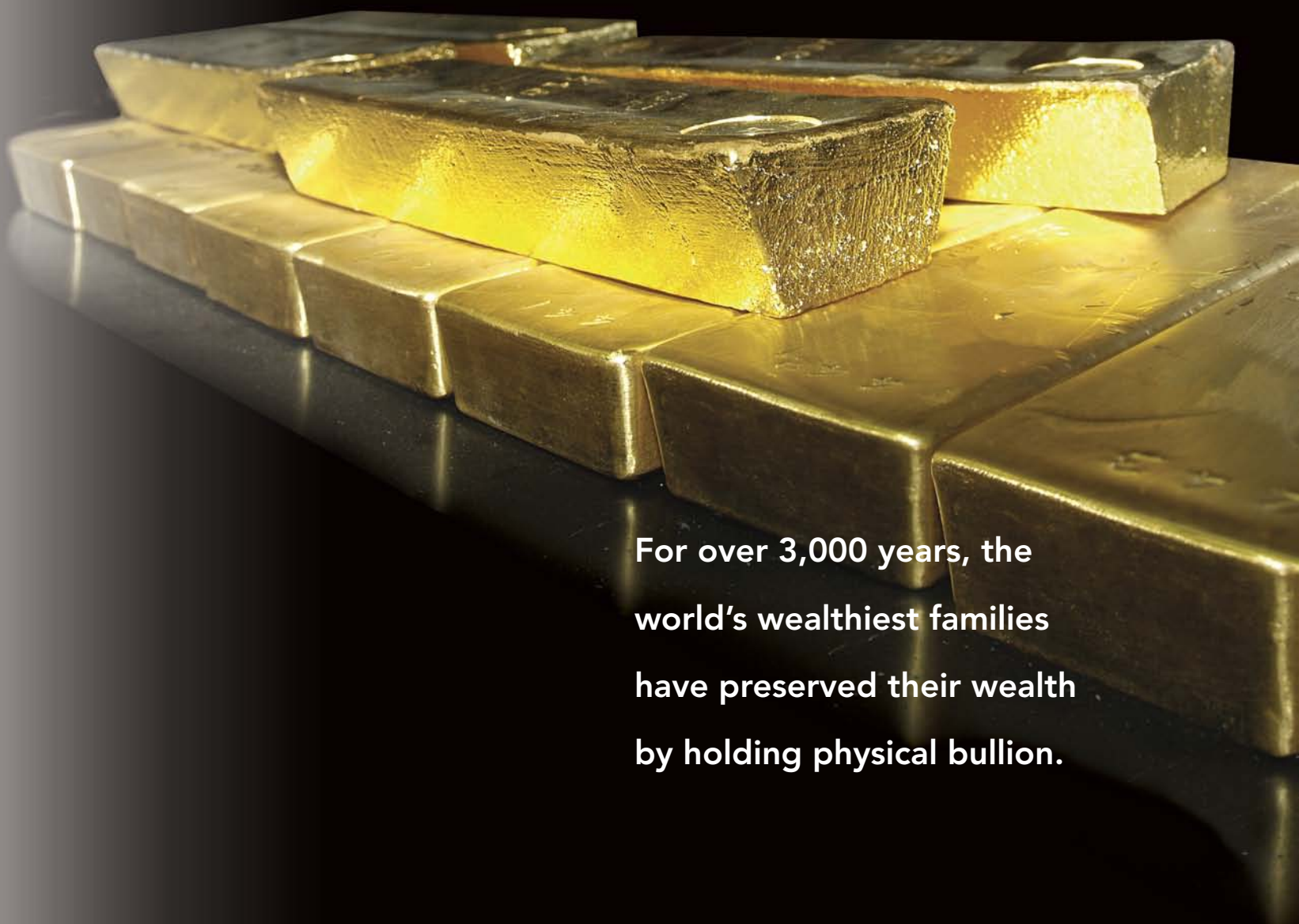


REAL WEALTH PROTECTION

DURING UNCERTAIN TIMES

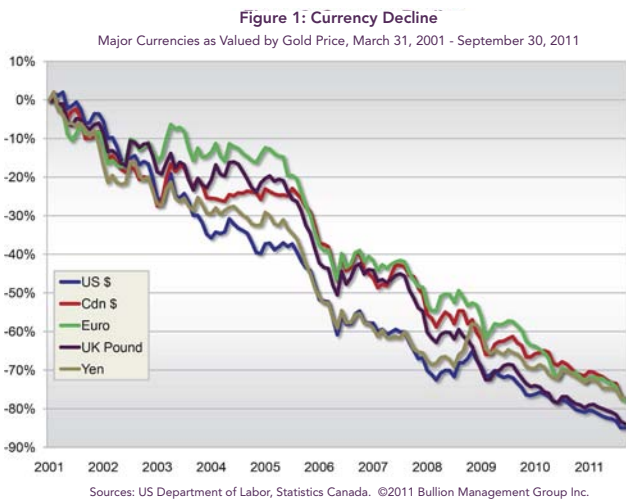


For over 3,000 years, the world's wealthiest families have preserved their wealth by holding physical bullion.

BMG Funds

Why Precious Metals Bullion?

The value of virtually every major currency is rapidly eroding due to unprecedented currency creation by central banks around the world. Because currencies are shrinking in value, so, too, is the value of the currency-denominated stocks, bonds and other financial assets held inside an investor's portfolio. Investors may be surprised to learn that the Canadian and US dollar have lost more than 82 percent of their purchasing power since 1971. In contrast, precious metals bullion continues to rise in value against all currencies. Bullion is once again resuming its historical role as money: a store of value and a proven source of real wealth and portfolio protection that cannot be created out of thin air like paper currencies. (See Figure 1).



THREE REASONS TO OWN PRECIOUS METALS BULLION

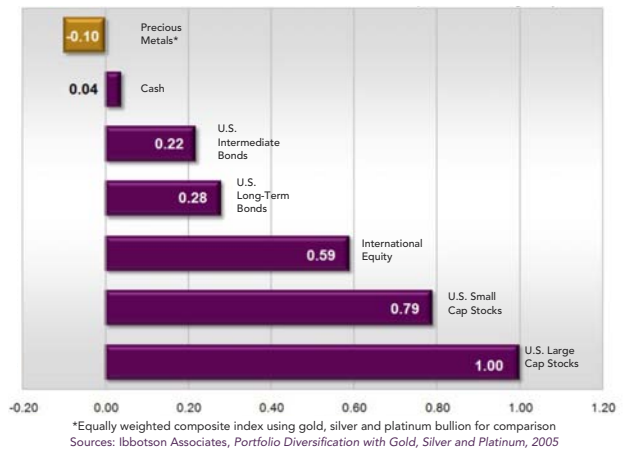
1. PROTECTS AGAINST INFLATION

US and global government debt has soared to staggering and unsustainable levels. The only politically acceptable way to reduce these debts is to inflate them away through massive paper currency creation. This lowers the purchasing power of paper currencies resulting in a rise in the cost of living, and ultimately lowers the purchasing power of investment portfolios. Precious metals bullion is not a currency, but something far more valuable. It is tangible money, a store of value, and an asset class that will protect against inflation no matter how much paper currency governments create.

2. PROVIDES TRUE PORTFOLIO DIVERSIFICATION

Of all the major asset classes, only precious metals are negatively correlated to all other asset classes. This simply means that when the prices of stocks, bonds, real estate and treasury bills fall, precious metals tend to do the opposite and rise in price. Confirmed by a landmark Ibbotson Associates study, this negative correlation between precious metals and financial assets is essential for true portfolio protection. (See Figure 2)

Figure 2: Most Negatively Correlated Asset Class
Correlation Coefficients of Annual Total Returns, 1972-2004 Compared to US Large Cap Stocks



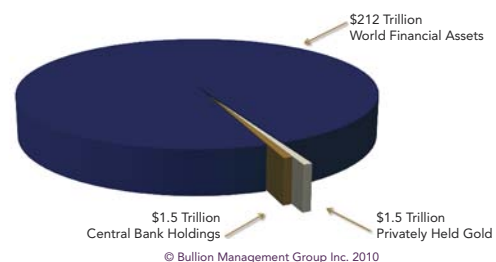
Many investors believe their portfolios have exposure to precious metals because they hold stocks in mining companies or precious metals Exchange Traded Funds (ETF), or bank certificates. But as a safe haven, no gold or silver or platinum stock (or even an ETF) compares with ownership of physical precious metals. During a financial crisis or a severe stock market decline, precious metals tend to outperform mining stocks – often quite dramatically because mining stocks are highly correlated to stock markets.

3. BULLION WILL ALWAYS BE IN LIMITED SUPPLY

Precious metals bullion is returning to its status as the only real money putting it into direct competition with the US dollar. Fortunately, precious metals bullion cannot be created out of thin air like paper currencies. This is what has preserved its value for thousands of years. While the demand for bullion is surging, mine supply of gold, silver and platinum has been declining for well over a decade. At present, the total value of available, investable, aboveground gold bullion amounts to about \$3 trillion held between central banks and private investors. In contrast, total global financial assets (stocks and bonds) are valued at an astronomical \$212 trillion or more. As Figure 3 shows, bullion is priced at barely one percent of total financial assets. What do you think will happen when just a portion of these paper assets attempt to rebalance into physical bullion?

In conclusion, the only way to secure your financial future is through ownership of physical precious metals bullion.

Figure 3: Gold vs. Financial Assets
Too Much Money Chasing Too Little Gold



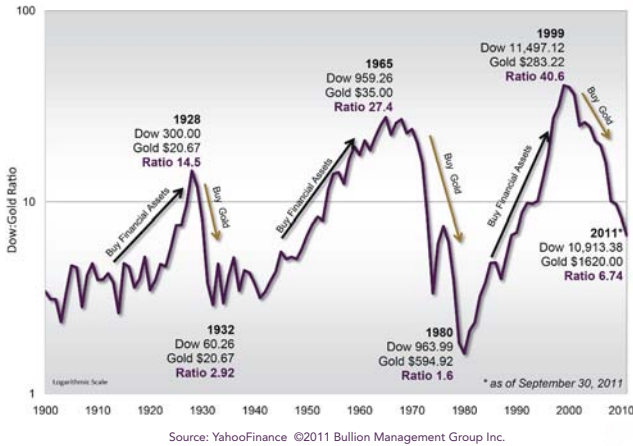
Why invest in BMG Funds?

ABSOLUTELY SECURE INVESTMENT-GRADE BULLION

DOW:GOLD RATIO

The Dow:Gold Ratio is an indicator which shows investors whether to favour precious metals or stocks in their portfolio. It is calculated by dividing the Dow Jones Industrial Index by the price of an ounce of gold. More simply it is the number of ounces of gold required to "buy" one unit of the Dow. When the ratio is rising, it is time to be overweight (purchase more) stocks and other financial assets. When the ratio is falling, it is time to be overweight gold and precious metals in your portfolio. As Figure 4 clearly shows, the ratio has been falling since 2000 and economic conditions make it likely that it will continue to fall to a 2:1 or 1:1 ratio. This ratio decline is positive for holding gold and precious metals.

Figure 4: The Dow:Gold Ratio
Ratios Based on Annual Close



In a world of increasing volatility and uncertainty, precious metals provide tangible, predictable wealth protection against depreciating currencies and investment portfolios. For the past several years, as currency creation has gone into unprecedented overdrive, gold, silver and platinum have resumed their traditional role as a store of wealth. Over time purchasing and adding to a core holding of physical bullion is a prudent investment strategy.

BMG Funds provides investors with a cost effective and convenient method of obtaining the benefits of holding uncompromised bullion. The investment objective is to maximize returns while reducing volatility over the long term.

BMG BullionFund has a fixed investment policy that restricts it to invest only in equal dollar amounts of uncompromised gold, silver and platinum bullion in allocated storage. No derivatives, futures contracts, options or certificates are used.

BMG Gold BullionFund is designed for those investors seeking a core holding in uncompromised physical gold bullion with allocated and insured storage.

CONVENIENT

With BMG Funds, any investor can purchase and store bullion through their advisor with a simple phone call or on-line order.

AFFORDABLE

Minimum investment is just CDN\$1,000. Preauthorized minimums are only CDN\$100 per transaction, with a CDN\$100 minimum for additional purchases.

SAFE & SECURE

Bullion Management Services Inc.* is BMG Funds' Manager/Trustee, and RBC Dexia is the Funds' Administrator. All of the Funds' gold, silver and platinum bullion is segregated, allocated, insured and stored in trust by the Bank of Nova Scotia in its Toronto vault, and every bar is verified annually by an independent audit.

For complete details, ask for our Absolute Security brochure.

TAX EFFICIENT

There are no sales or withholding taxes on bullion in Canada. In addition, BMG Funds are structured so that only selling unitholders pay taxes. The Funds are approved for all Canadian registered plans, including RRSPs and RRFs.

For more information, please see the BMG Funds Performance/Fact Sheets on our website.

* Bullion Management Services Inc. is a wholly owned subsidiary of Bullion Management Group Inc.

BMG Difference: Uncompromised Bullion

BMG BullionFund and BMG Gold BullionFund (BMG Funds) offer the same benefits as owning gold, silver or platinum without compromising any precious metal's fundamental attributes.

Liquidity – BMG Funds are open-end mutual fund trusts that can be purchased and redeemed daily at Net Asset Value. As a result they have the same liquidity as gold, silver and platinum bullion itself.

No Counterparty Risk – BMG Funds own the bullion outright, with no dependency on third parties and no possibility of third-party claims. BMG Funds assets are not someone else's liability. Bullion is stored on a fully allocated, insured basis with the Bank of Nova Scotia in the main vault in Toronto.

Independent of Management Skills – BMG Funds have a fixed investment policy that cannot be varied without unitholder approval. BMG Funds avoid risks as they do not hedge, market time, leverage or rebalance the holdings. As a result, performance tracks the price of bullion and not the trading skills of a portfolio manager.

Available through your financial advisor, BMG Funds set the gold standard when it comes to bullion protection by offering investors the absolute security of fully allocated and insured bullion. The structure of BMG Funds offers upside capital appreciation potential with downside protection against the volatility of uncertain times.

For those who wish to learn more about precious metals, please visit the following:

*Why commonly held myths do not hold up to scrutiny:
www.goldmyths.com*

*The pros and cons of some of the most common ways to invest in precious metals:
www.howtobuygoldreport.com*

*Comparative report on physical bullion to near physical bullion investments:
www.catalystbullionreport.com*

To learn more about **BMG Funds** and the wealth-protection benefits of buying and holding precious metals bullion, call your financial advisor or Bullion Management Group Inc.

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Toll free: 888.474.1001

International
Hong Kong: 852.2251.8843

FundSERV Codes:

BMG Gold BullionFund:

BMG200: Class A units CDN\$
BMG201: Class A units US\$
BMG202: Class F units CDN\$
BMG203: Class F units US\$

BMG BullionFund:

BMG100: Class A units CDN\$
BMG101: Class A units US\$
BMG600: Class F units CDN\$
BMG601: Class F units US\$

Commission, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated.



BULLION
MANAGEMENT
GROUP INC.