.99	11.29	10.46
Units issued and outstanding (000's) ⁽¹⁾	22	23	23	14
Management fees	% 0.65	0.65	0.65	0.65
Management expense ratio ⁽²⁾	% 1.67	1.66	1.79	1.79
Management expense ratio before waivers	% 1.67	1.66	1.79	1.79
Portfolio turnover rate ⁽³⁾	% 6.71	3.24	8.93	2.31

	Years ended December 31,			
	2022	2021	2020	2019 ⁽⁴⁾
100/100 Class F Units				
Net asset (000's) ⁽¹⁾	\$ 10	12	11	10
Net asset value per unit ⁽¹⁾	\$ 9.93	11.86	11.22	10.44
Units issued and outstanding (000's) ⁽¹⁾	1	1	1	1
Management fees	% 0.65	0.65	0.65	0.65
Management expense ratio ⁽²⁾	% 2.18	2.18	2.18	2.18
Management expense ratio before waivers	% 2.18	2.18	2.18	2.18
Portfolio turnover rate ⁽³⁾	% 6.71	3.24	8.93	2.31

	Years ended December 31,			
	2022	2021	2020	2019 ⁽⁴⁾
75/75 Prestige Class Units				
Net asset (000's) ⁽¹⁾	\$ 2,030	1,369	380	73
Net asset value per unit ⁽¹⁾	\$ 9.83	11.77	11.16	10.42
Units issued and outstanding (000's) ⁽¹⁾	207	116	34	7
Management fees	% 1.47	1.47	1.47	1.47
Management expense ratio ⁽²⁾	% 2.42	2.42	2.45	2.45
Management expense ratio before waivers	% 2.42	2.42	2.45	2.45
Portfolio turnover rate ⁽³⁾	% 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, 2022



Years ended December 31,

75/100 Prestige Class Units	2022	2021	2020	2019 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 7,030	7,119	2,186	1,036
Net asset value per unit ⁽¹⁾	\$ 9.76	11.70	11.12	10.40
Units issued and outstanding (000's) ⁽¹⁾	721	608	197	100
Management fees	% 1.42	1.42	1.42 [†]	1.47
Management expense ratio ⁽²⁾	% 2.59	2.60	2.68	2.72
Management expense ratio before waivers	% 2.59	2.60	2.68	2.72
Portfolio turnover rate ⁽³⁾	% 6.71	3.24	8.93	2.31

Years ended December 31,

100/100 Prestige Class Units	2022	2021	2020	2019 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 4,513	4,233	1,859	292
Net asset value per unit ⁽¹⁾	\$ 9.79	11.77	11.23	10.38
Units issued and outstanding (000's) ⁽¹⁾	461	360	166	28
Management fees	% 1.30	1.30	1.30	1.30
Management expense ratio ⁽²⁾	% 2.86	2.92	2.92	2.95
Management expense ratio before waivers	% 2.86	2.92	2.92	2.95
Portfolio turnover rate ⁽³⁾	% 6.71	3.24	8.93	2.31

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.

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

⁽³⁾ The Fund's portfolio turnover 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.

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

[†] Effective May 11, 2020, the management fee rate was reduced from 1.47% to 1.42%.

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

BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2022

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, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash	156	179
Investments		
Non-derivative financial assets	8,169	8,605
Subscriptions receivable	5	77
Distribution receivable from investment trusts	59	54
Total assets	8,389	8,915
LIABILITIES		
CURRENT LIABILITIES		
Redemptions payable	12	1
Accrued expenses	46	47
Total liabilities	58	48
Net assets held for the benefit of policyowners	8,331	8,867
Net assets held for the benefit of policyowners		
75/75 Class A Units	2,058	2,434
75/100 Class A Units	1,554	1,735
75/75 Class F Units	9	10
75/100 Class F Units	19	10
75/75 Prestige Class Units	1,499	2,433
75/100 Prestige Class Units	3,192	2,245
Net assets held for the benefit of policyowners per unit		
75/75 Class A Units	\$ 9.02	\$ 10.16
75/100 Class A Units	\$ 8.94	\$ 10.08
75/75 Class F Units	\$ 9.41	\$ 10.47
75/100 Class F Units	\$ 9.29	\$ 10.37
75/75 Prestige Class Units	\$ 9.10	\$ 10.22
75/100 Prestige Class Units	\$ 9.00	\$ 10.14

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

For the periods ended	December 31, 2022	December 31, 2021
INCOME		
Interest income	0	—
Distributions received from investment trusts	229	176
Other changes in fair value of investments and derivatives		
Net realized (loss) gain	(73)	3
Change in unrealized (depreciation) appreciation	(960)	95
Net (loss) gain in fair value of investments and derivatives	(804)	274
Total (loss) income	(804)	274
EXPENSES		
Management fees (note 7)	99	79
Fixed administration fees (note 7)	23	18
Insurance fees (note 7)	63	51
Commissions and other portfolio transaction costs (note 7)	1	2
Total expenses	186	150
(Decrease) increase in net assets held for the benefit of policyowners	(990)	124
(Decrease) increase in net assets held for the benefit of policyowners		
75/75 Class A Units	(283)	46
75/100 Class A Units	(199)	28
75/75 Class F Units	(1)	0
75/100 Class F Units	(1)	0
75/75 Prestige Class Units	(304)	15
75/100 Prestige Class Units	(202)	35
(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)		
75/75 Class A Units	(1.20)	0.26
75/100 Class A Units	(1.12)	0.19
75/75 Class F Units	(1.07)	0.37
75/100 Class F Units	(1.14)	0.33
75/75 Prestige Class Units	(1.42)	0.10
75/100 Prestige Class Units	(0.74)	0.19

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, 2022	December 31, 2021
75/75 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	2,434	955
(Decrease) increase in net assets held for the benefit of policyowners	(283)	46
Withdrawable unit transactions		
Proceeds from withdrawable units issued	1,166	3,435
Withdrawal of withdrawable units	(1,259)	(2,002)
Net (decrease) increase from withdrawable unit transactions	(93)	1,433
Net (decrease) increase in net assets held for the benefit of policyowners	(376)	1,479
Net assets held for the benefit of policyowners	2,058	2,434
75/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	1,735	1,436
(Decrease) increase in net assets held for the benefit of policyowners	(199)	28
Withdrawable unit transactions		
Proceeds from withdrawable units issued	1,627	1,332
Withdrawal of withdrawable units	(1,609)	(1,061)
Net increase from withdrawable unit transactions	18	271
Net (decrease) increase in net assets held for the benefit of policyowners	(181)	299
Net assets held for the benefit of policyowners	1,554	1,735
75/75 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	10	10
(Decrease) increase in net assets held for the benefit of policyowners	(1)	0
Net (decrease) increase in net assets held for the benefit of policyowners	(1)	0
Net assets held for the benefit of policyowners	9	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, 2022	December 31, 2021
75/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	10	10
(Decrease) increase in net assets held for the benefit of policyowners	(1)	0
Withdrawable unit transactions		
Proceeds from withdrawable units issued	10	—
Net increase from withdrawable unit transactions	10	—
Net increase in net assets held for the benefit of policyowners	9	0
Net assets held for the benefit of policyowners	19	10
75/75 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	2,433	673
(Decrease) increase in net assets held for the benefit of policyowners	(304)	15
Withdrawable unit transactions		
Proceeds from withdrawable units issued	693	1,976
Withdrawal of withdrawable units	(1,323)	(231)
Net (decrease) increase from withdrawable unit transactions	(630)	1,745
Net (decrease) increase in net assets held for the benefit of policyowners	(934)	1,760
Net assets held for the benefit of policyowners	1,499	2,433
75/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	2,245	1,589
(Decrease) increase in net assets held for the benefit of policyowners	(202)	35
Withdrawable unit transactions		
Proceeds from withdrawable units issued	1,454	862
Withdrawal of withdrawable units	(305)	(241)
Net increase from withdrawable unit transactions	1,149	621
Net increase in net assets held for the benefit of policyowners	947	656
Net assets held for the benefit of policyowners	3,192	2,245

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, 2022	December 31, 2021
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	8,867	4,673
(Decrease) increase in net assets held for the benefit of policyowners	(990)	124
Withdrawable unit transactions		
Proceeds from withdrawable units issued	4,950	7,605
Withdrawal of withdrawable units	(4,496)	(3,535)
Net increase from withdrawable unit transactions	454	4,070
Net (decrease) increase in net assets held for the benefit of policyowners	(536)	4,194
Net assets held for the benefit of policyowners	8,331	8,867

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, 2022	December 31, 2021
Cash flows from operating activities		
(Decrease) increase in net assets held for the benefit of policyowners	(990)	124
Adjustments for:		
Net realized loss (gain) on sale of investments and derivatives	73	(3)
Change in unrealized depreciation (appreciation) of investments and derivatives	960	(95)
Increase in distribution receivable from investment trusts	(5)	(25)
(Decrease) increase in accrued expenses	(1)	23
Purchases of investments	(1,357)	(4,426)
Proceeds from sale and maturity of investments	760	384
Net cash used in operating activities	(560)	(4,018)
Cash flows from financing activities		
Proceeds from issuances of withdrawable units	2,603	4,795
Amounts paid on withdrawal of withdrawable units	(2,066)	(790)
Net cash from financing activities	537	4,005
Net decrease in cash	(23)	(13)
Cash at beginning of period	179	192
Cash at end of period	156	179
Supplementary Information:		
Interest received, net of withholding taxes*	0	—
Distributions received from investment trusts*	224	151

*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, 2022</i>	Number of Units	Cost* (\$)	Fair Value (\$)
HOLDINGS IN INVESTMENT FUND			
International Equity Fund — 98.1%			
BMO Low Volatility International Equity ETF	369,323	9,001	8,169
Total Investment Portfolio — 98.1%		9,001	8,169
Other Assets Less Liabilities — 1.9%			162
Net assets held for the benefit of policyowners — 100.0%			8,331

* 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, 2022

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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 at 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 and 100/100 Class F Units 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, 2022

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 75/75 Class F Units, 75/100 Class F Units, 75/75 Prestige Class Units and 75/100 Prestige Class 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 F Units	May 6, 2019
75/100 Class F Units	May 6, 2019
75/75 Prestige Class Units	May 6, 2019
75/100 Prestige Class Units	May 6, 2019

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, 2022	December 31, 2021
75/75 Class A Units		
Units issued and outstanding, beginning of period	239	96
Issued for cash	128	340
Withdrawn during the period	(139)	(197)
Units issued and outstanding, end of period	228	239
75/100 Class A Units		
Units issued and outstanding, beginning of period	172	146
Issued for cash	187	132
Withdrawn during the period	(185)	(106)
Units issued and outstanding, end of period	174	172
75/75 Class F Units		
Units issued and outstanding, beginning of period	1	1
Units issued and outstanding, end of period	1	1
75/100 Class F Units		
Units issued and outstanding, beginning of period	1	1
Issued for cash	1	—
Units issued and outstanding, end of period	2	1
75/75 Prestige Class Units		
Units issued and outstanding, beginning of period	238	68
Issued for cash	75	193
Withdrawn during the period	(148)	(23)
Units issued and outstanding, end of period	165	238
75/100 Prestige Class Units		
Units issued and outstanding, beginning of period	221	161
Issued for cash	167	85
Withdrawn during the period	(34)	(25)
Units issued and outstanding, end of period	354	221

Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2022	Number of Units	Value of Units (\$)
Class		
75/75 Class F Units	1,000	9
75/100 Class F Units	1,000	9
75/75 Prestige Class Units	1,000	9
75/100 Prestige Class Units	1,000	9
As at December 31, 2021		
Class		
75/75 Class F Units	1,000	10
75/100 Class F Units	1,000	10
75/75 Prestige Class Units	1,000	10
75/100 Prestige Class Units	1,000	10

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, 2022	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Currencies					
Australian Dollar	—	0	(5)	(5)	(0.1)
Danish Krone	—	0	(4)	(4)	0.0
Egyptian Pound	—	1	12	13	0.2
Euro	—	0	1	1	0.0
Japanese Yen	—	1	(6)	(5)	(0.1)
Pound Sterling	—	1	(12)	(11)	(0.1)
Singapore Dollar	—	0	—	0	0.0
South African Rand	—	0	—	0	0.0
Swedish Krona	—	0	0	0	0.0
Swiss Franc	—	0	1	1	0.0
U.S. Dollar	—	0	(5)	(5)	(0.1)
Total	—	3	(18)	(15)	(0.2)

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, 2022

As at December 31, 2021

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Australian Dollar	1	643	—	644	7.3
Danish Krone	1	186	—	187	2.1
Euro	22	4,356	—	4,378	49.4
Hong Kong Dollar	2	519	—	521	5.9
Japanese Yen	11	1,290	—	1,301	14.7
Pound Sterling	8	976	—	984	11.1
Singapore Dollar	0	—	—	0	0.0
Swedish Krona	0	175	—	175	2.0
Swiss Franc	2	434	—	436	4.9
U.S. Dollar	0	34	—	34	0.4
Total	47	8,613	—	8,660	97.8

As at December 31, 2022 and December 31, 2021, 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 \$1 (December 31, 2021 — \$433). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Interest rate risk

As at December 31, 2022 and December 31, 2021, 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 \$662 (December 31, 2021 — \$675). 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, 2022 and December 31, 2021, 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, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	8,169	—	—	8,169

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	8,605	—	—	8,605

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	As at December 31, 2021
BMO Low Volatility International Equity ETF	8,169	8,605

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

BMO Low Volatility International Equity ETF	2.26%	1.69%
---	-------	-------

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, 2022 and December 31, 2021 is calculated as follows:

For the periods ended	December 31, 2022	December 31, 2021
75/75 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(283)	46
Weighted average units outstanding during the period (in thousands of units)	236	176
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.20)	0.26
75/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(199)	28
Weighted average units outstanding during the period (in thousands of units)	178	147
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.12)	0.19

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, 2022

<i>For the periods ended</i>	December 31, 2022	December 31, 2021
75/75 Class F Units		
(Decrease) 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
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.07)	0.37
75/100 Class F Units		
(Decrease) 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
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.14)	0.33
75/75 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(304)	15
Weighted average units outstanding during the period (in thousands of units)	215	147
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.42)	0.10
75/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(202)	35
Weighted average units outstanding during the period (in thousands of units)	275	183
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.74)	0.19

Brokerage commissions

<i>For the periods ended</i>	December 31, 2022 (\$)	December 31, 2021 (\$)
Total brokerage amounts paid	1	2
Total brokerage amounts paid to related parties	—	1

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

Concentration risk

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

<i>As at</i>	December 31, 2022	December 31, 2021
Foreign Equities		
Australia	6.1%	7.3%
Belgium	2.3%	3.0%
Colombia	2.6%	—%
Denmark	1.3%	2.1%
Finland	12.1%	1.0%
France	10.8%	12.4%
Germany	4.7%	15.9%
Hong Kong	—%	6.2%
Ireland	1.1%	1.1%
Israel	1.0%	—%
Italy	4.1%	4.0%
Japan	18.9%	14.5%
Luxembourg	—%	1.1%
Macau	1.2%	—%
Netherlands	3.8%	3.6%
Spain	4.3%	5.5%
Sweden	1.0%	1.9%
Switzerland	5.5%	4.9%
United Kingdom	15.6%	11.0%
United States	1.2%	1.6%
Other Assets less Liabilities	2.4%	2.9%
	100.0%	100.0%

Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2022 and December 31, 2021.

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, 2022



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	2022	2021	2020	2019 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 2,058	2,434	955	310
Net asset value per unit ⁽¹⁾	\$ 9.02	10.16	9.91	10.14
Units issued and outstanding (000's) ⁽¹⁾	228	239	96	31
Management fees	% 1.60	1.60	1.60	1.60
Management expense ratio ⁽²⁾	% 2.70	2.68	2.68	2.68
Management expense ratio before waivers	% 2.70	2.68	2.68	2.68
Portfolio turnover rate ⁽³⁾	% 9.62	5.98	14.37	0.60

Years ended December 31,				
75/100 Class A Units	2022	2021	2020	2019 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 1,554	1,735	1,436	528
Net asset value per unit ⁽¹⁾	\$ 8.94	10.08	9.86	10.12
Units issued and outstanding (000's) ⁽¹⁾	174	172	146	52
Management fees	% 1.60	1.60	1.60	1.60
Management expense ratio ⁽²⁾	% 3.00	2.99	2.95	2.94
Management expense ratio before waivers	% 3.00	2.99	2.95	2.94
Portfolio turnover rate ⁽³⁾	% 9.62	5.98	14.37	0.60

Years ended December 31,				
75/75 Class F Units	2022	2021	2020	2019 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 9	10	10	10
Net asset value per unit ⁽¹⁾	\$ 9.41	10.47	10.10	10.22
Units issued and outstanding (000's) ⁽¹⁾	1	1	1	1
Management fees	% 0.60	0.60	0.60	0.60
Management expense ratio ⁽²⁾	% 1.55	1.57	1.48	1.53
Management expense ratio before waivers	% 1.55	1.57	1.48	1.53
Portfolio turnover rate ⁽³⁾	% 9.62	5.98	14.37	0.60

Years ended December 31,				
75/100 Class F Units	2022	2021	2020	2019 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 19	10	10	10
Net asset value per unit ⁽¹⁾	\$ 9.29	10.38	10.04	10.19
Units issued and outstanding (000's) ⁽¹⁾	2	1	1	1
Management fees	% 0.60	0.60	0.60	0.60
Management expense ratio ⁽²⁾	% 1.91	1.92	1.82	1.88
Management expense ratio before waivers	% 1.91	1.92	1.82	1.88
Portfolio turnover rate ⁽³⁾	% 9.62	5.98	14.37	0.60

Years ended December 31,				
75/75 Prestige Class Units	2022	2021	2020	2019 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 1,499	2,433	673	282
Net asset value per unit ⁽¹⁾	\$ 9.10	10.22	9.94	10.16
Units issued and outstanding (000's) ⁽¹⁾	165	238	68	28
Management fees	% 1.42	1.42	1.42	1.42
Management expense ratio ⁽²⁾	% 2.50	2.43	2.44	2.42
Management expense ratio before waivers	% 2.50	2.43	2.44	2.42
Portfolio turnover rate ⁽³⁾	% 9.62	5.98	14.37	0.60

Years ended December 31,				
75/100 Prestige Class Units	2022	2021	2020	2019 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 3,192	2,245	1,589	1,080
Net asset value per unit ⁽¹⁾	\$ 9.00	10.14	9.89	10.13
Units issued and outstanding (000's) ⁽¹⁾	354	221	161	107
Management fees	% 1.33	1.33	1.33 [†]	1.42
Management expense ratio ⁽²⁾	% 2.72	2.70	2.71	2.76
Management expense ratio before waivers	% 2.72	2.70	2.71	2.76
Portfolio turnover rate ⁽³⁾	% 9.62	5.98	14.37	0.60

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.
⁽²⁾ The management expense ratio of a particular class is calculated based on all expenses allocated to the class, as applicable, including all taxes and interest expenses but excluding brokerage commissions and other portfolio transaction costs, divided by the average daily net asset value of that class, annualized.
⁽³⁾ The Fund's portfolio turnover 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.
⁽⁴⁾ The information shown in this column is for the period beginning May 6, 2019 (the class' inception date) and ending December 31, 2019.
[†] Effective May 11, 2020, 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, 2022

BMO Concentrated Global Balanced GIF

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

As at	December 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash	1,274	1,272
Investments		
Non-derivative financial assets	67,787	69,276
Subscriptions receivable	33	476
Total assets	69,094	71,024
LIABILITIES		
CURRENT LIABILITIES		
Redemptions payable	56	332
Accrued expenses	458	444
Total liabilities	514	776
Net assets held for the benefit of policyowners	68,580	70,248
Net assets held for the benefit of policyowners		
75/75 Class A Units	5,663	6,119
75/100 Class A Units	9,825	9,719
100/100 Class A Units	9,686	9,376
75/75 Class F Units	752	812
75/100 Class F Units	404	660
100/100 Class F Units	213	18
75/75 Prestige Class Units	7,771	9,376
75/100 Prestige Class Units	17,208	15,874
100/100 Prestige Class Units	17,058	18,294
Net assets held for the benefit of policyowners per unit		
75/75 Class A Units	\$ 9.74	\$ 11.33
75/100 Class A Units	\$ 9.69	\$ 11.30
100/100 Class A Units	\$ 9.60	\$ 11.24
75/75 Class F Units	\$ 10.04	\$ 11.55
75/100 Class F Units	\$ 9.98	\$ 11.50
100/100 Class F Units	\$ 9.87	\$ 11.43
75/75 Prestige Class Units	\$ 9.81	\$ 11.39
75/100 Prestige Class Units	\$ 9.75	\$ 11.34
100/100 Prestige Class Units	\$ 9.69	\$ 11.30

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

For the periods ended	December 31, 2022	December 31, 2021
INCOME		
Interest income	22	2
Distributions received from investment trusts	1,210	787
Other changes in fair value of investments and derivatives		
Net realized (loss) gain	(282)	53
Change in unrealized (depreciation) appreciation	(9,227)	4,633
Net (loss) gain in fair value of investments and derivatives	(8,277)	5,475
Total (loss) income	(8,277)	5,475
EXPENSES		
Management fees (note 7)	1,056	787
Fixed administration fees (note 7)	180	134
Insurance fees (note 7)	539	397
Interest charges	0	—
Total expenses	1,775	1,318
(Decrease) increase in net assets held for the benefit of policyowners	(10,052)	4,157
(Decrease) increase in net assets held for the benefit of policyowners		
75/75 Class A Units	(873)	366
75/100 Class A Units	(1,467)	610
100/100 Class A Units	(1,335)	510
75/75 Class F Units	(105)	59
75/100 Class F Units	(91)	50
100/100 Class F Units	(1)	1
75/75 Prestige Class Units	(1,380)	559
75/100 Prestige Class Units	(2,192)	933
100/100 Prestige Class Units	(2,608)	1,069
(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)		
75/75 Class A Units	(1.54)	0.89
75/100 Class A Units	(1.51)	0.87
100/100 Class A Units	(1.45)	0.88
75/75 Class F Units	(1.48)	1.48
75/100 Class F Units	(1.60)	0.86
100/100 Class F Units	(0.11)	0.89
75/75 Prestige Class Units	(1.74)	0.95
75/100 Prestige Class Units	(1.44)	0.96
100/100 Prestige Class Units	(1.54)	0.93

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, 2022	December 31, 2021
75/75 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	6,119	2,506
(Decrease) increase in net assets held for the benefit of policyowners	(873)	366
Withdrawable unit transactions		
Proceeds from withdrawable units issued	2,777	9,078
Withdrawal of withdrawable units	(2,360)	(5,831)
Net increase from withdrawable unit transactions	417	3,247
Net (decrease) increase in net assets held for the benefit of policyowners	(456)	3,613
Net assets held for the benefit of policyowners	5,663	6,119
75/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	9,719	3,962
(Decrease) increase in net assets held for the benefit of policyowners	(1,467)	610
Withdrawable unit transactions		
Proceeds from withdrawable units issued	8,957	16,927
Withdrawal of withdrawable units	(7,384)	(11,780)
Net increase from withdrawable unit transactions	1,573	5,147
Net increase in net assets held for the benefit of policyowners	106	5,757
Net assets held for the benefit of policyowners	9,825	9,719

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, 2022	December 31, 2021
100/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	9,376	2,976
(Decrease) increase in net assets held for the benefit of policyowners	(1,335)	510
Withdrawable unit transactions		
Proceeds from withdrawable units issued	6,885	19,256
Withdrawal of withdrawable units	(5,240)	(13,366)
Net increase from withdrawable unit transactions	1,645	5,890
Net increase in net assets held for the benefit of policyowners	310	6,400
Net assets held for the benefit of policyowners	9,686	9,376
75/75 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	812	3
(Decrease) increase in net assets held for the benefit of policyowners	(105)	59
Withdrawable unit transactions		
Proceeds from withdrawable units issued	45	750
Withdrawal of withdrawable units	(0)	—
Net increase from withdrawable unit transactions	45	750
Net (decrease) increase in net assets held for the benefit of policyowners	(60)	809
Net assets held for the benefit of policyowners	752	812

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, 2022	December 31, 2021
75/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	660	629
(Decrease) increase in net assets held for the benefit of policyowners	(91)	50
Withdrawable unit transactions		
Proceeds from withdrawable units issued	103	—
Withdrawal of withdrawable units	(268)	(19)
Net decrease from withdrawable unit transactions	(165)	(19)
Net (decrease) increase in net assets held for the benefit of policyowners	(256)	31
Net assets held for the benefit of policyowners	404	660
100/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	18	3
(Decrease) increase in net assets held for the benefit of policyowners	(1)	1
Withdrawable unit transactions		
Proceeds from withdrawable units issued	196	14
Withdrawal of withdrawable units	(0)	(0)
Net increase from withdrawable unit transactions	196	14
Net increase in net assets held for the benefit of policyowners	195	15
Net assets held for the benefit of policyowners	213	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, 2022	December 31, 2021
75/75 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	9,376	3,858
(Decrease) increase in net assets held for the benefit of policyowners	(1,380)	559
Withdrawable unit transactions		
Proceeds from withdrawable units issued	2,253	5,611
Withdrawal of withdrawable units	(2,478)	(652)
Net (decrease) increase from withdrawable unit transactions	(225)	4,959
Net (decrease) increase in net assets held for the benefit of policyowners	(1,605)	5,518
Net assets held for the benefit of policyowners	7,771	9,376
75/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	15,874	4,088
(Decrease) increase in net assets held for the benefit of policyowners	(2,192)	933
Withdrawable unit transactions		
Proceeds from withdrawable units issued	6,564	12,023
Withdrawal of withdrawable units	(3,038)	(1,170)
Net increase from withdrawable unit transactions	3,526	10,853
Net increase in net assets held for the benefit of policyowners	1,334	11,786
Net assets held for the benefit of policyowners	17,208	15,874

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, 2022	December 31, 2021
100/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	18,294	4,869
(Decrease) increase in net assets held for the benefit of policyowners	(2,608)	1,069
Withdrawable unit transactions		
Proceeds from withdrawable units issued	4,309	13,259
Withdrawal of withdrawable units	(2,937)	(903)
Net increase from withdrawable unit transactions	1,372	12,356
Net (decrease) increase in net assets held for the benefit of policyowners	(1,236)	13,425
Net assets held for the benefit of policyowners	17,058	18,294
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	70,248	22,894
(Decrease) increase in net assets held for the benefit of policyowners	(10,052)	4,157
Withdrawable unit transactions		
Proceeds from withdrawable units issued	32,089	76,918
Withdrawal of withdrawable units	(23,705)	(33,721)
Net increase from withdrawable unit transactions	8,384	43,197
Net (decrease) increase in net assets held for the benefit of policyowners	(1,668)	47,354
Net assets held for the benefit of policyowners	68,580	70,248

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, 2022	December 31, 2021
Cash flows from operating activities		
(Decrease) increase in net assets held for the benefit of policyowners	(10,052)	4,157
Adjustments for:		
Net realized loss (gain) on sale of investments and derivatives	282	(53)
Change in unrealized depreciation (appreciation) of investments and derivatives	9,227	(4,633)
Increase in accrued expenses	14	334
Non-cash distributions from investment trusts	(1,210)	(787)
Purchases of investments	(10,710)	(43,400)
Proceeds from sale and maturity of investments	3,900	800
Net cash used in operating activities	(8,549)	(43,582)
Cash flows from financing activities		
Proceeds from issuances of withdrawable units	19,853	49,113
Amounts paid on withdrawal of withdrawable units	(11,302)	(5,693)
Net cash from financing activities	8,551	43,420
Net increase (decrease) in cash	2	(162)
Cash at beginning of period	1,272	1,434
Cash at end of period	1,274	1,272
Supplementary Information:		
Interest received, net of withholding taxes*	22	2
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, 2022</i>	Number of Units	Cost* (\$)	Fair Value (\$)
HOLDINGS IN INVESTMENT FUND			
Global Balanced Fund — 98.8%			
BMO Concentrated Global Balanced Fund, Series I	6,857,799	71,853	67,787
Total Investment Portfolio — 98.8%		71,853	67,787
Other Assets Less Liabilities — 1.2%			793
Net assets held for the benefit of policyowners — 100.0%			68,580

* 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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 at 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 and 100/100 Class F Units 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, 2022

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, 100/100 Class F Units, 75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class 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 F Units	May 8, 2020
75/100 Class F Units	May 8, 2020
100/100 Class F Units	May 8, 2020
75/75 Prestige Class Units	May 8, 2020
75/100 Prestige Class Units	May 8, 2020
100/100 Prestige Class Units	May 8, 2020

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, 2022	December 31, 2021
75/75 Class A Units		
Units issued and outstanding, beginning of period	540	237
Issued for cash	276	846
Withdrawn during the period	(235)	(543)
Units issued and outstanding, end of period	581	540
75/100 Class A Units		
Units issued and outstanding, beginning of period	860	375
Issued for cash	906	1,583
Withdrawn during the period	(752)	(1,098)
Units issued and outstanding, end of period	1,014	860
100/100 Class A Units		
Units issued and outstanding, beginning of period	834	282
Issued for cash	714	1,806
Withdrawn during the period	(539)	(1,254)
Units issued and outstanding, end of period	1,009	834
75/75 Class F Units		
Units issued and outstanding, beginning of period	70	0
Issued for cash	5	70
Withdrawn during the period	(0)	—
Units issued and outstanding, end of period	75	70

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
75/100 Class F Units		
Units issued and outstanding, beginning of period	57	59
Issued for cash	10	—
Withdrawn during the period	(27)	(2)
Units issued and outstanding, end of period	40	57

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
100/100 Class F Units		
Units issued and outstanding, beginning of period	2	0
Issued for cash	20	2
Withdrawn during the period	(0)	(0)
Units issued and outstanding, end of period	22	2

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
75/75 Prestige Class Units		
Units issued and outstanding, beginning of period	823	364
Issued for cash	226	520
Withdrawn during the period	(257)	(61)
Units issued and outstanding, end of period	792	823

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
75/100 Prestige Class Units		
Units issued and outstanding, beginning of period	1,400	387
Issued for cash	669	1,121
Withdrawn during the period	(304)	(108)
Units issued and outstanding, end of period	1,765	1,400

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
100/100 Prestige Class Units		
Units issued and outstanding, beginning of period	1,619	461
Issued for cash	441	1,240
Withdrawn during the period	(300)	(82)
Units issued and outstanding, end of period	1,760	1,619

Units held by the Company

The Company held the following units of the Fund:

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 F Units	250	3
75/100 Class F Units	250	2
100/100 Class F Units	250	2
75/75 Prestige Class Units	250	2
75/100 Prestige Class Units	250	2
100/100 Prestige Class Units	250	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, 2022

As at December 31, 2021 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 F Units	250	3
75/100 Class F Units	250	3
100/100 Class F Units	250	3
75/75 Prestige Class Units	250	3
75/100 Prestige Class Units	250	3
100/100 Prestige Class Units	250	3

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, 2022	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Currencies					
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
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
Total	257	47,708	(7,728)	40,237	58.6

As at December 31, 2021	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Currencies					
Danish Krone	10	5,272	—	5,282	7.5
Euro	5	4,499	—	4,504	6.4
Japanese Yen	—	2,231	—	2,231	3.2

As at December 31, 2021	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Currencies					
Norwegian Krone	0	—	—	0	0.0
Pound Sterling	—	2,404	—	2,404	3.4
Swiss Franc	15	1,682	—	1,697	2.4
U.S. Dollar	55	26,342	—	26,397	37.6
Total	85	42,430	—	42,515	60.5

As at December 31, 2022 and December 31, 2021, 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 \$2,012 (December 31, 2021 — \$2,126). 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, 2022	December 31, 2021
Less than one year	1,311	986
One to three years	5,993	3,341
Three to five years	5,163	6,680
Five to ten years	9,806	7,967
Greater than ten years	5,204	7,347
Total	27,477	26,321

As at December 31, 2022 and December 31, 2021, 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 \$1,866 (December 31, 2021 — \$2,316). 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 \$5,874 (December 31, 2021 — \$5,458). 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, 2022

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, 2022	December 31, 2021
R-1 High	1.4	0.9
AAA	8.3	10.7
AA	8.3	11.0
A	12.8	14.9
BBB	4.7	—
BB	2.7	—
B	1.3	—
Unrated	0.5	—
Total	40.0	37.5

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, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	67,787	—	—	67,787

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	69,276	—	—	69,276

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	As at December 31, 2021
BMO Concentrated Global Balanced Fund, Series I	67,787	69,276

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

	As at December 31, 2022	As at December 31, 2021
BMO Concentrated Global Balanced Fund, Series I	17.55%	9.48%

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, 2022 and December 31, 2021 is calculated as follows:

	December 31, 2022	December 31, 2021
<i>For the periods ended</i>		
75/75 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(873)	366
Weighted average units outstanding during the period (in thousands of units)	568	412
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.54)	0.89
75/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1,467)	610
Weighted average units outstanding during the period (in thousands of units)	969	702
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.51)	0.87
100/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1,335)	510
Weighted average units outstanding during the period (in thousands of units)	918	583
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.45)	0.88
75/75 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(105)	59
Weighted average units outstanding during the period (in thousands of units)	71	40
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.48)	1.48
75/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(91)	50
Weighted average units outstanding during the period (in thousands of units)	57	58
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.60)	0.86

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, 2022



<i>For the periods ended</i>	December 31, 2022	December 31, 2021	<i>As at</i>	December 31, 2022	December 31, 2021
100/100 Class F Units					
(Decrease) increase in net assets held for the benefit of policyowners	(1)	1	China	0.1%	—%
Weighted average units outstanding during the period (in thousands of units)	8	1	Denmark	0.2%	—%
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.11)	0.89	Dominican Republic	0.1%	—%
75/75 Prestige Class Units			Finland	0.1%	—%
(Decrease) increase in net assets held for the benefit of policyowners	(1,380)	559	France	1.1%	—%
Weighted average units outstanding during the period (in thousands of units)	793	589	Germany	0.4%	—%
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.74)	0.95	India	0.2%	—%
75/100 Prestige Class Units			Ireland	0.3%	—%
(Decrease) increase in net assets held for the benefit of policyowners	(2,192)	933	Italy	0.3%	—%
Weighted average units outstanding during the period (in thousands of units)	1,522	972	Japan	0.1%	—%
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.44)	0.96	Luxembourg	0.3%	—%
100/100 Prestige Class Units			Mexico	0.1%	—%
(Decrease) increase in net assets held for the benefit of policyowners	(2,608)	1,069	Norway	0.1%	—%
Weighted average units outstanding during the period (in thousands of units)	1,694	1,152	Netherlands	0.6%	—%
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.54)	0.93	Qatar	0.1%	—%
			South Africa	0.2%	—%
			Spain	0.5%	—%
			Supranational	0.1%	—%
			Sweden	0.1%	—%
			Switzerland	0.1%	—%
			United Arab Emirates	0.2%	—%
			United Kingdom	2.0%	—%
			United States	3.3%	—%
			Canadian Equities		
			Materials	0.1%	0.1%
			Foreign Equities		
			China	2.9%	2.3%
			Denmark	8.3%	7.5%
			France	6.2%	6.4%
			Japan	2.6%	3.2%
			Switzerland	2.4%	2.4%
			United Kingdom	3.0%	3.5%
			United States	33.1%	35.3%
			Other Assets less Liabilities	1.3%	2.0%
				100.0%	100.0%
Brokerage commissions			Offsetting financial assets and financial liabilities		
There were no brokerage commissions charged to the Fund during the periods ended December 31, 2022 and December 31, 2021.			There were no amounts offset as at December 31, 2022 and December 31, 2021.		
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, 2022	December 31, 2021			
Money Market Investments					
Federal	1.4%	0.9%			
Canadian Bonds & Debentures					
Federal Bonds	8.2%	10.6%			
Provincial Bonds	19.4%	25.8%			
Corporate Bonds & Debentures	0.2%	—%			
Foreign Bonds & Debentures					
Australia	0.1%	—%			
Belgium	0.2%	—%			
Brazil	0.0%	—%			

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, 2022



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,		
	2022	2021	2020 ⁽⁴⁾
75/75 Class A Units			
Net asset (000's) ⁽¹⁾	\$ 5,663	6,119	2,506
Net asset value per unit ⁽¹⁾	\$ 9.74	11.33	10.57
Units issued and outstanding (000's) ⁽¹⁾	581	540	237
Management fees	% 1.65	1.65	1.65
Management expense ratio ⁽²⁾	% 2.61	2.63	2.62
Management expense ratio before waivers	% 2.61	2.63	2.62
Portfolio turnover rate ⁽³⁾	% 6.04	1.71	—

	Years ended December 31,		
	2022	2021	2020 ⁽⁴⁾
75/100 Class A Units			
Net asset (000's) ⁽¹⁾	\$ 9,825	9,719	3,962
Net asset value per unit ⁽¹⁾	\$ 9.69	11.30	10.56
Units issued and outstanding (000's) ⁽¹⁾	1,014	860	375
Management fees	% 1.65	1.65	1.65
Management expense ratio ⁽²⁾	% 2.85	2.89	2.88
Management expense ratio before waivers	% 2.85	2.89	2.88
Portfolio turnover rate ⁽³⁾	% 6.04	1.71	—

	Years ended December 31,		
	2022	2021	2020 ⁽⁴⁾
100/100 Class A Units			
Net asset (000's) ⁽¹⁾	\$ 9,686	9,376	2,976
Net asset value per unit ⁽¹⁾	\$ 9.60	11.24	10.54
Units issued and outstanding (000's) ⁽¹⁾	1,009	834	282
Management fees	% 1.65	1.65	1.65
Management expense ratio ⁽²⁾	% 3.25	3.22	3.19
Management expense ratio before waivers	% 3.25	3.22	3.19
Portfolio turnover rate ⁽³⁾	% 6.04	1.71	—

	Years ended December 31,		
	2022	2021	2020 ⁽⁴⁾
75/75 Class F Units			
Net asset (000's) ⁽¹⁾	\$ 752	812	3
Net asset value per unit ⁽¹⁾	\$ 10.04	11.55	10.66
Units issued and outstanding (000's) ⁽¹⁾	75	70	0
Management fees	% 0.65	0.65	0.65
Management expense ratio ⁽²⁾	% 1.50	1.50	1.50
Management expense ratio before waivers	% 1.50	1.50	1.50
Portfolio turnover rate ⁽³⁾	% 6.04	1.71	—

	Years ended December 31,		
	2022	2021	2020 ⁽⁴⁾
75/100 Class F Units			
Net asset (000's) ⁽¹⁾	\$ 404	660	629
Net asset value per unit ⁽¹⁾	\$ 9.98	11.50	10.63
Units issued and outstanding (000's) ⁽¹⁾	40	57	59
Management fees	% 0.65	0.65	0.65
Management expense ratio ⁽²⁾	% 1.76	1.76	1.76
Management expense ratio before waivers	% 1.76	1.76	1.76
Portfolio turnover rate ⁽³⁾	% 6.04	1.71	—

	Years ended December 31,		
	2022	2021	2020 ⁽⁴⁾
100/100 Class F Units			
Net asset (000's) ⁽¹⁾	\$ 213	18	3
Net asset value per unit ⁽¹⁾	\$ 9.87	11.43	10.61
Units issued and outstanding (000's) ⁽¹⁾	22	2	0
Management fees	% 0.65	0.65	0.65
Management expense ratio ⁽²⁾	% 2.16	2.16	2.16
Management expense ratio before waivers	% 2.16	2.16	2.16
Portfolio turnover rate ⁽³⁾	% 6.04	1.71	—

	Years ended December 31,		
	2022	2021	2020 ⁽⁴⁾
75/75 Prestige Class Units			
Net asset (000's) ⁽¹⁾	\$ 7,771	9,376	3,858
Net asset value per unit ⁽¹⁾	\$ 9.81	11.39	10.60
Units issued and outstanding (000's) ⁽¹⁾	792	823	364
Management fees	% 1.47	1.47	1.47
Management expense ratio ⁽²⁾	% 2.38	2.37	2.38
Management expense ratio before waivers	% 2.38	2.37	2.38
Portfolio turnover rate ⁽³⁾	% 6.04	1.71	—

	Years ended December 31,		
	2022	2021	2020 ⁽⁴⁾
75/100 Prestige Class Units			
Net asset (000's) ⁽¹⁾	\$ 17,208	15,874	4,088
Net asset value per unit ⁽¹⁾	\$ 9.75	11.34	10.58
Units issued and outstanding (000's) ⁽¹⁾	1,765	1,400	387
Management fees	% 1.42	1.42	1.42
Management expense ratio ⁽²⁾	% 2.59	2.64	2.63
Management expense ratio before waivers	% 2.59	2.64	2.63
Portfolio turnover rate ⁽³⁾	% 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, 2022

Years ended December 31,

100/100 Prestige Class Units	2022	2021	2020 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 17,058	18,294	4,869
Net asset value per unit ⁽¹⁾	\$ 9.69	11.30	10.56
Units issued and outstanding (000's) ⁽¹⁾	1,760	1,619	461
Management fees	% 1.30	1.30	1.30
Management expense ratio ⁽²⁾	% 2.85	2.79	2.78
Management expense ratio before waivers	% 2.85	2.79	2.78
Portfolio turnover rate ⁽³⁾	% 6.04	1.71	—

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.

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

⁽³⁾ The Fund's portfolio turnover 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.

⁽⁴⁾ The information shown in this column is for the period beginning May 8, 2020 (the class' inception date) and ending December 31, 2020.

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

BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2022

BMO Concentrated Global Equity GIF

STATEMENT OF FINANCIAL POSITION <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>			STATEMENT OF COMPREHENSIVE INCOME <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		
<i>As at</i>	December 31, 2022	December 31, 2021	<i>For the periods ended</i>	December 31, 2022	December 31, 2021
ASSETS			INCOME		
CURRENT ASSETS			Interest income		
Cash	487	946		11	1
Investments			Other changes in fair value of investments and derivatives		
Non-derivative financial assets	47,174	46,969	Net realized gain	82	199
Subscriptions receivable	57	442	Change in unrealized (depreciation) appreciation	(5,397)	6,778
Total assets	47,718	48,357	Net (loss) gain in fair value of investments and derivatives	(5,304)	6,978
LIABILITIES			Total (loss) income		
CURRENT LIABILITIES				(5,304)	6,978
Redemptions payable	93	584	EXPENSES		
Accrued expenses	353	345	Management fees (note 7)	799	652
Total liabilities	446	929	Fixed administration fees (note 7)	124	101
Net assets held for the benefit of policyowners	47,272	47,428	Insurance fees (note 7)	423	346
Net assets held for the benefit of policyowners			Total expenses	1,346	1,099
75/75 Class A Units	7,614	6,561	(Decrease) increase in net assets held for the benefit of policyowners		
75/100 Class A Units	13,730	14,628		(6,650)	5,879
75/75 Class F Units	52	3	(Decrease) increase in net assets held for the benefit of policyowners		
75/100 Class F Units	260	360	75/75 Class A Units	(928)	808
75/75 Prestige Class Units	9,687	9,106	75/100 Class A Units	(2,019)	1,826
75/100 Prestige Class Units	15,929	16,770	75/75 Class F Units	(0)	0
Net assets held for the benefit of policyowners per unit			75/100 Class F Units	(53)	44
75/75 Class A Units	\$ 11.48	\$ 13.36	75/75 Prestige Class Units	(1,278)	1,098
75/100 Class A Units	\$ 11.41	\$ 13.32	75/100 Prestige Class Units	(2,372)	2,103
75/75 Class F Units	\$ 11.80	\$ 13.59	(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)		
75/100 Class F Units	\$ 11.70	\$ 13.52	75/75 Class A Units	(1.58)	2.00
75/75 Prestige Class Units	\$ 11.53	\$ 13.39	75/100 Class A Units	(1.73)	1.96
75/100 Prestige Class Units	\$ 11.46	\$ 13.34	75/75 Class F Units	(0.01)	2.03
			75/100 Class F Units	(2.18)	1.73
			75/75 Prestige Class Units	(1.68)	1.94
			75/100 Prestige Class Units	(1.70)	2.12

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

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

(All amounts in thousands of Canadian dollars)

<i>For the periods ended</i>	December 31, 2022	December 31, 2021
75/75 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	6,561	2,711
(Decrease) increase in net assets held for the benefit of policyowners	(928)	808
Withdrawable unit transactions		
Proceeds from withdrawable units issued	5,877	8,552
Withdrawal of withdrawable units	(3,896)	(5,510)
Net increase from withdrawable unit transactions	1,981	3,042
Net increase in net assets held for the benefit of policyowners	1,053	3,850
Net assets held for the benefit of policyowners	7,614	6,561
75/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	14,628	6,286
(Decrease) increase in net assets held for the benefit of policyowners	(2,019)	1,826
Withdrawable unit transactions		
Proceeds from withdrawable units issued	11,086	18,415
Withdrawal of withdrawable units	(9,965)	(11,899)
Net increase from withdrawable unit transactions	1,121	6,516
Net (decrease) increase in net assets held for the benefit of policyowners	(898)	8,342
Net assets held for the benefit of policyowners	13,730	14,628
75/75 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	3	3
(Decrease) increase in net assets held for the benefit of policyowners	(0)	0
Withdrawable unit transactions		
Proceeds from withdrawable units issued	49	—
Net increase from withdrawable unit transactions	49	—
Net increase in net assets held for the benefit of policyowners	49	0
Net assets held for the benefit of policyowners	52	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, 2022	December 31, 2021
75/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	360	3
(Decrease) increase in net assets held for the benefit of policyowners	(53)	44
Withdrawable unit transactions		
Proceeds from withdrawable units issued	—	758
Withdrawal of withdrawable units	(47)	(445)
Net (decrease) increase from withdrawable unit transactions	(47)	313
Net (decrease) increase in net assets held for the benefit of policyowners	(100)	357
Net assets held for the benefit of policyowners	260	360
75/75 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	9,106	3,576
(Decrease) increase in net assets held for the benefit of policyowners	(1,278)	1,098
Withdrawable unit transactions		
Proceeds from withdrawable units issued	3,046	5,405
Withdrawal of withdrawable units	(1,187)	(973)
Net increase from withdrawable unit transactions	1,859	4,432
Net increase in net assets held for the benefit of policyowners	581	5,530
Net assets held for the benefit of policyowners	9,687	9,106

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, 2022	December 31, 2021
75/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	16,770	5,489
(Decrease) increase in net assets held for the benefit of policyowners	(2,372)	2,103
Withdrawable unit transactions		
Proceeds from withdrawable units issued	5,909	13,526
Withdrawal of withdrawable units	(4,378)	(4,348)
Net increase from withdrawable unit transactions	1,531	9,178
Net (decrease) increase in net assets held for the benefit of policyowners	(841)	11,281
Net assets held for the benefit of policyowners	15,929	16,770
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	47,428	18,068
(Decrease) increase in net assets held for the benefit of policyowners	(6,650)	5,879
Withdrawable unit transactions		
Proceeds from withdrawable units issued	25,967	46,656
Withdrawal of withdrawable units	(19,473)	(23,175)
Net increase from withdrawable unit transactions	6,494	23,481
Net (decrease) increase in net assets held for the benefit of policyowners	(156)	29,360
Net assets held for the benefit of policyowners	47,272	47,428

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

STATEMENT OF CASH FLOWS			SCHEDULE OF INVESTMENT PORTFOLIO			
(All amounts in thousands of Canadian dollars)			(All amounts in thousands of Canadian dollars, unless otherwise noted)			
<i>For the periods ended</i>	December 31, 2022	December 31, 2021	As at December 31, 2022	Number of Units	Cost* (\$)	Fair Value (\$)
Cash flows from operating activities			HOLDINGS IN INVESTMENT FUND			
(Decrease) increase in net assets held for the benefit of policyowners	(6,650)	5,879	Global Equity Fund — 99.8%			
Adjustments for:			BMO Concentrated Global Equity Fund,			
Net realized gain on sale of investments and derivatives	(82)	(199)	Series I			
Change in unrealized depreciation (appreciation) of investments and derivatives	5,397	(6,778)	3,050,652	44,922	47,174	
Increase in accrued expenses	8	259	Total Investment Portfolio — 99.8%			
Purchases of investments	(7,720)	(25,150)	44,922 47,174			
Proceeds from sale and maturity of investments	2,200	1,625	Other Assets Less Liabilities — 0.2%			
Net cash used in operating activities	(6,847)	(24,364)	Net assets held for the benefit of policyowners — 100.0%			
Cash flows from financing activities			47,272			
Proceeds from issuances of withdrawable units	16,602	32,719	* 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.			
Amounts paid on withdrawal of withdrawable units	(10,214)	(8,353)				
Net cash from financing activities	6,388	24,366				
Net (decrease) increase in cash	(459)	2				
Cash at beginning of period	946	944				
Cash at end of period	487	946				
Supplementary Information:						
Interest received, net of withholding taxes*	11	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, 2022

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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 at 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 and 100/100 Class F Units 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, 2022

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 75/75 Class F Units, 75/100 Class F Units, 75/75 Prestige Class Units and 75/100 Prestige Class 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 F Units	May 8, 2020
75/100 Class F Units	May 8, 2020
75/75 Prestige Class Units	May 8, 2020
75/100 Prestige Class Units	May 8, 2020

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, 2022	December 31, 2021
--	----------------------	----------------------

75/75 Class A Units

Units issued and outstanding, beginning of period	491	236
Issued for cash	510	707
Withdrawn during the period	(338)	(452)
Units issued and outstanding, end of period	663	491

75/100 Class A Units

Units issued and outstanding, beginning of period	1,098	547
Issued for cash	964	1,526
Withdrawn during the period	(858)	(975)
Units issued and outstanding, end of period	1,204	1,098

75/75 Class F Units

Units issued and outstanding, beginning of period	0	0
Issued for cash	4	—
Units issued and outstanding, end of period	4	0

75/100 Class F Units

Units issued and outstanding, beginning of period	27	0
Issued for cash	—	65
Withdrawn during the period	(5)	(38)
Units issued and outstanding, end of period	22	27

75/75 Prestige Class Units

Units issued and outstanding, beginning of period	680	311
Issued for cash	264	445
Withdrawn during the period	(104)	(76)
Units issued and outstanding, end of period	840	680

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
--	----------------------	----------------------

75/100 Prestige Class Units

Units issued and outstanding, beginning of period	1,257	478
Issued for cash	513	1,128
Withdrawn during the period	(379)	(349)
Units issued and outstanding, end of period	1,391	1,257

Units held by the Company

The Company held the following units of the Fund:

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 F Units	250	3
75/100 Class F Units	250	3
75/75 Prestige Class Units	250	3
75/100 Prestige Class Units	250	3

As at December 31, 2021	Number of Units	Value of Units (\$)
Class		
75/75 Class A Units	250	3
75/100 Class A Units	250	3
75/75 Class F Units	250	3
75/100 Class F Units	250	3
75/75 Prestige Class Units	250	3
75/100 Prestige Class 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).

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 (%)
Currencies					
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

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, 2022



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 (%)
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
Total	351	46,650	—	47,001	99.4

As at December 31, 2021

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Danish Krone	12	5,674	—	5,686	12.0
Euro	7	4,790	—	4,797	10.1
Japanese Yen	370	2,685	—	3,055	6.4
Pound Sterling	9	2,595	—	2,604	5.5
Swiss Franc	15	1,738	—	1,753	3.7
U.S. Dollar	(287)	28,899	—	28,612	60.3
Total	126	46,381	—	46,507	98.0

As at December 31, 2022 and December 31, 2021, 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 \$2,350 (December 31, 2021 — \$2,325). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Interest rate risk

As at December 31, 2022 and December 31, 2021, 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 \$4,184 (December 31, 2021 — \$4,018). 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, 2022 and December 31, 2021, the Fund did not have significant exposure, through its investment in the underlying fund, to credit risk.

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, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	47,174	—	—	47,174

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	46,969	—	—	46,969

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	As at December 31, 2021
BMO Concentrated Global Equity Fund, Series I	47,174	46,969

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

BMO Concentrated Global Equity Fund, Series I	2.42%	1.30%
---	-------	-------

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, 2022 and December 31, 2021 is calculated as follows:

For the periods ended	December 31, 2022	December 31, 2021
75/75 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(928)	808
Weighted average units outstanding during the period (in thousands of units)	587	405
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.58)	2.00

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, 2022

<i>For the periods ended</i>	December 31, 2022	December 31, 2021
75/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(2,019)	1,826
Weighted average units outstanding during the period (in thousands of units)	1,164	933
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.73)	1.96
75/75 Class F Units		
(Decrease) 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
(Decrease) increase in net assets held for the benefit of policyowners per unit	(0.01)	2.03
75/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(53)	44
Weighted average units outstanding during the period (in thousands of units)	24	26
(Decrease) increase in net assets held for the benefit of policyowners per unit	(2.18)	1.73
75/75 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1,278)	1,098
Weighted average units outstanding during the period (in thousands of units)	759	565
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.68)	1.94
75/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(2,372)	2,103
Weighted average units outstanding during the period (in thousands of units)	1,397	993
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.70)	2.12

Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2022 and December 31, 2021.

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, 2022	December 31, 2021
Money Market Investments		
Federal	0.8%	1.3%
Foreign Equities		
China	4.8%	4.6%
Denmark	13.0%	12.0%
France	9.5%	10.1%
Japan	4.3%	5.6%
Switzerland	4.3%	3.7%
United Kingdom	5.2%	5.5%
United States	57.6%	56.3%
Other Assets less Liabilities	0.5%	0.9%
	100.0%	100.0%

Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2022 and December 31, 2021.

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, 2022

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,		
	2022	2021	2020 ⁽⁴⁾
75/75 Class A Units			
Net asset (000's) ⁽¹⁾	\$ 7,614	6,561	2,711
Net asset value per unit ⁽¹⁾	\$ 11.48	13.36	11.49
Units issued and outstanding (000's) ⁽¹⁾	663	491	236
Management fees	% 1.75	1.75	1.75
Management expense ratio ⁽²⁾	% 2.98	3.00	3.01
Management expense ratio before waivers	% 2.98	3.00	3.01
Portfolio turnover rate ⁽³⁾	% 4.94	4.68	4.61

	Years ended December 31,		
	2022	2021	2020 ⁽⁴⁾
75/100 Class A Units			
Net asset (000's) ⁽¹⁾	\$ 13,730	14,628	6,286
Net asset value per unit ⁽¹⁾	\$ 11.41	13.32	11.50
Units issued and outstanding (000's) ⁽¹⁾	1,204	1,098	547
Management fees	% 1.75	1.75	1.75
Management expense ratio ⁽²⁾	% 3.30	3.32	3.32
Management expense ratio before waivers	% 3.30	3.32	3.32
Portfolio turnover rate ⁽³⁾	% 4.94	4.68	4.61

	Years ended December 31,		
	2022	2021	2020 ⁽⁴⁾
75/75 Class F Units			
Net asset (000's) ⁽¹⁾	\$ 52	3	3
Net asset value per unit ⁽¹⁾	\$ 11.80	13.59	11.57
Units issued and outstanding (000's) ⁽¹⁾	4	0	0
Management fees	% 0.75	0.75	0.75
Management expense ratio ⁽²⁾	% 1.89	1.89	1.89
Management expense ratio before waivers	% 1.89	1.89	1.89
Portfolio turnover rate ⁽³⁾	% 4.94	4.68	4.61

	Years ended December 31,		
	2022	2021	2020 ⁽⁴⁾
75/100 Class F Units			
Net asset (000's) ⁽¹⁾	\$ 260	360	3
Net asset value per unit ⁽¹⁾	\$ 11.70	13.52	11.54
Units issued and outstanding (000's) ⁽¹⁾	22	27	0
Management fees	% 0.75	0.75	0.75
Management expense ratio ⁽²⁾	% 2.20	2.20	2.21
Management expense ratio before waivers	% 2.20	2.20	2.21
Portfolio turnover rate ⁽³⁾	% 4.94	4.68	4.61

	Years ended December 31,		
	2022	2021	2020 ⁽⁴⁾
75/75 Prestige Class Units			
Net asset (000's) ⁽¹⁾	\$ 9,687	9,106	3,576
Net asset value per unit ⁽¹⁾	\$ 11.53	13.39	11.50
Units issued and outstanding (000's) ⁽¹⁾	840	680	311
Management fees	% 1.57	1.57	1.57
Management expense ratio ⁽²⁾	% 2.78	2.81	2.81
Management expense ratio before waivers	% 2.78	2.81	2.81
Portfolio turnover rate ⁽³⁾	% 4.94	4.68	4.61

	Years ended December 31,		
	2022	2021	2020 ⁽⁴⁾
75/100 Prestige Class Units			
Net asset (000's) ⁽¹⁾	\$ 15,929	16,770	5,489
Net asset value per unit ⁽¹⁾	\$ 11.46	13.34	11.48
Units issued and outstanding (000's) ⁽¹⁾	1,391	1,257	478
Management fees	% 1.48	1.48	1.48
Management expense ratio ⁽²⁾	% 2.96	3.03	3.04
Management expense ratio before waivers	% 2.96	3.03	3.04
Portfolio turnover rate ⁽³⁾	% 4.94	4.68	4.61

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.

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

⁽³⁾ The Fund's portfolio turnover 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.

⁽⁴⁾ The information shown in this column is for the period beginning May 8, 2020 (the class' inception date) and ending December 31, 2020.

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

BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2022

BMO Sustainable Opportunities Global Equity GIF

STATEMENT OF FINANCIAL POSITION <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>			STATEMENT OF COMPREHENSIVE INCOME <i>(All amounts in thousands of Canadian dollars, except per unit data)</i>		
As at	December 31, 2022	December 31, 2021	For the periods ended	December 31, 2022	December 31, 2021
ASSETS			INCOME		
CURRENT ASSETS			Interest income		
Cash	187	484		1	—
Investments			Other changes in fair value of investments and derivatives		
Non-derivative financial assets	9,160	7,061		(18)	(0)
Subscriptions receivable	66	9	Change in unrealized (depreciation) appreciation		
Total assets	9,413	7,554		(1,283)	129
LIABILITIES			Net (loss) gain in fair value of investments and derivatives		
CURRENT LIABILITIES				(1,300)	129
Payable for investments purchased	—	350	Total (loss) income		
Redemptions payable	59	9		(1,300)	129
Accrued expenses	69	36	EXPENSES		
Total liabilities	128	395	Management fees (note 7)		
Net assets held for the benefit of policyowners	9,285	7,159		145	31
Net assets held for the benefit of policyowners			Fixed administration fees (note 7)		
75/75 Class A Units	1,379	1,424		23	5
75/100 Class A Units	2,003	1,239	Insurance fees (note 7)		
75/75 Class F Units	2	3		73	15
75/100 Class F Units	2	3	Total expenses		
75/75 Prestige Class Units	2,188	2,208		241	51
75/100 Prestige Class Units	3,711	2,282	(Decrease) increase in net assets held for the benefit of policyowners		
Net assets held for the benefit of policyowners per unit				(1,541)	78
75/75 Class A Units	\$ 8.92	\$ 11.12	(Decrease) increase in net assets held for the benefit of policyowners		
75/100 Class A Units	\$ 8.87	\$ 11.10		(306)	15
75/75 Class F Units	\$ 9.07	\$ 11.19		(315)	6
75/100 Class F Units	\$ 9.02	\$ 11.17		(1)	0
75/75 Prestige Class Units	\$ 8.95	\$ 11.13		(1)	0
75/100 Prestige Class Units	\$ 8.90	\$ 11.11		(428)	31
				(490)	26
			(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)		
				(1.99)	0.31
				(1.51)	0.12
				(2.13)	1.19
				(2.15)	1.17
				(2.00)	0.36
				(1.45)	0.38

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, 2022	December 31, 2021
75/75 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	1,424	—
(Decrease) increase in net assets held for the benefit of policyowners	(306)	15
Withdrawable unit transactions		
Proceeds from withdrawable units issued	1,117	3,355
Withdrawal of withdrawable units	(856)	(1,946)
Net increase from withdrawable unit transactions	261	1,409
Net (decrease) increase in net assets held for the benefit of policyowners	(45)	1,424
Net assets held for the benefit of policyowners	1,379	1,424
75/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	1,239	—
(Decrease) increase in net assets held for the benefit of policyowners	(315)	6
Withdrawable unit transactions		
Proceeds from withdrawable units issued	3,413	3,379
Withdrawal of withdrawable units	(2,334)	(2,146)
Net increase from withdrawable unit transactions	1,079	1,233
Net increase in net assets held for the benefit of policyowners	764	1,239
Net assets held for the benefit of policyowners	2,003	1,239
75/75 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	3	—
(Decrease) increase in net assets held for the benefit of policyowners	(1)	0
Withdrawable unit transactions		
Proceeds from withdrawable units issued	—	3
Net increase from withdrawable unit transactions	—	3
Net (decrease) increase in net assets held for the benefit of policyowners	(1)	3
Net assets held for the benefit of policyowners	2	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, 2022	December 31, 2021
75/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	3	—
(Decrease) increase in net assets held for the benefit of policyowners	(1)	0
Withdrawable unit transactions		
Proceeds from withdrawable units issued	—	3
Net increase from withdrawable unit transactions	—	3
Net (decrease) increase in net assets held for the benefit of policyowners	(1)	3
Net assets held for the benefit of policyowners	2	3
75/75 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	2,208	—
(Decrease) increase in net assets held for the benefit of policyowners	(428)	31
Withdrawable unit transactions		
Proceeds from withdrawable units issued	718	2,177
Withdrawal of withdrawable units	(310)	—
Net increase from withdrawable unit transactions	408	2,177
Net (decrease) increase in net assets held for the benefit of policyowners	(20)	2,208
Net assets held for the benefit of policyowners	2,188	2,208
75/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	2,282	—
(Decrease) increase in net assets held for the benefit of policyowners	(490)	26
Withdrawable unit transactions		
Proceeds from withdrawable units issued	2,346	2,256
Withdrawal of withdrawable units	(427)	—
Net increase from withdrawable unit transactions	1,919	2,256
Net increase in net assets held for the benefit of policyowners	1,429	2,282
Net assets held for the benefit of policyowners	3,711	2,282

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, 2022	December 31, 2021
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	7,159	—
(Decrease) increase in net assets held for the benefit of policyowners	(1,541)	78
Withdrawable unit transactions		
Proceeds from withdrawable units issued	7,594	11,173
Withdrawal of withdrawable units	(3,927)	(4,092)
Net increase from withdrawable unit transactions	3,667	7,081
Net increase in net assets held for the benefit of policyowners	2,126	7,159
Net assets held for the benefit of policyowners	9,285	7,159

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

STATEMENT OF CASH FLOWS <i>(All amounts in thousands of Canadian dollars)</i>			SCHEDULE OF INVESTMENT PORTFOLIO <i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>For the periods ended</i>	December 31, 2022	December 31, 2021	As at December 31, 2022	Number of Units	Cost* (\$)	Fair Value (\$)
Cash flows from operating activities			HOLDINGS IN INVESTMENT FUND			
(Decrease) increase in net assets held for the benefit of policyowners	(1,541)	78	Global Equity Fund — 98.7%			
Adjustments for:			BMO Sustainable Opportunities Global			
Net realized loss on sale of investments and derivatives	17	0	Equity Fund, Series I			
Change in unrealized depreciation (appreciation) of investments and derivatives	1,284	(129)	558,338	10,314	9,160	
Increase in accrued expenses	33	36	Total Investment Portfolio — 98.7%			
Purchases of investments	(3,900)	(6,602)	10,314			
Proceeds from sale and maturity of investments	150	20	Other Assets Less Liabilities — 1.3%			
Net cash used in operating activities	(3,957)	(6,597)	Net assets held for the benefit of policyowners — 100.0%			
Cash flows from financing activities			9,285			
Proceeds from issuances of withdrawable units	4,515	7,124	* 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.			
Amounts paid on withdrawal of withdrawable units	(855)	(43)				
Net cash from financing activities	3,660	7,081				
Net (decrease) increase in cash	(297)	484				
Cash at beginning of period	484	—				
Cash at end of period	187	484				
Supplementary Information:						
Interest received, net of withholding taxes*	1	—				

*These items are from operating activities

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, 2022

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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 at 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 and 100/100 Class F Units 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, 2022

Fund and Class information

The Fund is authorized to issue an unlimited number of units in each of 75/75 Class A Units, 75/100 Class A Units, 75/75 Class F Units, 75/100 Class F Units, 75/75 Prestige Class Units and 75/100 Prestige Class 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 F Units	May 7, 2021
75/100 Class F Units	May 7, 2021
75/75 Prestige Class Units	May 7, 2021
75/100 Prestige Class Units	May 7, 2021

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, 2022	December 31, 2021
75/75 Class A Units		
Units issued and outstanding, beginning of period	128	—
Issued for cash	121	305
Withdrawn during the period	(94)	(177)
Units issued and outstanding, end of period	155	128
75/100 Class A Units		
Units issued and outstanding, beginning of period	112	—
Issued for cash	373	307
Withdrawn during the period	(259)	(195)
Units issued and outstanding, end of period	226	112
75/75 Class F Units		
Units issued and outstanding, beginning of period	0	—
Issued for cash	—	0
Units issued and outstanding, end of period	0	0
75/100 Class F Units		
Units issued and outstanding, beginning of period	0	—
Issued for cash	—	0
Units issued and outstanding, end of period	0	0
75/75 Prestige Class Units		
Units issued and outstanding, beginning of period	198	—
Issued for cash	79	198
Withdrawn during the period	(32)	—
Units issued and outstanding, end of period	245	198
75/100 Prestige Class Units		
Units issued and outstanding, beginning of period	205	—
Issued for cash	259	205
Withdrawn during the period	(47)	—
Units issued and outstanding, end of period	417	205

Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2022 Class	Number of Units	Value of Units (\$)
75/75 Class A Units	250	2
75/75 Class F Units	250	2
75/75 Prestige Class Units	250	2
As at December 31, 2021 Class	Number of Units	Value of Units (\$)
75/75 Class A Units	250	3
75/75 Class F Units	250	3
75/75 Prestige Class Units	250	3

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, 2022	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Currencies					
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
Total	20	8,939	—	8,959	96.4

As at December 31, 2021	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Currencies					
Australian Dollar	(1)	91	—	90	1.3
Danish Krone	(3)	257	—	254	3.5
Euro	(10)	1,009	—	999	14.0

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

BMO Sustainable Opportunities Global Equity GIF Insurance

Notes to the Financial Statements (cont'd)

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

December 31, 2022

As at December 31, 2021

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Japanese Yen	(8)	778	—	770	10.8
Norwegian Krone	0	—	—	0	0.0
Pound Sterling	(2)	278	—	276	3.9
U.S. Dollar	(49)	4,414	—	4,365	61.0
Total	(73)	6,827	—	6,754	94.5

As at December 31, 2022 and December 31, 2021, 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 \$448 (December 31, 2021 — \$338). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Interest rate risk

As at December 31, 2022 and December 31, 2021, 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 \$929 (December 31, 2021 — \$706). 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, 2022 and December 31, 2021, 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.

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

As at December 31, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	9,160	—	—	9,160

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	7,061	—	—	7,061

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	As at December 31, 2021
BMO Sustainable Opportunities Global Equity Fund, Series I	9,160	7,061

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

BMO Sustainable Opportunities Global Equity Fund, Series I	1.64%	0.95%
--	-------	-------

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, 2022 and December 31, 2021 is calculated as follows:

For the periods ended	December 31, 2022	December 31, 2021
75/75 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(306)	15
Weighted average units outstanding during the period (in thousands of units)	154	48
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.99)	0.31
75/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(315)	6
Weighted average units outstanding during the period (in thousands of units)	209	50
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.51)	0.12

Notes to the Financial Statements (cont'd)

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

December 31, 2022

<i>For the periods ended</i>	December 31, 2022	December 31, 2021
75/75 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1)	0
Weighted average units outstanding during the period (in thousands of units)	0	0
(Decrease) increase in net assets held for the benefit of policyowners per unit	(2.13)	1.19
75/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1)	0
Weighted average units outstanding during the period (in thousands of units)	0	0
(Decrease) increase in net assets held for the benefit of policyowners per unit	(2.15)	1.17
75/75 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(428)	31
Weighted average units outstanding during the period (in thousands of units)	214	84
(Decrease) increase in net assets held for the benefit of policyowners per unit	(2.00)	0.36
75/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(490)	26
Weighted average units outstanding during the period (in thousands of units)	337	68
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.45)	0.38

Brokerage commissions

There were no brokerage commissions charged to the Fund during the periods ended December 31, 2022 and December 31, 2021.

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, 2022	December 31, 2021
Foreign Equities		
Australia	2.9%	1.3%
Belgium	—%	1.8%
Canada	2.2%	4.5%
Denmark	2.7%	3.6%
France	1.6%	2.7%
Germany	1.1%	—%
India	3.2%	2.6%
Ireland	3.2%	4.6%
Japan	8.4%	10.8%

<i>As at</i>	December 31, 2022	December 31, 2021
Netherlands	3.3%	5.0%
Switzerland	1.9%	—%
Taiwan	1.9%	2.5%
United Kingdom	8.2%	7.1%
United States	57.8%	51.1%
Other Assets less Liabilities	1.6%	2.4%
	100.0%	100.0%

Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2022 and December 31, 2021.

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

BMO Sustainable Opportunities Global Equity GIF BMO Insurance

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

December 31, 2022

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,	
	2022	2021 ⁽⁴⁾
75/75 Class A Units		
Net asset (000's) ⁽¹⁾	\$ 1,379	1,424
Net asset value per unit ⁽¹⁾	\$ 8.92	11.12
Units issued and outstanding (000's) ⁽¹⁾	155	128
Management fees	% 1.75	1.75
Management expense ratio ⁽²⁾	% 2.84	2.83
Management expense ratio before waivers	% 2.84	2.83
Portfolio turnover rate ⁽³⁾	% 1.91	0.68

	Years ended December 31,	
	2022	2021 ⁽⁴⁾
75/100 Class A Units		
Net asset (000's) ⁽¹⁾	\$ 2,003	1,239
Net asset value per unit ⁽¹⁾	\$ 8.87	11.10
Units issued and outstanding (000's) ⁽¹⁾	226	112
Management fees	% 1.75	1.75
Management expense ratio ⁽²⁾	% 3.27	3.30
Management expense ratio before waivers	% 3.27	3.30
Portfolio turnover rate ⁽³⁾	% 1.91	0.68

	Years ended December 31,	
	2022	2021 ⁽⁴⁾
75/75 Class F Units		
Net asset (000's) ⁽¹⁾	\$ 2	3
Net asset value per unit ⁽¹⁾	\$ 9.07	11.19
Units issued and outstanding (000's) ⁽¹⁾	0	0
Management fees	% 0.75	0.75
Management expense ratio ⁽²⁾	% 1.86	1.86
Management expense ratio before waivers	% 1.86	1.86
Portfolio turnover rate ⁽³⁾	% 1.91	0.68

	Years ended December 31,	
	2022	2021 ⁽⁴⁾
75/100 Class F Units		
Net asset (000's) ⁽¹⁾	\$ 2	3
Net asset value per unit ⁽¹⁾	\$ 9.02	11.17
Units issued and outstanding (000's) ⁽¹⁾	0	0
Management fees	% 0.75	0.75
Management expense ratio ⁽²⁾	% 2.17	2.17
Management expense ratio before waivers	% 2.17	2.17
Portfolio turnover rate ⁽³⁾	% 1.91	0.68

	Years ended December 31,	
	2022	2021 ⁽⁴⁾
75/75 Prestige Class Units		
Net asset (000's) ⁽¹⁾	\$ 2,188	2,208
Net asset value per unit ⁽¹⁾	\$ 8.95	11.13
Units issued and outstanding (000's) ⁽¹⁾	245	198
Management fees	% 1.57	1.57
Management expense ratio ⁽²⁾	% 2.65	2.65
Management expense ratio before waivers	% 2.65	2.65
Portfolio turnover rate ⁽³⁾	% 1.91	0.68

	Years ended December 31,	
	2022	2021 ⁽⁴⁾
75/100 Prestige Class Units		
Net asset (000's) ⁽¹⁾	\$ 3,711	2,282
Net asset value per unit ⁽¹⁾	\$ 8.90	11.11
Units issued and outstanding (000's) ⁽¹⁾	417	205
Management fees	% 1.48	1.48
Management expense ratio ⁽²⁾	% 3.02	3.01
Management expense ratio before waivers	% 3.02	3.01
Portfolio turnover rate ⁽³⁾	% 1.91	0.68

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.

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

⁽³⁾ The Fund's portfolio turnover 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.

⁽⁴⁾ The information shown in this column is for the period beginning May 7, 2021 (the class' inception date) and ending December 31, 2021.

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

BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2022

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, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash	152	57
Investments		
Non-derivative financial assets	3,549	2,830
Subscriptions receivable	6	1
Distribution receivable from investment trusts	25	15
Total assets	3,732	2,903
LIABILITIES		
CURRENT LIABILITIES		
Redemptions payable	5	0
Accrued expenses	21	14
Total liabilities	26	14
Net assets held for the benefit of policyowners	3,706	2,889
Net assets held for the benefit of policyowners		
75/75 Class A Units	346	295
75/100 Class A Units	782	477
100/100 Class A Units	1,001	724
75/75 Class F Units	2	3
75/100 Class F Units	209	198
100/100 Class F Units	3	3
75/75 Prestige Class Units	356	299
75/100 Prestige Class Units	145	141
100/100 Prestige Class Units	862	749
Net assets held for the benefit of policyowners per unit		
75/75 Class A Units	\$ 9.16	\$ 10.72
75/100 Class A Units	\$ 9.11	\$ 10.70
100/100 Class A Units	\$ 9.06	\$ 10.68
75/75 Class F Units	\$ 9.31	\$ 10.79
75/100 Class F Units	\$ 9.28	\$ 10.78
100/100 Class F Units	\$ 9.21	\$ 10.75
75/75 Prestige Class Units	\$ 9.17	\$ 10.73
75/100 Prestige Class Units	\$ 9.14	\$ 10.72
100/100 Prestige Class Units	\$ 9.11	\$ 10.70

STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	December 31, 2022	December 31, 2021
INCOME		
Distributions received from investment trusts	79	30
Other changes in fair value of investments and derivatives		
Net realized loss	(10)	—
Change in unrealized (depreciation) appreciation	(480)	84
Net (loss) gain in fair value of investments and derivatives	(411)	114
Total (loss) income	(411)	114
EXPENSES		
Management fees (note 7)	37	9
Fixed administration fees (note 7)	9	2
Insurance fees (note 7)	27	8
Commissions and other portfolio transaction costs (note 7)	1	1
Total expenses	74	20
(Decrease) increase in net assets held for the benefit of policyowners	(485)	94
(Decrease) increase in net assets held for the benefit of policyowners		
75/75 Class A Units	(46)	10
75/100 Class A Units	(86)	14
100/100 Class A Units	(119)	19
75/75 Class F Units	(1)	0
75/100 Class F Units	(29)	8
100/100 Class F Units	(1)	0
75/75 Prestige Class Units	(42)	13
75/100 Prestige Class Units	(21)	3
100/100 Prestige Class Units	(140)	27
(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)		
75/75 Class A Units	(1.37)	0.91
75/100 Class A Units	(1.33)	0.83
100/100 Class A Units	(1.43)	0.70
75/75 Class F Units	(1.48)	0.79
75/100 Class F Units	(1.54)	0.59
100/100 Class F Units	(1.31)	0.75
75/75 Prestige Class Units	(1.29)	1.26
75/100 Prestige Class Units	(1.47)	0.57
100/100 Prestige Class Units	(1.53)	0.60

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, 2022	December 31, 2021
75/75 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	295	—
(Decrease) increase in net assets held for the benefit of policyowners	(46)	10
Withdrawable unit transactions		
Proceeds from withdrawable units issued	394	455
Withdrawal of withdrawable units	(297)	(170)
Net increase from withdrawable unit transactions	97	285
Net increase in net assets held for the benefit of policyowners	51	295
Net assets held for the benefit of policyowners	346	295
75/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	477	—
(Decrease) increase in net assets held for the benefit of policyowners	(86)	14
Withdrawable unit transactions		
Proceeds from withdrawable units issued	434	598
Withdrawal of withdrawable units	(43)	(135)
Net increase from withdrawable unit transactions	391	463
Net increase in net assets held for the benefit of policyowners	305	477
Net assets held for the benefit of policyowners	782	477

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, 2022	December 31, 2021
100/100 Class A Units		
Net assets held for the benefit of policyowners at beginning of period	724	—
(Decrease) increase in net assets held for the benefit of policyowners	(119)	19
Withdrawable unit transactions		
Proceeds from withdrawable units issued	845	1,449
Withdrawal of withdrawable units	(449)	(744)
Net increase from withdrawable unit transactions	396	705
Net increase in net assets held for the benefit of policyowners	277	724
Net assets held for the benefit of policyowners	1,001	724
75/75 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	3	—
(Decrease) increase in net assets held for the benefit of policyowners	(1)	0
Withdrawable unit transactions		
Proceeds from withdrawable units issued	—	3
Net increase from withdrawable unit transactions	—	3
Net (decrease) increase in net assets held for the benefit of policyowners	(1)	3
Net assets held for the benefit of policyowners	2	3
75/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	198	—
(Decrease) increase in net assets held for the benefit of policyowners	(29)	8
Withdrawable unit transactions		
Proceeds from withdrawable units issued	40	190
Net increase from withdrawable unit transactions	40	190
Net increase in net assets held for the benefit of policyowners	11	198
Net assets held for the benefit of policyowners	209	198

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, 2022	December 31, 2021
100/100 Class F Units		
Net assets held for the benefit of policyowners at beginning of period	3	—
(Decrease) increase in net assets held for the benefit of policyowners	(1)	0
Withdrawable unit transactions		
Proceeds from withdrawable units issued	1	3
Net increase from withdrawable unit transactions	1	3
Net (decrease) increase in net assets held for the benefit of policyowners	(0)	3
Net assets held for the benefit of policyowners	3	3
75/75 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	299	—
(Decrease) increase in net assets held for the benefit of policyowners	(42)	13
Withdrawable unit transactions		
Proceeds from withdrawable units issued	390	286
Withdrawal of withdrawable units	(291)	—
Net increase from withdrawable unit transactions	99	286
Net increase in net assets held for the benefit of policyowners	57	299
Net assets held for the benefit of policyowners	356	299
75/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	141	—
(Decrease) increase in net assets held for the benefit of policyowners	(21)	3
Withdrawable unit transactions		
Proceeds from withdrawable units issued	25	138
Net increase from withdrawable unit transactions	25	138
Net increase in net assets held for the benefit of policyowners	4	141
Net assets held for the benefit of policyowners	145	141

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, 2022	December 31, 2021
100/100 Prestige Class Units		
Net assets held for the benefit of policyowners at beginning of period	749	—
(Decrease) increase in net assets held for the benefit of policyowners	(140)	27
Withdrawable unit transactions		
Proceeds from withdrawable units issued	423	741
Withdrawal of withdrawable units	(170)	(19)
Net increase from withdrawable unit transactions	253	722
Net increase in net assets held for the benefit of policyowners	113	749
Net assets held for the benefit of policyowners	862	749
Total Fund		
Net assets held for the benefit of policyowners at beginning of period	2,889	—
(Decrease) increase in net assets held for the benefit of policyowners	(485)	94
Withdrawable unit transactions		
Proceeds from withdrawable units issued	2,552	3,863
Withdrawal of withdrawable units	(1,250)	(1,068)
Net increase from withdrawable unit transactions	1,302	2,795
Net increase in net assets held for the benefit of policyowners	817	2,889
Net assets held for the benefit of policyowners	3,706	2,889

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

STATEMENT OF CASH FLOWS <i>(All amounts in thousands of Canadian dollars)</i>			SCHEDULE OF INVESTMENT PORTFOLIO <i>(All amounts in thousands of Canadian dollars, unless otherwise noted)</i>			
<i>For the periods ended</i>	December 31, 2022	December 31, 2021	<i>As at December 31, 2022</i>	Number of Units	Cost* (\$)	Fair Value (\$)
Cash flows from operating activities			HOLDINGS IN INVESTMENT FUND			
(Decrease) increase in net assets held for the benefit of policyowners	(485)	94	Global Balanced Fund — 95.8%			
Adjustments for:			BMO Balanced ESG ETF			
Net realized loss on sale of investments and derivatives	10	—		119,679	3,945	3,549
Change in unrealized depreciation (appreciation) of investments and derivatives	480	(84)	Total Investment Portfolio — 95.8%			
Increase in distribution receivable from investment trusts	(10)	(15)			3,945	3,549
Increase in accrued expenses	7	14	Other Assets Less Liabilities — 4.2%			
Non-cash distributions from investment trusts	—	(6)	Net assets held for the benefit of policyowners — 100.0%			
Purchases of investments	(1,460)	(2,740)				157
Proceeds from sale and maturity of investments	251	—				3,706
Net cash used in operating activities	(1,207)	(2,737)				
Cash flows from financing activities						
Proceeds from issuances of withdrawable units	1,821	2,803				
Amounts paid on withdrawal of withdrawable units	(519)	(9)				
Net cash from financing activities	1,302	2,794				
Net increase in cash	95	57				
Cash at beginning of period	57	—				
Cash at end of period	152	57				
Supplementary Information:						
Distributions received from investment trusts*	69	9				

* 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, 2022

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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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 at 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 and 100/100 Class F Units 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 F Units, 75/100 Class F Units, 100/100 Class F Units, 75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class 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 F Units	May 7, 2021
75/100 Class F Units	May 7, 2021
100/100 Class F Units	May 7, 2021
75/75 Prestige Class Units	May 7, 2021
75/100 Prestige Class Units	May 7, 2021
100/100 Prestige Class Units	May 7, 2021

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, 2022	December 31, 2021
75/75 Class A Units		
Units issued and outstanding, beginning of period	27	—
Issued for cash	42	44
Withdrawn during the period	(31)	(17)
Units issued and outstanding, end of period	38	27
75/100 Class A Units		
Units issued and outstanding, beginning of period	45	—
Issued for cash	46	58
Withdrawn during the period	(5)	(13)
Units issued and outstanding, end of period	86	45
100/100 Class A Units		
Units issued and outstanding, beginning of period	68	—
Issued for cash	88	140
Withdrawn during the period	(46)	(72)
Units issued and outstanding, end of period	110	68
75/75 Class F Units		
Units issued and outstanding, beginning of period	0	—
Issued for cash	—	0
Units issued and outstanding, end of period	0	0
75/100 Class F Units		
Units issued and outstanding, beginning of period	18	—
Issued for cash	5	18
Units issued and outstanding, end of period	23	18

For the periods ended (in thousands of units)	December 31, 2022	December 31, 2021
100/100 Class F Units		
Units issued and outstanding, beginning of period	0	—
Issued for cash	0	0
Units issued and outstanding, end of period	0	0
75/75 Prestige Class Units		
Units issued and outstanding, beginning of period	28	—
Issued for cash	40	28
Withdrawn during the period	(29)	—
Units issued and outstanding, end of period	39	28
75/100 Prestige Class Units		
Units issued and outstanding, beginning of period	13	—
Issued for cash	3	13
Units issued and outstanding, end of period	16	13
100/100 Prestige Class Units		
Units issued and outstanding, beginning of period	70	—
Issued for cash	43	72
Withdrawn during the period	(18)	(2)
Units issued and outstanding, end of period	95	70

Units held by the Company

The Company held the following units of the Fund:

As at December 31, 2022	Number of Units	Value of Units (\$)
Class		
75/75 Class A Units	250	2
100/100 Class A Units	250	2
75/75 Class F Units	250	2
100/100 Class F Units	250	2
75/75 Prestige Class Units	250	2
100/100 Prestige Class Units	250	2

As at December 31, 2021	Number of Units	Value of Units (\$)
Class		
75/75 Class A Units	250	3
100/100 Class A Units	250	3
75/75 Class F Units	250	3
100/100 Class F Units	250	3
75/75 Prestige Class Units	250	3
100/100 Prestige Class Units	250	3

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.

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, 2022

Currency risk

As at December 31, 2022 and December 31, 2021, 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, 2022 and December 31, 2021, 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 \$356 (December 31, 2021 — \$283). 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, 2022 and December 31, 2021, 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, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	3,549	—	—	3,549

As at December 31, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Investment Funds	2,830	—	—	2,830

Transfers between levels

There were no transfers between the levels during the 2022 period (2021 — \$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, 2022	As at December 31, 2021
BMO Balanced ESG ETF	3,549	2,830

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

BMO Balanced ESG ETF	7.47%	5.56%
----------------------	-------	-------

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, 2022 and December 31, 2021 is calculated as follows:

For the periods ended	December 31, 2022	December 31, 2021
75/75 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(46)	10
Weighted average units outstanding during the period (in thousands of units)	34	10
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.37)	0.91
75/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(86)	14
Weighted average units outstanding during the period (in thousands of units)	65	17
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.33)	0.83
100/100 Class A Units		
(Decrease) increase in net assets held for the benefit of policyowners	(119)	19
Weighted average units outstanding during the period (in thousands of units)	83	27
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.43)	0.70
75/75 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1)	0
Weighted average units outstanding during the period (in thousands of units)	0	0
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.48)	0.79

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, 2022

<i>For the periods ended</i>	December 31, 2022	December 31, 2021
75/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(29)	8
Weighted average units outstanding during the period (in thousands of units)	19	13
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.54)	0.59
100/100 Class F Units		
(Decrease) increase in net assets held for the benefit of policyowners	(1)	0
Weighted average units outstanding during the period (in thousands of units)	0	0
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.31)	0.75
75/75 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(42)	13
Weighted average units outstanding during the period (in thousands of units)	33	11
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.29)	1.26
75/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(21)	3
Weighted average units outstanding during the period (in thousands of units)	14	5
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.47)	0.57
100/100 Prestige Class Units		
(Decrease) increase in net assets held for the benefit of policyowners	(140)	27
Weighted average units outstanding during the period (in thousands of units)	92	45
(Decrease) increase in net assets held for the benefit of policyowners per unit	(1.53)	0.60

Brokerage commissions

<i>For the periods ended</i>	December 31, 2022 (\$)	December 31, 2021 (\$)
Total brokerage amounts paid	1	1
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 through its investment in the underlying fund:

<i>As at</i>	December 31, 2022	December 31, 2021
Holdings in Investment Funds		
Canadian Equity Funds	14.3%	15.0%
Canadian Fixed Income Funds	33.6%	33.8%
International Equity Funds	14.1%	14.1%
U.S. Equity Funds	30.3%	31.3%
U.S. Fixed Income Funds	3.5%	3.8%
Other Assets less Liabilities	4.2%	2.0%
	100.0%	100.0%

Offsetting financial assets and financial liabilities

There were no amounts offset as at December 31, 2022 and December 31, 2021.

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, 2022

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	2022	2021 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 346	295
Net asset value per unit ⁽¹⁾	\$ 9.16	10.72
Units issued and outstanding (000's) ⁽¹⁾	38	27
Management fees	% 1.40	1.40
Management expense ratio ⁽²⁾	% 2.23	2.23
Management expense ratio before waivers	% 2.23	2.23
Portfolio turnover rate ⁽³⁾	% 8.23	—

Years ended December 31,

75/100 Class A Units	2022	2021 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 782	477
Net asset value per unit ⁽¹⁾	\$ 9.11	10.70
Units issued and outstanding (000's) ⁽¹⁾	86	45
Management fees	% 1.40	1.40
Management expense ratio ⁽²⁾	% 2.54	2.55
Management expense ratio before waivers	% 2.54	2.55
Portfolio turnover rate ⁽³⁾	% 8.23	—

Years ended December 31,

100/100 Class A Units	2022	2021 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 1,001	724
Net asset value per unit ⁽¹⁾	\$ 9.06	10.68
Units issued and outstanding (000's) ⁽¹⁾	110	68
Management fees	% 1.40	1.40
Management expense ratio ⁽²⁾	% 2.88	2.89
Management expense ratio before waivers	% 2.88	2.89
Portfolio turnover rate ⁽³⁾	% 8.23	—

Years ended December 31,

75/75 Class F Units	2022	2021 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 2	3
Net asset value per unit ⁽¹⁾	\$ 9.31	10.79
Units issued and outstanding (000's) ⁽¹⁾	0	0
Management fees	% 0.40	0.40
Management expense ratio ⁽²⁾	% 1.19	1.19
Management expense ratio before waivers	% 1.19	1.19
Portfolio turnover rate ⁽³⁾	% 8.23	—

Years ended December 31,

75/100 Class F Units	2022	2021 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 209	198
Net asset value per unit ⁽¹⁾	\$ 9.28	10.78
Units issued and outstanding (000's) ⁽¹⁾	23	18
Management fees	% 0.40	0.40
Management expense ratio ⁽²⁾	% 1.43	1.43
Management expense ratio before waivers	% 1.43	1.43
Portfolio turnover rate ⁽³⁾	% 8.23	—

Years ended December 31,

100/100 Class F Units	2022	2021 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 3	3
Net asset value per unit ⁽¹⁾	\$ 9.21	10.75
Units issued and outstanding (000's) ⁽¹⁾	0	0
Management fees	% 0.40	0.40
Management expense ratio ⁽²⁾	% 1.86	1.86
Management expense ratio before waivers	% 1.86	1.86
Portfolio turnover rate ⁽³⁾	% 8.23	—

Years ended December 31,

75/75 Prestige Class Units	2022	2021 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 356	299
Net asset value per unit ⁽¹⁾	\$ 9.17	10.73
Units issued and outstanding (000's) ⁽¹⁾	39	28
Management fees	% 1.22	1.22
Management expense ratio ⁽²⁾	% 2.11	2.11
Management expense ratio before waivers	% 2.11	2.11
Portfolio turnover rate ⁽³⁾	% 8.23	—

Years ended December 31,

75/100 Prestige Class Units	2022	2021 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 145	141
Net asset value per unit ⁽¹⁾	\$ 9.14	10.72
Units issued and outstanding (000's) ⁽¹⁾	16	13
Management fees	% 1.18	1.18
Management expense ratio ⁽²⁾	% 2.33	2.31
Management expense ratio before waivers	% 2.33	2.31
Portfolio turnover rate ⁽³⁾	% 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, 2022

	Years ended December	
	31,	
100/100 Prestige Class Units	2022	2021 ⁽⁴⁾
Net asset (000's) ⁽¹⁾	\$ 862	749
Net asset value per unit ⁽¹⁾	\$ 9.11	10.70
Units issued and outstanding (000's) ⁽¹⁾	95	70
Management fees	% 1.05	1.05
Management expense ratio ⁽²⁾	% 2.57	2.57
Management expense ratio before waivers	% 2.57	2.57
Portfolio turnover rate ⁽³⁾	% 8.23	—

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.

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

⁽³⁾ The Fund's portfolio turnover 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.

⁽⁴⁾ The information shown in this column is for the period beginning May 7, 2021 (the class' inception date) and ending December 31, 2021.

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

BMO Guaranteed Investment Funds

ANNUAL FINANCIAL STATEMENTS

December 31, 2022

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, 2022
ASSETS	
CURRENT ASSETS	
Cash	22
Investments	
Non-derivative financial assets	898
Total assets	920
LIABILITIES	
CURRENT LIABILITIES	
Accrued expenses	4
Total liabilities	4
Net assets held for the benefit of policyowners	916
Net assets held for the benefit of policyowners	
75/75 Class A Units	177
75/100 Class A Units	97
100/100 Class A Units	96
75/75 Class F Units	3
75/100 Class F Units	3
100/100 Class F Units	2
75/75 Prestige Class Units	485
75/100 Prestige Class Units	51
100/100 Prestige Class Units	2
Net assets held for the benefit of policyowners per unit	
75/75 Class A Units	\$ 10.00
75/100 Class A Units	\$ 9.99
100/100 Class A Units	\$ 9.97
75/75 Class F Units	\$ 10.06
75/100 Class F Units	\$ 10.05
100/100 Class F Units	\$ 10.03
75/75 Prestige Class Units	\$ 10.01
75/100 Prestige Class Units	\$ 10.00
100/100 Prestige Class Units	\$ 9.99

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

For the period ended	December 31, 2022
INCOME	
Distributions received from investment trusts	23
Other changes in fair value of investments and derivatives	
Unrealized depreciation	(14)
Net gain in fair value of investments and derivatives	9
Total income	9
EXPENSES	
Management fees (note 7)	3
Fixed administration fees (note 7)	2
Insurance fees (note 7)	1
Total expenses	6
Increase in net assets held for the benefit of policyowners	3
(Decrease) increase in net assets held for the benefit of policyowners	
75/75 Class A Units	(3)
75/100 Class A Units	(0)
100/100 Class A Units	(1)
75/75 Class F Units	0
75/100 Class F Units	0
100/100 Class F Units	0
75/75 Prestige Class Units	7
75/100 Prestige Class Units	(0)
100/100 Prestige Class Units	(0)
(Decrease) increase in net assets held for the benefit of policyowners per unit (note 3)	
75/75 Class A Units	(0.27)
75/100 Class A Units	(0.02)
100/100 Class A Units	(0.60)
75/75 Class F Units	0.06
75/100 Class F Units	0.05
100/100 Class F Units	0.03
75/75 Prestige Class Units	0.36
75/100 Prestige Class Units	(0.12)
100/100 Prestige Class Units	(0.01)

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>	December 31, 2022
75/75 Class A Units	
Net assets held for the benefit of policyowners at beginning of period	—
Decrease in net assets held for the benefit of policyowners	(3)
Withdrawable unit transactions	
Proceeds from withdrawable units issued	656
Withdrawal of withdrawable units	(476)
Net increase from withdrawable unit transactions	180
Net increase in net assets held for the benefit of policyowners	177
Net assets held for the benefit of policyowners	177
75/100 Class A Units	
Net assets held for the benefit of policyowners at beginning of period	—
Decrease in net assets held for the benefit of policyowners	(0)
Withdrawable unit transactions	
Proceeds from withdrawable units issued	145
Withdrawal of withdrawable units	(48)
Net increase from withdrawable unit transactions	97
Net increase in net assets held for the benefit of policyowners	97
Net assets held for the benefit of policyowners	97
100/100 Class A Units	
Net assets held for the benefit of policyowners at beginning of period	—
Decrease in net assets held for the benefit of policyowners	(1)
Withdrawable unit transactions	
Proceeds from withdrawable units issued	97
Net increase from withdrawable unit transactions	97
Net increase in net assets held for the benefit of policyowners	96
Net assets held for the benefit of policyowners	96

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>	December 31, 2022
75/75 Class F Units	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	0
Withdrawable unit transactions	
Proceeds from withdrawable units issued	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
75/100 Class F Units	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	0
Withdrawable unit transactions	
Proceeds from withdrawable units issued	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
100/100 Class F Units	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	0
Withdrawable unit transactions	
Proceeds from withdrawable units issued	2
Net increase from withdrawable unit transactions	2
Net increase in net assets held for the benefit of policyowners	2
Net assets held for the benefit of policyowners	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, 2022
<i>For the period ended</i>	
75/75 Prestige Class Units	
Net assets held for the benefit of policyowners at beginning of period	—
Increase in net assets held for the benefit of policyowners	7
Withdrawable unit transactions	
Proceeds from withdrawable units issued	478
Net increase from withdrawable unit transactions	478
Net increase in net assets held for the benefit of policyowners	485
Net assets held for the benefit of policyowners	485
75/100 Prestige Class Units	
Net assets held for the benefit of policyowners at beginning of period	—
Decrease in net assets held for the benefit of policyowners	(0)
Withdrawable unit transactions	
Proceeds from withdrawable units issued	51
Net increase from withdrawable unit transactions	51
Net increase in net assets held for the benefit of policyowners	51
Net assets held for the benefit of policyowners	51
100/100 Prestige Class Units	
Net assets held for the benefit of policyowners at beginning of period	—
Decrease in net assets held for the benefit of policyowners	(0)
Withdrawable unit transactions	
Proceeds from withdrawable units issued	2
Net increase from withdrawable unit transactions	2
Net increase in net assets held for the benefit of policyowners	2
Net assets held for the benefit of policyowners	2

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

	December 31, 2022
<i>For the period ended</i>	
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	1,437
Withdrawal of withdrawable units	(524)
Net increase from withdrawable unit transactions	913
Net increase in net assets held for the benefit of policyowners	916
Net assets held for the benefit of policyowners	916

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, 2022
Cash flows from operating activities	
Increase in net assets held for the benefit of policyowners	3
Adjustments for:	
Change in unrealized depreciation of investments and derivatives	14
Increase in accrued expenses	4
Non-cash distributions from investment trusts	(23)
Purchases of investments	(889)
Net cash used in operating activities	(891)
Cash flows from financing activities	
Proceeds from issuances of withdrawable units	1,437
Amounts paid on withdrawal of withdrawable units	(524)
Net cash from financing activities	913
Net increase in cash	22
Cash at beginning of period	—
Cash at end of period	22

SCHEDULE OF INVESTMENT PORTFOLIO
(All amounts in thousands of Canadian dollars, unless otherwise noted)

<i>As at December 31, 2022</i>	Number of Units	Cost* (\$)	Fair Value (\$)
HOLDINGS IN INVESTMENT FUND			
Global Bond Fund — 98.0%			
BMO Sustainable Global Multi-Sector Bond Fund, Series I	98,447	912	898
Total Investment Portfolio — 98.0%		912	898
Other Assets Less Liabilities — 2.0%			18
Net assets held for the benefit of policyowners — 100.0%			916

* 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, 2022

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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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

Notes to the Financial Statements (cont'd)*(All amounts in thousands of Canadian dollars)*

December 31, 2022

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 and 100/100 Class F Units 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, 2022

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, 100/100 Class F Units, 75/75 Prestige Class Units, 75/100 Prestige Class Units and 100/100 Prestige Class 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 F Units	June 10, 2022
75/100 Class F Units	June 10, 2022
100/100 Class F Units	June 10, 2022
75/75 Prestige Class Units	June 10, 2022
75/100 Prestige Class Units	June 10, 2022
100/100 Prestige Class Units	June 10, 2022

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, 2022
75/75 Class A Units	
Units issued and outstanding, beginning of period	—
Issued for cash	66
Withdrawn during the period	(48)
Units issued and outstanding, end of period	18
75/100 Class A Units	
Units issued and outstanding, beginning of period	—
Issued for cash	15
Withdrawn during the period	(5)
Units issued and outstanding, end of period	10
100/100 Class A Units	
Units issued and outstanding, beginning of period	—
Issued for cash	10
Units issued and outstanding, end of period	10
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	0
Units issued and outstanding, end of period	0

For the period ended (in thousands of units)	December 31, 2022
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 Prestige Class Units	
Units issued and outstanding, beginning of period	—
Issued for cash	48
Units issued and outstanding, end of period	48
75/100 Prestige Class Units	
Units issued and outstanding, beginning of period	—
Issued for cash	5
Units issued and outstanding, end of period	5
100/100 Prestige Class 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, 2022	Number of Units	Value of Units (\$)
Class		
75/75 Class A Units	250	2
75/100 Class A Units	250	2
100/100 Class A Units	250	2
75/75 Class F Units	250	3
75/100 Class F Units	250	3
100/100 Class F Units	250	3
75/75 Prestige Class Units	250	3
75/100 Prestige Class Units	250	2
100/100 Prestige Class 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 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).

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, 2022

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 (%)
Currencies					
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)
Total	22	890	(922)	(10)	(1.0)

As at 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 increased or decreased, respectively, by approximately \$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, 2022
Less than one year	12
One to three years	169
Three to five years	265
Five to ten years	375
Greater than ten years	70
Total	891

As at 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 \$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, 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.

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, 2022
AAA	2.6
AA	3.0
A	13.5
BBB	43.0
BB	23.5
B	11.5
CCC	0.1
Unrated	0.4
Total	97.6

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, 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Investment Funds	898	—	—	898

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, 2022
BMO Sustainable Global Multi-Sector Bond Fund, Series I	898

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

BMO Sustainable Global Multi-Sector Bond Fund, Series I	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 period ended 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, 2022

<i>For the period ended</i>	December 31, 2022	<i>For the period ended</i>	December 31, 2022
75/75 Class A Units		100/100 Prestige Class Units	
Decrease in net assets held for the benefit of policyowners	(3)	Decrease in net assets held for the benefit of policyowners	(0)
Weighted average units outstanding during the period (in thousands of units)	10	Weighted average units outstanding during the period (in thousands of units)	0
Decrease in net assets held for the benefit of policyowners per unit	(0.27)	Decrease in net assets held for the benefit of policyowners per unit	(0.01)
75/100 Class A Units		Brokerage commissions	
Decrease in net assets held for the benefit of policyowners	(0)	There were no brokerage commissions charged to the Fund during the period ended December 31, 2022.	
Weighted average units outstanding during the period (in thousands of units)	4	Concentration risk	
Decrease in net assets held for the benefit of policyowners per unit	(0.02)	The following is a summary of the Fund's concentration risk through its investment in the underlying fund:	
100/100 Class A Units		December 31, 2022	
Decrease in net assets held for the benefit of policyowners	(1)	<i>As at</i>	
Weighted average units outstanding during the period (in thousands of units)	1	Foreign Bonds & Debentures	
Decrease in net assets held for the benefit of policyowners per unit	(0.60)	Armenia	0.4%
75/75 Class F Units		Australia	0.7%
Increase in net assets held for the benefit of policyowners	0	Belgium	1.5%
Weighted average units outstanding during the period (in thousands of units)	0	Bermuda	0.4%
Increase in net assets held for the benefit of policyowners per unit	0.06	Brazil	0.3%
75/100 Class F Units		Canada	1.6%
Increase in net assets held for the benefit of policyowners	0	Chile	0.2%
Weighted average units outstanding during the period (in thousands of units)	0	China	0.9%
Increase in net assets held for the benefit of policyowners per unit	0.05	Denmark	1.4%
100/100 Class F Units		Dominican Republic	0.4%
Increase in net assets held for the benefit of policyowners	0	Finland	0.7%
Weighted average units outstanding during the period (in thousands of units)	0	France	8.0%
Increase in net assets held for the benefit of policyowners per unit	0.03	Germany	3.2%
75/75 Prestige Class Units		Hong Kong	0.5%
Increase in net assets held for the benefit of policyowners	7	India	1.4%
Weighted average units outstanding during the period (in thousands of units)	19	Ireland	2.8%
Increase in net assets held for the benefit of policyowners per unit	0.36	Italy	2.6%
75/100 Prestige Class Units		Japan	1.3%
Decrease in net assets held for the benefit of policyowners	(0)	Luxembourg	2.9%
Weighted average units outstanding during the period (in thousands of units)	1	Mexico	1.2%
Decrease in net assets held for the benefit of policyowners per unit	(0.12)	Norway	1.0%
		Netherlands	4.7%
		Peru	0.2%
		Portugal	0.3%
		Qatar	1.0%
		Romania	0.2%
		South Africa	1.9%
		South Korea	0.3%
		Spain	4.2%
		Supranational	0.5%

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, 2022

<i>As at</i>	December 31, 2022
Sweden	0.6%
Switzerland	0.8%
United Arab Emirates	2.0%
United Kingdom	14.5%
United States	32.8%
Swaps	
Credit Default Swaps	0.2%
Other Assets less Liabilities	2.4%
	100.0%

Offsetting financial assets and financial liabilities

There were no amounts offset as at 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, 2022

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 period indicated.

	Period ended December 31, 2022 ⁽⁴⁾
75/75 Class A Units	
Net asset (000's) ⁽¹⁾	\$ 177
Net asset value per unit ⁽¹⁾	\$ 10.00
Units issued and outstanding (000's) ⁽¹⁾	18
Management fees	% 1.70
Management expense ratio ⁽²⁾	% 2.69
Management expense ratio before waivers	% 2.69
Portfolio turnover rate ⁽³⁾	%

	Period ended December 31, 2022 ⁽⁴⁾
75/100 Class A Units	
Net asset (000's) ⁽¹⁾	\$ 97
Net asset value per unit ⁽¹⁾	\$ 9.99
Units issued and outstanding (000's) ⁽¹⁾	10
Management fees	% 1.70
Management expense ratio ⁽²⁾	% 2.89
Management expense ratio before waivers	% 2.89
Portfolio turnover rate ⁽³⁾	%

	Period ended December 31, 2022 ⁽⁴⁾
100/100 Class A Units	
Net asset (000's) ⁽¹⁾	\$ 96
Net asset value per unit ⁽¹⁾	\$ 9.97
Units issued and outstanding (000's) ⁽¹⁾	10
Management fees	% 1.70
Management expense ratio ⁽²⁾	% 3.29
Management expense ratio before waivers	% 3.29
Portfolio turnover rate ⁽³⁾	%

	Period ended December 31, 2022 ⁽⁴⁾
75/75 Class F Units	
Net asset (000's) ⁽¹⁾	\$ 3
Net asset value per unit ⁽¹⁾	\$ 10.06
Units issued and outstanding (000's) ⁽¹⁾	0
Management fees	% 0.70
Management expense ratio ⁽²⁾	% 1.51
Management expense ratio before waivers	% 1.51
Portfolio turnover rate ⁽³⁾	%

	Period ended December 31, 2022 ⁽⁴⁾
75/100 Class F Units	
Net asset (000's) ⁽¹⁾	\$ 3
Net asset value per unit ⁽¹⁾	\$ 10.05
Units issued and outstanding (000's) ⁽¹⁾	0
Management fees	% 0.70
Management expense ratio ⁽²⁾	% 1.72
Management expense ratio before waivers	% 1.72
Portfolio turnover rate ⁽³⁾	%

	Period ended December 31, 2022 ⁽⁴⁾
100/100 Class F Units	
Net asset (000's) ⁽¹⁾	\$ 2
Net asset value per unit ⁽¹⁾	\$ 10.03
Units issued and outstanding (000's) ⁽¹⁾	0
Management fees	% 0.70
Management expense ratio ⁽²⁾	% 2.16
Management expense ratio before waivers	% 2.16
Portfolio turnover rate ⁽³⁾	%

	Period ended December 31, 2022 ⁽⁴⁾
75/75 Prestige Class Units	
Net asset (000's) ⁽¹⁾	\$ 485
Net asset value per unit ⁽¹⁾	\$ 10.01
Units issued and outstanding (000's) ⁽¹⁾	48
Management fees	% 1.60
Management expense ratio ⁽²⁾	% 2.36
Management expense ratio before waivers	% 2.36
Portfolio turnover rate ⁽³⁾	%

	Period ended December 31, 2022 ⁽⁴⁾
75/100 Prestige Class Units	
Net asset (000's) ⁽¹⁾	\$ 51
Net asset value per unit ⁽¹⁾	\$ 10.00
Units issued and outstanding (000's) ⁽¹⁾	5
Management fees	% 1.56
Management expense ratio ⁽²⁾	% 2.69
Management expense ratio before waivers	% 2.69
Portfolio turnover rate ⁽³⁾	%

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, 2022

		Period ended December 31, 2022 ⁽⁴⁾
100/100 Prestige Class Units		
Net asset (000's) ⁽¹⁾	\$	2
Net asset value per unit ⁽¹⁾	\$	9.99
Units issued and outstanding (000's) ⁽¹⁾		0
Management fees	%	1.35
Management expense ratio ⁽²⁾	%	2.89
Management expense ratio before waivers	%	2.89
Portfolio turnover rate ⁽³⁾	%	—

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.

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

⁽³⁾ The Fund's portfolio turnover 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.

⁽⁴⁾ The information shown in this column is for the period beginning June 10, 2022 (the class' inception date) and ending December 31, 2022.

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, 2022

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

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, 2022 and December 31, 2021. 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, 2022 and December 31, 2021 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 19, 2023.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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. Summary of significant accounting policies

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

Notes to the Financial Statements (cont'd)

(All amounts in thousands of Canadian dollars)

December 31, 2022

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 (cont'd)

(All amounts in thousands of Canadian dollars)

December 31, 2022

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 and 100/100 Class F Units 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

Notes to the Financial Statements (cont'd)

(All amounts in thousands of Canadian dollars)

December 31, 2022

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 (cont'd)*(All amounts in thousands of Canadian dollars)*December 31, 2022

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 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.

® Registered trademark of Bank of Montreal, used under licence.
™ Trademark of BMO Life Assurance Company.