



# Management Report of Fund Performance & Unaudited Semi-Annual Financial Statements

For the six months ending June 30, 2007

The Millennium BullionFund

This semi-annual Management Report of Fund Performance contains financial highlights, including the unaudited semi-annual financial statements, but excluding the annual audited financial statements, of The Millennium BullionFund. You may also receive a copy of the financial statements of the Fund at your request, and at no cost, by calling 888.474.1001, by writing to us at 280-60 Renfrew Drive, Markham, Ontario, L3R 0E1, or by visiting our website at [www.bmsinc.ca](http://www.bmsinc.ca) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the quarterly portfolio disclosure.

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### INVESTMENT OBJECTIVES AND STRATEGIES

The Millennium BullionFund (the “Fund”) invests only in equal proportions of unencumbered, fully allocated gold, silver and platinum bullion, with the objective of providing a secure, convenient, low-cost, low-risk alternative for investors seeking to hold gold, silver and platinum bullion for capital preservation, long-term appreciation, portfolio diversification and portfolio hedging purposes.

By investing an equal portion of the Fund’s subscription proceeds in gold, silver and platinum bullion, the Fund should be able to effectively reduce its volatility while improving long-term returns. This can be accomplished because the value of gold is primarily based on its monetary value, whereas the value of silver and platinum are based on their commodity value. During normal economic times, the commodity demand for silver and platinum should be higher than for gold, and the value of silver and platinum should typically outperform the value of gold. In contrast, if monetary demand increases, then the value of gold should typically increase faster than that of silver or platinum, although over time both silver and platinum should follow the price of gold. As a result, by investing in all three metals, the Fund should be able to reduce volatility while improving long-term returns.

The economic factors that determine the price of gold, silver and platinum are also, in most cases, opposed to the factors that determine the prices of most other financial assets. An investment in units of a class of the Fund, therefore, acts as a hedge against the volatility of an investor’s other investments. Units of a class of the Fund are not speculative and are only intended to be one part of an investor’s investment strategy.

A small portion of the Fund’s assets (generally no more than 5%) may be held in cash to allow the Fund to pay its expenses and to facilitate any redemption of units of a class of the Fund. The Fund will not use derivatives or invest in securities or certificates of companies that produce gold, silver or platinum bullion. The Fund will not invest in foreign securities.

### RISK

The risks of investing in the Fund remain as stated in the prospectus. The principal risk associated with investing in the Fund is fluctuations in the price of the metals as well as the fluctuations in the relationship between the Canadian and US dollar. In addition, the Fund will be subject to availability of precious metals risk, non-hedging strategy risk, and specialization risk.

### RESULTS OF OPERATIONS

During the first half of 2007 the Fund’s net assets grew 16.1% from \$86,975,853 to \$101,018,958. Gold holdings increased from 36,507 ounces to 45,890 ounces, silver holdings increased from 2,219,946 ounces to 2,680,649 ounces and platinum holdings increased from 18,619 ounces to 23,613 ounces.

During the six months ending June 30, 2007 the Fund achieved a return for the Class A units of -7.4% in Canadian dollars and 1.3% in US dollars. The Class F units achieved a return of -6.9% in Canadian dollars and 1.9% in US dollars. Please note that these percentage increase figures are not annualized percentage increases. Refer to the Past Performance Section.

## RECENT DEVELOPMENTS

During the first half of 2007 gold and platinum posted gains of 2.9% and 13.9% while silver experienced a loss of 2.8% in US dollars. Platinum remains above its previous cycle high of US \$1,070 achieved in the 1980's and achieved a high of US \$1,329 during the first half, just US \$26 short of the recent all-time high of US \$1,355 posted in November 2006.

The fundamentals contributing to a continuation of the bullish precious metals trend are still intact and rising. The money supply increased in all countries. Canada increased its broad money supply (M3) by 10.2% in the year ending May 30, 2007, while the UK (M4) posted a 13.8% increase, the euro zone posted a 10.7% increase and Japan posted a 1.0% increase. China and Russia posted 19.2% and 41.2% gains respectively.

The US stopped publishing data for M3 in April 2006; however, several analysts have reconstructed the data and have determined that the US growth in M3 was 13% in the full year up to June 30, 2007.

Some of the weakness in the price of gold can be attributed to central bank sales. A total of 97.2 tonnes (3.1 million ounces) were sold, with Spain selling 39.9 tonnes and France selling 30.9 tonnes.

## RELATED PARTY TRANSACTIONS

Bullion Management Services Inc. (the “Manager”) is the manager, trustee, registrar, and transfer agent for the Fund. The Manager provides or arranges for the provision of all management and administrative services for day-to-day Fund operations, including providing Fund and unitholder accounting, record keeping and other administrative services. In consideration of the management and administrative services, the Fund pays the Manager a monthly management fee based on the net asset value of the Class A units and Class F units of the Fund, calculated daily. During the six months ended June 30, 2007 the Fund paid a management fee of \$1,027,019 (2006: \$570,067). In addition to management services, the Manager acts as transfer agent and registrar of the Fund. These services are in the normal course of operations and are recorded at the amount of the consideration agreed to between the parties.

Bullion Marketing Services Inc., an affiliate of the Manager, has been retained by the Manager to assist with the distribution of units of the Fund.

## MANAGEMENT FEES

A portion of the management fees paid by the Fund is for trailer fees paid to dealers. The trailer fees are a percentage of the daily average net asset value of the Class A units and Class F units of the Fund, which are held by the dealer’s clients. The table below outlines the Fund’s annual management fees and the maximum trailer fees for the Class A units and Class F units of the Fund:

	Class A	Class F
Management Fees	2.25%	1.25%
Trailer Fee (maximum rate as a percentage of management fees)	44.4%	0%

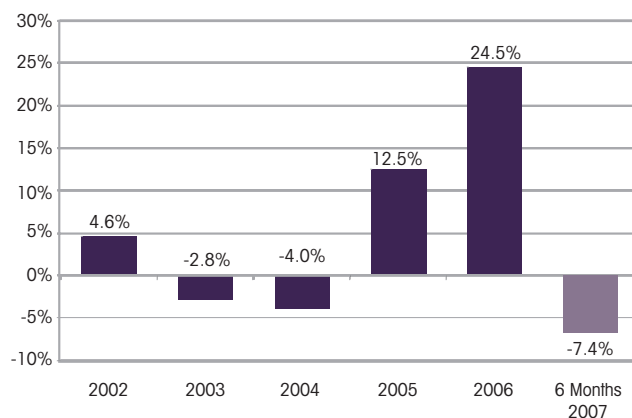
## PAST PERFORMANCE

The following information does not take into account sales or redemption charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

### Year-by-Year Returns

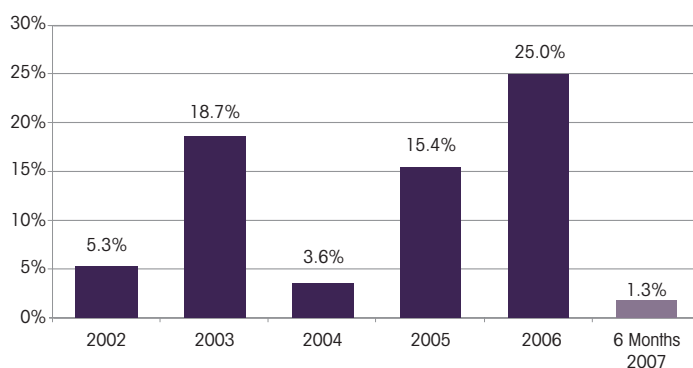
#### Class A Units, Canadian dollars

The following bar chart shows the Fund's annual performance in Canadian dollars in each of the past five years and to June 30, 2007. In percentage terms, the chart shows how an investment made on January 1 of the previous year would have increased or decreased by December 31 of the following year. In 2002 return calculations are made from January 17, even though the Fund did not start to take subscriptions from investors until March 5, 2002 and made its first billion purchase on March 6, 2002.



#### Class A Units, US dollars

The following bar chart shows the Fund's annual performance in US dollars in each of the past five years and to June 30, 2007. In percentage terms, the chart shows how an investment made on January 1 of the previous year would have increased or decreased by December 31 of the following year. In 2002 return calculations are made from January 17, even though the Fund did not start to take subscriptions from investors until March 5, 2002 and made its first billion purchase on March 6, 2002.



## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Class A units of the Fund and are intended to help you understand the Fund's financial performance for the years shown. The information is derived from the Fund's unaudited annual financial statements. In the year a portfolio or series is established, "period" represents the period from inception to December 31 of that fiscal year.

### Class A Units (Canadian Dollars)

	Six Months Ended June 30, 2007	2006	2005	2004	2003
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#### The Fund's Net Asset Value (NAV) per Unit

Net Asset Value, beginning of the period <sup>1</sup>	8.20	6.59	5.86	6.10	6.28
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#### Increase (decrease) from operations

Total revenue	0.03	0.00	0.00	0.00	0.00
Total expenses	(0.14)	(0.25)	(0.17)	(0.22)	(0.24)
Realized gains (losses)	0.00	0.10	0.00	(0.00)	(0.00)
Unrealized gains (losses)	(0.57)	1.53	0.96	(0.27)	0.56
<b>Total increase (decrease) from operations</b>	<b>(0.71)</b>	<b>1.41</b>	<b>0.79</b>	<b>(0.49)</b>	<b>0.32</b>

#### Distributions

From income	0.00	0.00	0.00	0.00	0.00
From dividends	0.00	0.00	0.00	0.00	0.00
From capital gains	0.00	0.00	0.00	0.00	0.00
Return of capital	0.00	0.00	0.00	0.00	0.00
<b>Total distributions</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net asset value at end of period</b>	<b>7.60</b>	<b>8.20</b>	<b>6.59</b>	<b>5.86</b>	<b>6.10</b>

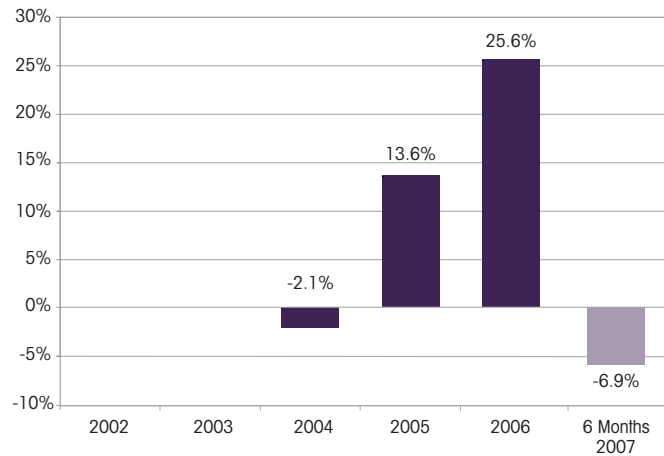
#### Ratios and Supplementary Data

Net assets	\$ 76,526,286	\$ 66,299,404	\$33,855,256	\$ 23,114,558	\$ 16,571,267
Number of units outstanding	10,074,807	8,082,540	5,139,160	3,947,855	2,717,998
Management expense ratio (%)	3.46	3.23	3.22	3.46	4.06
Management expense ratio before waivers or absorption (%)	3.46	3.42	3.78	4.18	4.06
Portfolio turnover rate (%)	-	6.96	1.37	-	1.67
Trading expense ratio (%)	-	-	-	-	-

(1) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. This schedule is not intended to be a reconciliation of opening and closing NAV per unit.

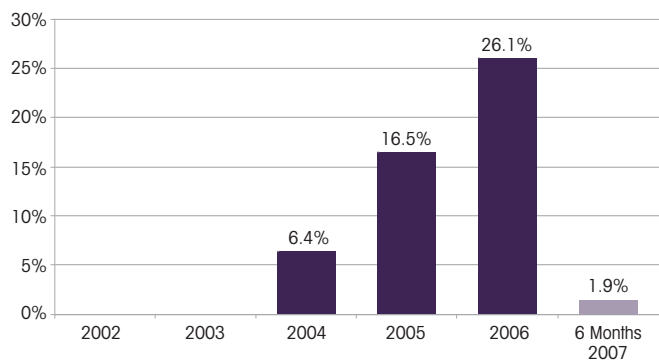
### Class F Units, Canadian dollars

The following bar chart shows the Fund's performance for Class F units in Canadian dollars in each of the past three years and to June 30, 2007. In percentage terms, the chart shows how an investment made on January 1 of the previous year would have increased or decreased by December 31 of the following year. Return shown for 2004 is for the period from Class F inception on September 15, 2004 to December 31, 2004.



### Class F Units, US dollars

The following bar chart shows the Fund's performance for the Class F units in US dollars in each of the past three years and to June 30, 2007. In percentage terms, the chart shows how an investment made on January 1 of the previous year would have increased or decreased by December 31 of the following year. Return shown for 2004 is for the period from Class F inception on September 15, 2004 to December 31, 2004.



## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Class F units of the Fund and are intended to help you understand the Fund's financial performance for the years shown. The information is derived from the Fund's unaudited annual financial statements. In the year a portfolio or series is established, "period" represents the period from inception to December 31 of that fiscal year.

### Class F Units (Canadian Dollars)

	Six Months Ended June 30, 2007	Periods ended December 31		
		2006	2005	2004

#### The Fund's Net Asset Value (NAV) per Unit

Net Asset Value, beginning of the period <sup>1</sup>	8.42	6.70	5.90	6.02
<b>Increase (decrease) from operations</b>				
Total revenue	0.00	0.03	0.00	0.00
Total expenses	(0.10)	(0.17)	(0.17)	(0.22)
Realized gains (losses)	0.00	0.11	0.00	0.00
Unrealized gains (losses)	(0.49)	1.62	0.96	(0.27)
<b>Total increase (decrease) from operations<sup>1</sup></b>	<b>(0.59)</b>	<b>1.59</b>	<b>0.83</b>	<b>(0.10)</b>

#### Distributions

From income	0.00	0.00	0.00	0.00
From dividends	0.00	0.00	0.00	0.00
From capital gains	0.00	0.00	0.00	0.00
Return of capital	0.00	0.00	0.00	0.00
<b>Total distributions</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net asset value at end of period</b>	<b>7.84</b>	<b>8.42</b>	<b>6.70</b>	<b>5.90</b>

#### Ratios and Supplementary Data

Net assets	\$7,546,430	\$7,758,537	\$5,949,475	\$4,339,163
Number of units outstanding	962,616	921,562	887,830	735,716
Management expense ratio (%)	2.37	2.16	2.17	2.14
Management expense ratio before waivers or absorption (%)	2.37	2.34	2.73	2.67
Portfolio turnover rate (%)	0	6.96	1.37	0
Trading expense ratio (%)	0	0	0	0

(1) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. This schedule is not intended to be a reconciliation of opening and closing NAV per unit.

## SUMMARY OF INVESTMENT PORTFOLIO

The Fund has a fixed investment policy of purchasing equal amounts of gold, silver, and platinum, and its portfolio holdings at June 30, 2007 were:

Commodity	% of Net Assets Invested
Gold	31.92%
Silver	35.94%
Platinum	32.14%

As the Fund does not rebalance portfolio holdings, the differential over an exact 33.3% allocation is due to the difference in performance of each metal.

End of Management Report of Fund Performance



# Semi-Annual Financial Statements

The Millennium Bullion Fund  
June 30, 2007 (Unaudited)

The accompanying interim financial statements have not been reviewed by the external auditors of the Fund. The external auditors will be auditing the annual financial statements of the Fund in accordance with Canadian generally accepted auditing standards.

## STATEMENTS OF NET ASSETS

As at June 30, 2007 (Unaudited) and December 31, 2006 (Audited)

	2007	2006
	\$	\$
<b>ASSETS</b>		
Gold, silver and platinum bullion, at market value [Average cost: \$87,530,512; 2006 – \$ 66,211,454]	99,488,018	84,946,726
Cash	1,637,355	2,139,515
Subscriptions receivable	192,084	296,158
	<b>101,317,457</b>	<b>87,382,399</b>
<b>LIABILITIES</b>		
Management fees payable	176,686	145,412
Accounts payable and accrued liabilities	75,435	212,523
Redemptions payable	46,378	48,611
	<b>298,499</b>	<b>406,546</b>
<b>Net assets value</b>	<b>101,018,958</b>	<b>86,975,853</b>
Class A	76,526,286	66,299,404
Class E11	3,859,624	4,138,965
Class F	7,546,430	7,758,537
Class G01	4,504,308	559,061
Class G05	1,556,633	1,826,636
Class G09	1,230,362	1,307,175
Class G10	1,002,436	522,251
Class G11	4,792,879	4,563,824
	<b>101,018,958</b>	<b>86,975,853</b>
<b>Net asset value per unit</b>		
Class A	7.60	8.20
Class E11	7.87	8.44
Class F	7.84	8.42
Class G01	7.66	8.27
Class G05	8.15	8.78
Class G09	7.75	8.32
Class G10	7.70	8.26
Class G11	7.75	8.31

*See accompanying notes*

On behalf of the Board of Directors of Bullion Management Services Inc.,  
Trustee and Manager of The Millennium BullionFund:

  
Nick Barisheff,  
Director

  
Larry Gamble,  
Director

## STATEMENTS OF OPERATIONS

For the six months ended June 30 (Unaudited)

	2007 \$	2006 \$
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Change in unrealized appreciation (depreciation) of investments	(6,781,493)	6,643,624
Net realized loss on foreign exchange	(19,234)	(12,737)
<b>Net gain (loss) on investments</b>	<b>(6,800,727)</b>	<b>6,630,887</b>
<b>INVESTMENT INCOME</b>		
Early redemption fees	15,633	35,205
Interest	4,533	2,297
	<b>20,166</b>	<b>37,502</b>
<b>EXPENSES</b>		
Management fees [note 4]	1,027,019	570,067
Securityholder reporting costs	240,434	128,708
Bullion storage fees	160,723	103,986
Goods and Services Tax	88,956	61,883
Other administrative expenses	18,516	29,001
Legal fees	40,761	28,620
Audit fees	29,216	21,200
	<b>1,605,625</b>	<b>943,465</b>
Expenses absorbed by Manager	-	105,793
	<b>1,605,625</b>	<b>837,672</b>
<b>Net investment loss for the period</b>	<b>(1,585,459)</b>	<b>(800,170)</b>
<b>Increase (decrease) in net assets from operations</b>	<b>(8,386,186)</b>	<b>5,830,717</b>
<b>Increase (decrease) in net assets from operations per class</b>		
Class A	(6,482,792)	4,483,874
Class E11	(279,341)	334,192
Class F	(575,889)	536,729
Class G01	(427,972)	-
Class G05	(118,558)	21,702
Class G09	(93,804)	120,558
Class G10	(99,785)	(67,700)
Class G11	(308,045)	401,362
<b>Increase (decrease) in net assets from operations per unit</b>		
Class A	(0.71)	0.75
Class E11	(0.57)	0.68
Class F	(0.59)	0.95
Class G01	(0.88)	-
Class G05	(0.58)	0.30
Class G09	(0.59)	1.04
Class G10	(0.85)	(1.07)
Class G11	(0.56)	1.23

See accompanying notes

## STATEMENTS OF CHANGES IN NET ASSETS

For the periods ended June 30, 2007 and 2006 (Unaudited)

	Class A		Class E11	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>Net assets, beginning of period</b>	<b>66,299,404</b>	<b>33,855,256</b>	<b>4,138,965</b>	<b>-</b>
<b>Increase (decrease) in net assets from operations</b>	<b>(6,482,792)</b>	<b>4,483,874</b>	<b>(279,341)</b>	<b>334,192</b>
<b>Capital transactions</b>				
Proceeds from issuance of units	21,699,606	19,945,614	-	3,438,976
Redemption of units	(4,989,932)	(5,009,002)	-	-
	<b>16,709,674</b>	<b>14,936,612</b>	<b>-</b>	<b>3,438,976</b>
<b>Net assets, end of period</b>	<b>76,526,286</b>	<b>53,275,742</b>	<b>3,859,624</b>	<b>3,773,168</b>
	Class F		Class G01	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>Net assets, beginning of period</b>	<b>7,758,537</b>	<b>5,949,475</b>	<b>559,061</b>	<b>-</b>
<b>Increase (decrease) in net assets from operations</b>	<b>(575,889)</b>	<b>536,729</b>	<b>(427,972)</b>	<b>-</b>
<b>Capital transactions</b>				
Proceeds from issuance of units	1,850,736	2,087,662	4,400,883	-
Redemption of units	(1,486,954)	(3,678,170)	(27,664)	-
	<b>363,782</b>	<b>(1,590,508)</b>	<b>4,373,219</b>	<b>-</b>
<b>Net assets, end of period</b>	<b>7,546,430</b>	<b>4,895,696</b>	<b>4,504,308</b>	<b>-</b>
	Class G05		Class G09	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>Net assets, beginning of period</b>	<b>1,826,636</b>	<b>262,709</b>	<b>1,307,175</b>	<b>371,382</b>
<b>Increase (decrease) in net assets from operations</b>	<b>(118,558)</b>	<b>21,702</b>	<b>(93,804)</b>	<b>120,558</b>
<b>Capital transactions</b>				
Proceeds from issuance of units	116,101	900,365	135,979	3,617,928
Redemption of units	(267,546)	(48,137)	(118,988)	(786)
	<b>(151,445)</b>	<b>852,228</b>	<b>16,991</b>	<b>3,617,142</b>
<b>Net assets, end of period</b>	<b>1,556,633</b>	<b>1,136,639</b>	<b>1,230,362</b>	<b>4,109,082</b>

	Class G10		Class G11	
	2007 \$	2006 \$	2007 \$	2006 \$
Net assets, beginning of period	522,251	-	4,563,824	2,170,296
Increase (decrease) in net assets from operations	(99,785)	(67,700)	(308,045)	401,362
<b>Capital transactions</b>				
Proceeds from issuance of units	580,088	544,342	964,253	859,131
Redemption of units	(118)	(111)	(427,153)	(277,004)
	579,970	544,231	537,100	582,127
Net assets, end of period	1,002,436	476,531	4,792,879	3,153,785
	<b>Total</b>			
	2007 \$	2006 \$		
Net assets, beginning of period	86,975,853	42,609,118		
Increase (decrease) in net assets from operations	(8,386,186)	5,830,717		
<b>Capital transactions</b>				
Proceeds from issuance of units	29,747,646	31,394,018		
Redemption of units	(7,318,355)	(9,013,210)		
	22,429,291	22,380,808		
Net assets, end of period	101,018,958	70,820,643		

## STATEMENT OF INVESTMENT PORTFOLIO

As at June 30, 2007	Fine Ounces	Average Cost \$	Market Value \$	Total %
<b>Gold, Silver And Platinum Bullion</b>				
Gold Bullion	45,890.101	29,039,382	31,754,562	31.92
Silver Bullion	2,680,649.135	29,306,247	35,758,337	35.94
Platinum Bullion	23,612.608	29,184,883	31,975,119	32.14
<b>Total Investments portfolio</b>		87,530,512	99,488,018	100.00

*See accompanying notes*

## NOTES TO FINANCIAL STATEMENTS

June 30, 2007 (Unaudited)

### I. FORMATION OF THE FUND

The Millennium Bullion Fund [the "Fund"] is governed under the laws of Ontario by an amended and restated Master Declaration of Trust dated February 9, 2004 and an amended and restated Regulation dated March 8, 2007. Bullion Management Services Inc. is the Trustee and Manager of the Fund. The Fund currently has issued units in eight classes. These financial statements pertain to Class A, Class E11, Class F, Class G01, Class G05, Class G09, Class G10 and Class G11 units. Effective April 16, 2007 Class E01 was reclassified to Class E11. All classes share the same attributes from a valuation perspective except that they are subject to different management fee rates.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include estimates and assumptions made by the Manager that affect the amounts of assets, liabilities, income and expenses during the reporting periods. The significant accounting policies are summarized below:

#### Valuation and Custody of investments

Gold, silver and platinum bullion are valued on the London PM fix with the difference between this amount and the average cost being shown as unrealized appreciation (depreciation) of investments.

The market values of investments denominated in foreign currencies are translated into Canadian dollars at the rates of exchange applicable on the valuation date.

The Fund's gold, silver and platinum bullion is held under custodian agreement for the Fund by a major Canadian Chartered Bank (or subsidiary thereof) on an allocated, segregated basis.

The allocated bullion is recorded by Refinery, Exact Weight in Ounces and Identification Number.

	Allocated	Unallocated	Total	Allocated	Unallocated	Total
			June 2007			Dec. 2006
Gold (oz)	44,876.157	1,013.944	45,890.101	36,192.589	314.875	36,507.464
Silver (oz)	2,629,980.815	50,668.320	2,680,649.135	2,205,659.912	14,286.468	2,219,946.380
Platinum (oz)	23,097.249	515.359	23,612.608	18,441.789	176.952	18,618.741

The Fund's bullion is free and clear of any lien or claim which the major Canadian Chartered Bank (or subsidiary thereof) may have.

### **Investment transactions, income and expense recognition**

Bullion transactions are recorded on a trade date basis.

Purchases and sales of investments and income and expenses are translated into Canadian dollars at the exchange rates prevailing on the dates of the transactions.

The realized gain or loss on sale of investments is calculated with reference to the average cost of the related investments.

The Fund follows the daily accrual method of recording investment income and expenses. Expenses specifically related to each class of units are charged directly to the class. Other expenses are allocated proportionately to each class based on the average net asset value ["NAV"] of each class.

Income, realized and unrealized gains and losses are allocated to each class of the Fund based on the class's pro-rated share of total net assets of the Fund.

### **Calculation of Net Asset Value per unit**

The NAV of each class of units of the Fund is calculated in Canadian dollars at 4:00 pm (Eastern Time) on each day on which The London Stock Exchange and The Toronto Stock Exchange are open for trading.

A separate NAV is calculated for each class of units of the Fund by taking the class's proportionate share of the Fund's common assets less that class's proportionate share of the Fund's common liabilities and deducting from this amount all liabilities that relate solely to the specific class. The NAV per unit for each class is determined by dividing the NAV of each class by the number of units of that class outstanding at the valuation date.

### **Income taxes**

The net taxable investment income and the net realized capital gains during the year are distributed to the unitholders such that the Fund is not subject to income tax. Accordingly, no provision for income taxes has been recorded in these financial statements.

### **Increase (decrease) in net assets from operations per unit**

Increase (decrease) in net assets from operations per unit in the Statement of Operations represents the net assets from operations attributable to a class of units for the period divided by the weighted average number of units of that class outstanding during the period.

### 3. UNITHOLDERS' EQUITY

Unit transactions during the periods ended June 30 were as follows:

	Class A 2007	2006	Class E11 2007	2006
Balance, beginning of period	8,082,540	5,139,160	490,221	-
Issued	2,591,109	2,595,427	-	490,221
Redeemed	(598,842)	(651,301)	-	-
<b>Balance, end of period</b>	<b>10,074,807</b>	<b>7,083,286</b>	<b>490,221</b>	<b>490,221</b>
	Class F 2007	2006	Class G01 2007	2006
Balance, beginning of period	921,562	887,830	67,630	-
Issued	214,332	269,317	524,005	-
Redeemed	(173,278)	(520,126)	(3,349)	-
<b>Balance, end of period</b>	<b>962,616</b>	<b>637,021</b>	<b>588,286</b>	<b>-</b>
	Class G05 2007	2006	Class G09 2007	2006
Balance, beginning of period	208,083	37,436	157,128	56,150
Issued	13,066	110,363	16,121	485,125
Redeemed	(30,159)	(6,319)	(14,446)	(99)
<b>Balance, end of period</b>	<b>190,990</b>	<b>141,480</b>	<b>158,803</b>	<b>541,176</b>
	Class G10 2007	2006	Class G11 2007	2006
Balance, beginning of period	63,209	-	549,106	328,865
Issued	66,995	63,222	118,953	118,262
Redeemed	(14)	(13)	(49,669)	(30,925)
<b>Balance, end of period</b>	<b>130,190</b>	<b>63,209</b>	<b>618,390</b>	<b>416,202</b>

#### 4. MANAGEMENT FEES AND SALES COMMISSION

The Manager is responsible for the day-to-day activities of the Fund, providing or arranging for all required administrative services and arranging for the distribution of units of the Fund. For these services, the Fund pays the Manager an annual management fee of 2.25% for Class A, 1.00% for Class E11, 1.25% for Class F, 2.25% for Class G01, 1.75% for Class G05, 1.25% for Class G09, 1.125% for Class G10 and 1.00% for Class G11, payable monthly in arrears and based on the average daily NAV of the Fund.

The Manager may, from time to time, in its sole discretion, absorb operating expenses that would otherwise be charged to the Fund. No operating expenses were absorbed in 2007 (\$105,793 in 2006).

A sales commission may be charged by a registered dealer or representative at the time investors buy Class A units, Class E units or Class G units of the Fund. The maximum amount of the sales commission is 5.26% of the net amount invested. The sales commission is negotiable. No sales commission is charged for the other class of units of the Fund.

#### 5. INCOME TAX LOSS CARRYFORWARDS

The Fund has non-capital loss carryforwards of approximately \$3,057,000 [2005: \$2,181,000] available to offset future years' taxable income with \$33,000 expiring in 2009, \$365,000 in 2010, \$857,000 in 2014, \$914,000 in 2015 and \$888,000 in 2026.



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