BOYD GROUP INCOME FUND

INTERIM REPORT TO UNITHOLDERS

Second Quarter and Six Months Ended June 30, 2016

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To Our Unitholders,

During the second quarter of 2016, we built on our momentum from the beginning of the year with positive growth across many of our key metrics. Revenue, Adjusted EBITDA, and same-store sales all improved when compared with the same period in 2015 as we progressed towards our goal of doubling the size of our business by 2020.

Thus far in 2016, we have added 38 locations. We added eight new locations during the second quarter and 13 more subsequent to quarter-end. This includes the acquisition of Collison Care, which consists of 10 locations, with nine in Ohio and one in Kentucky. With this multi-store acquisition we have extended and expanded our footprint in the Midwest, while also adding our first location in Kentucky. Based on our progress to date, we are well on track to meet our long-term growth goal.

Sales for the quarter were $331.0 million, an 18.8 percent increase over $278.7 million in the second quarter of 2015. The increase in sales was the result of contributions from new locations, along with continued same-store sales growth. Same-store sales for the quarter were $290.2 million, a 5.1 percent increase over $276.1 million in the second quarter of 2015.

In the second quarter of 2016 Adjusted EBITDA[1] grew to $30.5 million, or 9.2 percent of sales, compared with Adjusted EBITDA of $25.5 million, or 9.2 percent of sales, in the prior year. The 19.6 percent increase was driven by same-store sales improvements along with contributions from acquisitions and new locations.

The Fund recorded net earnings of $15.2 million during the second quarter of 2016, compared to $8.7 million last year. Net earnings were positively affected by $1.5 million in fair value adjustments to financial instruments, primarily due to the small decrease in unit price during the quarter. Excluding the impact of the fair value adjustments, adjusted net earnings[1] were $13.6 million in the second quarter of 2016 compared with $11.1 million the year before, if the same items were adjusted as well as acquisition and transaction costs (net of tax) and accelerated amortization of acquired brand names (net of tax). Adjusted net earnings[1] per unit for the second quarter of 2016 were $0.756 per unit, compared to $0.677 in the same period in 2015.

The Fund generated adjusted distributable cash[1] of $29.8 million in the second quarter of 2016, compared to $10.8 million in the same quarter of 2015, and declared distributions and dividends of $2.3 million, resulting in a payout ratio based on adjusted distributable cash[1] of 7.7 percent. This compares with a payout ratio of 18.8 percent in the same period of 2015. On a trailing four-quarter basis, the payout ratio was 12.2 percent as at June 30, 2016. We maintain our belief that our conservative payout ratio contributes to our financial flexibility which enables us to continue to grow and is important to our long-term success.

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[1] EBITDA, Adjusted EBITDA, distributable cash, adjusted distributable cash and adjusted net earnings are not recognized measures under International Financial Reporting Standards ("IFRS"). Management believes that in addition to sales, net earnings and cash flows, the supplemental measures of distributable cash, adjusted distributable cash, adjusted net earnings, EBITDA and Adjusted EBITDA are useful as they provide investors with an indication of earnings from operations and cash available for distribution, both before and after debt management, productive capacity maintenance and non-recurring and other adjustments. Investors should be cautioned, however, that EBITDA, Adjusted EBITDA, distributable cash, adjusted distributable cash and adjusted net earnings should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of the Fund's performance. Boyd's method of calculating these measures may differ from other public issuers and, accordingly, may not be comparable to similar measures used by other issuers. For a detailed explanation of how the Fund's non-GAAP measures are calculated, please refer to the Fund's MD&A filing for the period ended June 30, 2016, which can be accessed via the SEDAR Web site (www.sedar.com).

With respect to the balance sheet, the Fund held total debt, net of cash, of $85.3 million at June 30, 2016, compared to $99.8 million at March 31, 2016 and $81.8 million at December 31, 2015. Debt, net of cash decreased in the quarter as a result of strong cash flow from operations. Cash flow from operations, before considering working capital changes, was $23.9 million for the three months ended June 30, 2016 compared with $17.5 million for the same period in 2015. The increase was as a result of higher adjusted EBITDA due to acquisitions and same-store sales growth. Management believes that the Fund's capital resources remain sufficient to meet growth, working capital, capital expenditure and distribution requirements.

The Fund had a solid second quarter of 2016. We have seen the continued effectiveness of our growth strategy and operating model by adding new locations and growing same-store sales. We will continue to look for opportunities to acquire single store and multi-store locations to grow our footprint. With approximately $350 million in cash and credit facility available, we believe that the Fund's resources remain sufficient to execute on this growth strategy.

We are pleased with the results we have seen for the second quarter of 2016 and the first half of the year as we make progress towards our long-term goals, while continuing to deliver value to our unitholders.

On behalf of the Trustees of the Boyd Group Income Fund and Boyd Group employees, I would like to thank you for your continued support.

Sincerely,

(signed)

Brock Bulbuck
President & Chief Executive Officer

Management's Discussion & Analysis

OVERVIEW

Boyd Group Income Fund (the "Fund"), through its operating company, The Boyd Group Inc. and its subsidiaries ("Boyd" or the "Company"), is one of the largest operators of non-franchised collision repair centers in North America in terms of number of locations and sales. The Company currently operates locations in five Canadian provinces under the trade name Boyd Autobody & Glass, as well as in 20 U.S. states under the trade name Gerber Collision & Glass. The Company uses newly acquired brand names during a transition period until acquired locations have been rebranded. The Company is also a major retail auto glass operator in the U.S. with locations across 31 U.S. states under the trade names Gerber Collision & Glass, Glass America, Auto Glass Service, Auto Glass Authority and Autoglassonly.com. The Company also operates a third party administrator Gerber National Claims Services ("GNCS") that offers first notice of loss, glass and related services. GNCS has approximately 5,500 affiliated glass provider locations and 4,600 affiliated emergency roadside services providers throughout the U.S. The following is a geographic breakdown of the collision repair locations and trade names.

BOYD AUTOBODY & GLASS	41 centers	gerber COLLISION & GLASS			337 centers	
Manitoba	14	Illinois	54	Maryland	10	GLASS AMERICA
Alberta	12	Florida	53	Louisiana	7	gerber COLLISION & GLASS
British Columbia	12	Michigan	41	Oregon	7	AUTO GLASS SERVICE
Saskatchewan	2	North Carolina	28	Oklahoma	5	AUTO GLASS AUTHORITY Experience the Difference...
Ontario	1	Ohio	22	Pennsylvania	5	AUTO GLASS only.com
		Indiana	21	Nevada	4	gerber NATIONAL CLAIM SERVICES
		Washington	20	Utah	4	
		Georgia	20	Kansas	1	
		Arizona	17	Idaho	1	
		Colorado	16	Kentucky	1	

Boyd provides collision repair services to insurance companies, individual vehicle owners, as well as fleet and lease customers, with a high percentage of the Company's revenue being derived from insurance-paid collision repair services. In Canada, government-owned insurers operating in Manitoba, Saskatchewan and British Columbia, dominate the insurance-paid collision repair markets in which they operate. In the U.S. and Canadian markets other than Manitoba and Saskatchewan, private insurance carriers compete for consumer policyholders, and in many cases significantly influence the choice of collision repairer through Direct Repair Programs ("DRP's").

The Fund's units and convertible debentures trade on the Toronto Stock Exchange under the symbols TSX: BYD.UN and TSX: BYD.DB.A.

The following review of the Fund's operating and financial results for the three and six months ended June 30, 2016, including material transactions and events up to and including August 11, 2016, should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and six months ended June 30, 2016, as well as the annual audited consolidated financial statements, management discussion & analysis ("MD&A") and annual information form ("AIF") of Boyd Group Income Fund for the year ended December 31, 2015 as filed on SEDAR at www.sedar.com.

SIGNIFICANT EVENTS

On January 5, 2016, the Fund completed the early redemption of its 5.75% Convertible Unsecured Subordinated Debentures due December 31, 2017. Subsequent to the initial announcement of the early redemption, $24,012,000 principal amount of the Debentures were converted into 1,026,152 units of the Fund using a rate of 42.7350 Trust Units for each $1,000 principal amount of Debentures and a conversion price of $23.40 per Trust Unit as stated in the Trust Indenture dated as of December 19, 2012. The remaining $192,000 in Debentures were redeemed through the issuance of 3,000 units of the Fund.

On January 11, 2016 the Fund completed the settlement of the unit options issued on January 11, 2006. As a result of the settlement 200,000 units were issued at an exercise price of $1.91.

On March 18, 2016, the Company, through its Glass America subsidiary, acquired the glass repair assets of Ryan's Auto Glass ("Ryan's") in Cincinnati, Ohio. Ryan's generated sales of approximately $2 million U.S. for the trailing twelve months ended January 2016.

The Fund added new collision locations since January 1, 2016 as follows:

Date	Location	Previously operated as
January 4, 2016	Lafayette, IN (2 locations)	Twin City Collision
January 15, 2016	Saanichton, BC and Sidney, BC (2 locations)	Hi-Tech Collision
February 10, 2016	Conyers, GA	n/a start-up
February 29, 2016	Punta Gorda, FL	n/a start-up
March 21, 2016	Portland Area, OR (5 locations)	J&M Auto
March 31, 2016	Indianapolis Area, IN (6 locations)	Collision Cure Body Werks
April 19, 2016	Hudson, OH	Clarke Collision Center
April 29, 2016	Rocky Mount, NC	Faith Autobody
May 6, 2016	Burnaby, BC	Galaxie Collision
May 20, 2016	Sapulpa, OK	Finishing Touches Auto Body
May 31, 2016	Tulsa, OK	Desert Rose Collision
June 3, 2016	Kalamazoo, MI	n/a start-up
June 10, 2016	Airway Heights, WA	City West Auto Body
June 28, 2016	Dallas, GA	n/a start-up
July 8, 2016	Portland, OR	Blue Ribbon Autobody
July 15, 2016	Statesville, NC	Black's Collision Repair
July 22, 2016	Titusville, FL	Freddy Curtis Body Shop
July 29, 2016	Cincinatti Area, OH (9 locations) and Southgate, KY	Collision Care Centers

OUTLOOK

Boyd continues to execute on its growth strategy. In 2016, the Company has added 38 locations to date, while at the same time achieving organic growth through same-store sales increases of 6.2% for the six months ended June 30, 2016.

Looking forward, the Company will continue to pursue accretive growth through a combination of organic growth (same-store sales growth) as well as acquisitions and new store development. Acquisitions will include both single location acquisitions as well as multi-location acquisitions. Combined, this strategy is expected to double the size of the business and revenues (on a constant currency basis) over the next five years, implying an average annual growth rate of 15%. With prudent financial management and its strong balance sheet, Boyd is further well-positioned to take advantage of large acquisition opportunities, should they arise, which could accelerate the time frame to double its size. It is expected that this growth can be achieved while continuing to be disciplined and selective in the identification and assessment of all acquisition opportunities.

As performance based DRP programs with insurance companies continue to develop and evolve, it is becoming increasingly important that top performing collision repairers, including Boyd, continue to drive towards higher levels of operating performance as measured primarily by customer satisfaction ratings, repair cycle times and average cost of repair. To this end, Boyd will continue to make investments to enhance its processes and operational performance.

Regarding the third quarter, while overall demand for the Company's services thus far appears similar to the second quarter, the Company has been challenged by some loss of repair production associated with higher levels of technician vacation

occurring in the summer months. This vacation related production loss has been more impactful this year as the generally favourable collision conditions of the last few years have made it increasingly difficult to easily hire additional technicians to meet growing sales and demand for the Company's services. The production loss due to vacations is, of course, temporary and management is working hard to develop new initiatives to combat the operational challenges presented by the current labour environment. Additionally, 2015 comparative amounts are even stronger for the third quarter than they were in the second quarter, as same-store sales increased 7.3% in the third quarter of 2015.

Management remains confident in its business model and its ability to increase market share by expanding its presence in North America through strategic acquisitions alongside organic growth from Boyd's existing operations. Accretive growth remains the Company's focus whether it is through organic growth or acquisitions. The North American collision repair industry remains highly fragmented and offers attractive opportunities for industry leaders to build value through focused consolidation and economies of scale. As a growth company, Boyd's objective continues to be to maintain a conservative distribution policy that will provide the financial flexibility necessary to support growth initiatives while gradually increasing distributions over time. The Company remains confident in its management team, systems and experience. This, along with a strong statement of financial position and financing options, positions Boyd well for the future.

BUSINESS ENVIRONMENT & STRATEGY

As at August 11, 2016, the business environment of the Company and strategies adopted by management remain unchanged from those described in the Fund's 2015 annual MD&A.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

Statements made in this interim report, other than those concerning historical financial information, may be forward-looking and therefore subject to various risks and uncertainties. Some forward-looking statements may be identified by words like "may", "will", "anticipate", "estimate", "expect", "intend", or "continue" or the negative thereof or similar variations. Readers are cautioned not to place undue reliance on such statements, as actual results may differ materially from those expressed or implied in such statements.

The following table outlines forward-looking information included in this MD&A:

Forward-looking Information	Key Assumptions	Most Relevant Risk Factors
The stated objective of generating growth sufficient to double the size of the business over the next five years	Opportunities continue to be available and are at acceptable and accretive prices Financing options continue to be available at reasonable rates and on acceptable terms and conditions New and existing customer relationships are expected to provide acceptable levels of revenue opportunities Anticipated operating results would be accretive to overall Company results Growth is defined as revenue on a constant currency basis	Acquisition market conditions change and repair shop owner demographic trends change Credit and refinancing conditions prevent or restrict the ability of the Company to continue growth strategies Changes in market conditions and operating environment Significant declines in the number of insurance claims Integration of new stores is not accomplished as planned Increased competition which prevents achievement of acquisition and revenue goals
Boyd remains confident in its business model to increase market share by expanding its presence in both the U.S. and Canada through strategic and accretive acquisitions alongside organic growth from Boyd's existing operations	Continued stability in economic conditions and employment rates Pricing in the industry remains stable The Company's customer and supplier relationships provide it with competitive advantages to increase sales over time Market share growth will more than offset systemic changes in the industry and environment Anticipated operating results would be accretive to overall Company results	Economic conditions deteriorate Loss of one or more key customers or loss of significant volume from any customer Decline in the number of insurance claims Inability of the Company to pass cost increases to customers over time Increased competition which may prevent achievement of revenue goals Changes in market conditions and operating environment Changes in weather conditions

Stated objective to gradually increase distributions over time	Growing profitability of the Company and its subsidiaries The continued and increasing ability of the Company to generate cash available for distribution Balance sheet strength and flexibility is maintained and the distribution level is manageable taking into consideration bank covenants, growth requirements and maintaining a distribution level that is supportable over time No change in the Fund's structure	The Fund is dependent upon the operating results of the Company and its ability to pay interest and dividends to the Fund Economic conditions deteriorate Changes in weather conditions Decline in the number of insurance claims Loss of one or more key customers or loss of significant volume from any customer Changes in government regulation

We caution that the foregoing table contains what the Fund believes are the material forward-looking statements and is not exhaustive. Therefore when relying on forward-looking statements, investors and others should refer to the "Risk Factors" section of the Fund's AIF, the "Business Risks and Uncertainties" and other sections of our MD&A and our other periodic filings with Canadian securities regulatory authorities. All forward-looking statements presented herein should be considered in conjunction with such filings.

NON-GAAP FINANCIAL MEASURES

EBITDA AND ADJUSTED EBITDA

Earnings before interest, taxes, depreciation and amortization ("EBITDA") is not a calculation defined in International Financial Reporting Standards ("IFRS"). EBITDA should not be considered an alternative to net earnings in measuring the performance of the Fund, nor should it be used as an exclusive measure of cash flow. The Fund reports EBITDA and Adjusted EBITDA because it is a key measure that management uses to evaluate performance of the business and to reward its employees. EBITDA is also a concept utilized in measuring compliance with debt covenants. EBITDA and Adjusted EBITDA are measures commonly reported and widely used by investors and lending institutions as an indicator of a company's operating performance and ability to incur and service debt, and as a valuation metric. While EBITDA is used to assist in evaluating the operating performance and debt servicing ability of the Fund, investors are cautioned that EBITDA and Adjusted EBITDA as reported by the Fund may not be comparable in all instances to EBITDA as reported by other companies.

The CPA's Canadian Performance Reporting Board defined standardized EBITDA to foster comparability of the measure between entities. Standardized EBITDA represents an indication of an entity's capacity to generate income from operations before taking into account management's financing decisions and costs of consuming tangible and intangible capital assets, which vary according to their vintage, technological age and management's estimate of their useful life. Accordingly, standardized EBITDA comprises sales less operating expenses before finance costs, capital asset amortization and impairment charges, and income taxes. Adjusted EBITDA is calculated to exclude items of an unusual nature that do not reflect normal or ongoing operations of the Fund and which should not be considered in a valuation metric or should not be included in assessment of ability to service or incur debt. Included in this category of adjustments are the fair value adjustments to exchangeable Class A common shares, the fair value adjustments to unit based payment obligations, the fair value adjustments to convertible debenture conversion features and the fair value adjustments to the non-controlling interest put option. These items are adjustments that did not have any cash impact on the Fund. Also included as an adjustment to EBITDA are acquisition and transaction costs which do not relate to the current operating performance of the business units but are typically costs incurred to expand operations. During the second quarter of 2016, acquisition and transaction costs were reduced for the one-time recovery of certain acquisition-related fees in the amount of $0.4 million. From time to time, the Fund may make other adjustments to its Adjusted EBITDA for items that are not expected to recur.

The following is a reconciliation of the Fund's net earnings to EBITDA and Adjusted EBITDA:

(thousands of Canadian dollars)	**For the three months ended June 30, 2016**	For the three months ended June 30, 2015	**For the six months ended June 30, 2016**	For the six months ended June 30, 2015
Net earnings	**$ 15,212**	$ 8,657	**$ 15,494**	$ 221
Add:				
Finance costs (net of Finance income)	**2,426**	2,933	**4,840**	5,861
Income tax expense	**6,595**	5,013	**12,874**	8,947
Depreciation of property, plant and equipment	**5,247**	4,101	**10,683**	8,098
Amortization of intangible assets	**2,521**	2,579	**4,904**	5,146
Standardized EBITDA	**$ 32,001**	$ 23,283	**$ 48,795**	$ 28,273
Add (deduct):				
Fair value adjustments	**(1,547)**	1,320	**10,706**	17,282
Acquisition and transaction costs	**57**	902	**500**	1,135
Adjusted EBITDA	**$ 30,511**	$ 25,505	**$ 60,001**	$ 46,690

ADJUSTED NET EARNINGS

In addition to EBITDA and Adjusted EBITDA, the Fund believes that certain users of financial statements are interested in understanding net earnings excluding certain fair value adjustments and other unusual or infrequent adjustments. This can assist these users in comparing current results to historical results that did not include such items. The following is a reconciliation of the Fund's net earnings to adjusted net earnings:

(thousands of Canadian dollars, except per unit amounts)	**For the three months ended June 30, 2016**	For the three months ended June 30, 2015	**For the six months ended June 30, 2016**	For the six months ended June 30, 2015
Net earnings	**$ 15,212**	$ 8,657	**$ 15,494**	$ 221
Add (deduct):				
Fair value adjustments (non-taxable)	**(1,547)**	1,320	**10,706**	17,282
Acquisition and transaction costs (net of tax)	**(32)**	810	**238**	952
Amortization of acquired brand names (net of tax)	**-**	292	**23**	620
Adjusted net earnings	**$ 13,633**	$ 11,079	**$ 26,461**	$ 19,075
Weighted average number of units	**18,044,070**	16,359,953	**18,000,517**	16,359,697
Adjusted net earnings per unit	**$ 0.756**	$ 0.677	**$ 1.470**	$ 1.166

The comparative amounts disclosed for the three and six months ended June 30, 2015 have been adjusted to be presented net of tax, consistent with presentation in the current period.

Distributable Cash

Distributions to unitholders and dividends to the BGHI shareholders were declared and paid as follows:

(thousands of Canadian dollars, except per unit and per share amounts) Record date	Payment date	Distribution per Unit / Dividend per Share	Distribution amount	Dividend amount
January 31, 2016	February 25, 2016	$ 0.0420	$ 757	$ 11
February 29, 2016	March 29, 2016	0.0420	757	11
March 31, 2016	April 27, 2016	0.0420	757	11
April 30, 2016	May 27, 2016	0.0420	758	10
May 31, 2016	June 28, 2016	0.0420	758	10
June 30, 2016	July 27, 2016	0.0420	758	10
		$ 0.2520	$ 4,545	$ 63

(thousands of Canadian dollars, except per unit and per share amounts) Record date	Payment date	Dividend per Unit / Dividend per Share	Distribution amount	Dividend amount
January 31, 2015	February 25, 2015	$ 0.0410	$ 671	$ 11
February 28, 2015	March 27, 2015	0.0410	671	11
March 31, 2015	April 28, 2015	0.0410	671	11
April 30, 2015	May 27, 2015	0.0410	670	10
May 31, 2015	June 26, 2015	0.0410	670	11
June 30, 2015	July 29, 2015	0.0410	671	11
		$ 0.2460	$ 4,024	$ 65

Maintaining Productive Capacity

Productive capacity is defined by Boyd as the maintenance of the Company's facilities, equipment, signage, courtesy cars, systems, brand names and infrastructure. Although most of Boyd's repair facilities are leased, funds are required to ensure facilities are properly repaired and maintained to ensure the Company's physical appearance communicates Boyd's standard of professional service and quality. The Company's need to maintain its facilities and upgrade or replace equipment, signage, systems and courtesy car fleets forms part of the annual cash requirements of the business. The Company manages these expenditures by annually reviewing and determining its capital budget needs and then authorizing major expenditures throughout the year based upon individual business cases. The Company manages its cash maintenance capital expenditures up to approximately 0.8% of sales.

Although maintenance capital expenditures may remain within budget on an annual basis, the timing of these expenditures often varies significantly from quarter to quarter.

In many circumstances, large equipment expenditures including automobiles, shop equipment and computers can be financed using either operating or finance leases. Cash spent on maintenance capital expenditures plus the repayment of operating and finance leases, including the interest thereon, form part of the distributable cash calculations.

Non-recurring and Other Adjustments

Non-recurring and other adjustments may include, but are not limited to, post closure environmental liabilities, restructuring costs, acquisition and transaction costs. Management is not currently aware of any environmental remediation requirements. Acquisition and transaction costs are added back to distributable cash as they occur.

Debt Management

In addition to finance lease obligations arranged to finance growth and maintenance expenditures on property and equipment, the Company has historically utilized long-term debt to finance the expansion of its business, usually through the acquisition and start-up of collision and glass repair and replacement businesses. Repayments of this debt do not form part of distributable cash calculations. Boyd’s bank facilities include restrictive covenants, which could limit the Fund’s ability to distribute cash. These covenants, based upon current financial results, would not prevent the Fund from paying future distributions at conservative and sustainable levels. These covenants will continue to be monitored in conjunction with any future anticipated distributions.

The following is a standardized and adjusted distributable cash calculation for 2016 and 2015:

Standardized and Adjusted Distributable Cash [1]				
	For the three months ended June 30,		**For the six months ended June 30,**	
(thousands of Canadian dollars, except per unit and per share amounts)	**2016**	2015	**2016**	2015
Cash flow from operating activities before changes in non-cash working capital items	**$ 23,939**	$ 17,535	**$ 46,596**	$ 32,542
Changes in non-cash working capital items	**9,972**	(3,635)	**(5,378)**	4,909
Cash flows from operating activities	**33,911**	13,900	**41,218**	37,451
Less adjustment for:				
Sustaining expenditures on plant, software and equipment [2]	**(3,003)**	(2,655)	**(5,699)**	(4,455)
Standardized distributable cash	**$ 30,908**	$ 11,245	**$ 35,519**	$ 32,996
Standardized distributable cash per average unit and Class A common share				
Per average unit and Class A common share	**$ 1.691**	$ 0.676	**$ 1.947**	$ 1.985
Per diluted unit and Class A common share [5]	**$ 1.582**	$ 0.591	**$ 1.894**	$ 1.985
Standardized distributable cash from above	**$ 30,908**	$ 11,245	**$ 35,519**	$ 32,996
Add (deduct) adjustments for:				
Acquisition and transaction costs [3]	**57**	902	**500**	1,135
Proceeds on sale of equipment and software	**202**	65	**355**	86
Principal repayments of finance leases [4]	**(1,285)**	(1,242)	**(2,724)**	(2,562)
Payment to non-controlling interest [6]	**(89)**	(126)	**(89)**	(126)
Adjusted distributable cash	**$ 29,793**	$ 10,844	**$ 33,561**	$ 31,529
Adjusted distributable cash per average unit and Class A common share				
Per average unit and Class A common share	**$ 1.630**	$ 0.652	**$ 1.840**	$ 1.896
Per diluted unit and Class A common share [5]	**$ 1.525**	$ 0.570	**$ 1.789**	$ 1.896
Distributions and dividends paid				
Unitholders	**$ 2,273**	$ 2,011	**$ 4,492**	$ 4,024
Class A common shareholders	**29**	32	**62**	65
Total distributions and dividends paid	**$ 2,302**	$ 2,043	**$ 4,554**	$ 4,089
Distributions and dividends paid				
Per unit	**$ 0.126**	$ 0.123	**$ 0.252**	$ 0.246
Per Class A common share	**$ 0.126**	$ 0.123	**$ 0.252**	$ 0.246
Payout ratio based on standardized distributable cash	**7.4%**	18.2%	**12.8%**	12.4%
Payout ratio based on adjusted distributable cash	**7.7%**	18.8%	**13.6%**	13.0%

(1) As defined in the non-GAAP financial measures section of the MD&A.

(2) Includes sustaining expenditures on plant and equipment, information technology hardware and computer software but excludes capital expenditures associated with acquisition and development activities including rebranding of acquired locations. In addition to the maintenance capital expenditures paid with cash, during 2016 the Company acquired a further $2.5 million (2015 - $4.9 million) in capital assets which were financed through finance leases and did not affect cash flows in the current period.

(3) The Company has added back to distributable cash the costs related to acquisitions.

(4) Repayments of these leases represent additional cash requirements to support the productive capacity of the Company and therefore have been deducted when calculating adjusted distributable cash.

(5) Per diluted unit and Class A common share amounts have been calculated in accordance with definitions of dilution and anti-dilution contained in IAS 33, *Earnings per Share*. Diluted distributable cash amounts will differ from average distributable cash amounts on a per unit basis if earnings per unit calculations show a dilutive impact.

(6) The transfer of cash during the period to the external partners of Glass America, associated with the taxable income being allocated to them.

RESULTS OF OPERATIONS

Results of Operations	For the three months ended June 30,			For the six months ended June 30,		
(thousands of Canadian dollars, except per unit amounts)	**2016**	% change	2015	**2016**	% change	2015
Sales - Total	**331,005**	18.8	278,726	**681,361**	21.6	560,496
Same-store sales - Total (excluding foreign exchange)	**290,179**	5.1	276,066	**590,403**	6.2	555,680
Gross margin %	**46.1**	(0.6)	46.4	**45.6**	(0.9)	46.0
Operating expense %	**36.9**	(1.1)	37.3	**36.8**	(2.4)	37.7
Adjusted EBITDA [(1)]	**30,511**	19.6	25,505	**60,001**	28.5	46,690
Acquisition and transaction costs	**57**	(93.7)	902	**500**	(55.9)	1,135
Depreciation and amortization	**7,768**	16.3	6,680	**15,587**	17.7	13,244
Fair value adjustments	**(1,547)**	N/A	1,320	**10,706**	(38.1)	17,282
Finance costs	**2,426**	(17.3)	2,933	**4,840**	(17.4)	5,861
Income tax expense	**6,595**	31.6	5,013	**12,874**	43.9	8,947
Adjusted net earnings [(1)]	**13,633**	23.1	11,079	**26,461**	38.7	19,075
Adjusted net earnings per unit [(1)]	**0.756**	11.7	0.677	**1.470**	26.1	1.166
Net earnings	**15,212**	N/A	8,657	**15,494**	N/A	221
Basic earnings per unit	**0.843**	N/A	0.529	**0.861**	N/A	0.014
Diluted earnings per unit	**0.683**	N/A	0.394	**0.855**	N/A	0.014
Standardized distributable cash [(1)]	**30,908**	174.9	11,245	**35,519**	7.6	32,996
Adjusted distributable cash [(1)]	**29,793**	174.7	10,844	**33,561**	6.4	31,529
Distributions and dividends paid	**2,302**	12.7	2,043	**4,554**	11.4	4,089

[(1)] As defined in the non-GAAP financial measures section of the MD&A.

2nd Quarter Comparison – Three months ended June 30, 2016 vs. 2015

Sales

Sales totaled $331.0 million for the three months ended June 30, 2016, an increase of $52.3 million or 18.8% when compared to 2015. The increase in sales was the result of the following:

- $26.4 million of incremental sales were generated from 48 new locations.
- Same-store sales excluding foreign exchange increased $14.1 million or 5.1%, and increased a further $13.0 million due to the translation of same-store sales at a higher U.S. dollar exchange rate. Approximately 1.4 percentage points of the same-store sales growth was due to the recent addition of a number of new customers within the third party administrator business, GNCS.
- Sales were affected by the closure of under-performing facilities which decreased sales by $1.2 million.

Same-store sales are calculated by including sales for stores that have been in operation for the full comparative period.

Gross Profit

Gross Profit was $152.7 million or 46.1% of sales for the three months ended June 30, 2016 compared to $129.4 million or 46.4% of sales for the same period in 2015. Gross profit increased primarily as a result of higher sales compared to the prior period. The gross profit percentage decreased when compared with the prior period due primarily to a higher mix lower margin glass network sales as well as a higher mix of parts sales in relation to labour, partially offset by improved parts margins in collision.

Operating Expenses

Operating Expenses for the three months ended June 30, 2016 increased $18.3 million to $122.2 million from $103.9 million for the same period of 2015, primarily due to the acquisition of new locations. Excluding the impact of foreign currency translation of approximately $5.2 million, expenses increased $13.8 million from 2015 as a result of new locations and increases at same-store locations due primarily to same-store sales growth. Closed locations lowered operating expenses by a combined $0.7 million.

Operating expenses as a percentage of sales were 36.9% for the three months ended June 30, 2016, which compared to 37.3% for the same period in 2015. The decrease in operating expenses as a percentage of sales was primarily due to the impact of higher same-store sales levels leveraging the fixed component of operating expenses.

Adjusted EBITDA

Earnings before interest, income taxes, depreciation and amortization, adjusted for the fair value adjustments related to the exchangeable share liability and unit option liability, convertible debenture conversion features and non-controlling interest put option, as well as acquisition and transaction costs ("Adjusted EBITDA")[2] for the three months ended June 30, 2016 totaled $30.5 million or 9.2% of sales compared to Adjusted EBITDA of $25.5 million or 9.2% of sales in the prior year. The $5.0 million increase was primarily the result of improvements in same-store sales along with incremental EBITDA contribution from acquisitions and new locations. Changes in U.S. dollar exchange rates in 2016 increased Adjusted EBITDA by $1.3 million.

Depreciation and Amortization

Depreciation Expense related to property, plant and equipment totaled $5.2 million or 1.6% of sales for the three months ended June 30, 2016, an increase of $1.1 million when compared to the $4.1 million or 1.5% of sales recorded in the same period of the prior year. The increase was primarily due to the growth in the business.

Amortization of intangible assets for the three months ended June 30, 2016 totaled $2.5 million or 0.8% of sales, a decrease of $0.1 million when compared to the $2.6 million or 0.9% of sales expensed for the same period in the prior year. The decrease is primarily due to the completed amortization of brand names in 2015 from previous acquisitions.

Fair Value Adjustments

Fair Value Adjustment to Convertible Debenture Conversion Features resulted in a non-cash gain of $2.0 million for the second quarter of 2016, compared to $1.9 million in the same period last year. The fair value for the convertible debenture conversion feature is estimated using a Black-Scholes valuation model. The gain recognized in the second quarter of 2016 was the result of the impact of the decrease in the market value of the Fund's units compared to the conversion price for the 5.25% Convertible Unsecured Subordinated Debentures.

Fair Value Adjustment to Exchangeable Class A Common Shares liability resulted in a non-cash gain of $0.4 million for the second quarter of 2016 compared to $0.1 million in the prior year. The Class A exchangeable shares of BGHI are exchangeable into units of the Fund. This exchangeable feature results in the shares being presented as financial liabilities of the Fund. The liability represents the value of the Fund attributable to these shareholders. Exchangeable Class A shares are measured at the market price of the units of the Fund as of the statement of financial position date. The decrease in the liability and the related gain for both years is the result of decreases in the value of the Fund's units.

Fair Value Adjustment to Unit Based Payment Obligation was a non-cash expense of $0.1 million for the second quarter of 2016 compared to $0.8 million in the prior year. Similar to the exchangeable share liability, the unit option liability is impacted by changes in the value of the Fund's units. The cost of cash-settled unit-based transactions is measured at fair value using a Black-Scholes model and expensed over the vesting period with the recognition of a corresponding liability. The increase in the liability and the related expense is primarily due to the additional vesting of units, partially offset by the decrease in the value of the Fund's units.

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[2] As defined in the non-GAAP financial measures section of the MD&A.

Fair Value Adjustment to Non-controlling Interest Put Options resulted in a non-cash expense of $0.8 million for the second quarter of 2016 compared to $2.5 million in the prior year. The expense relates to agreements the Fund entered into on May 31, 2013, in connection with the acquisition of Glass America, which provide the non-controlling interest partners with the right to require the Company to purchase their retained interest according to a valuation formula defined in the agreements. The value of the put options is determined by discounting the estimated future payment obligations at each statement of financial position date.

Finance Costs

Finance Costs of $2.4 million or 0.7% of sales for the three months ended June 30, 2016 decreased from $2.9 million or 1.1% of sales for the prior year. The decrease in finance costs primarily resulted from the conversion and redemption of the 2012 convertible debentures in early 2016.

Income Taxes

Current and Deferred Income Tax Expense of $6.6 million for the three months ended June 30, 2016 compares to an expense of $5.0 million for the same period in 2015. Income tax expense is impacted by permanent differences such as mark-to-market adjustments which impacts the tax computed on accounting income.

Net Earnings and Earnings Per Unit

Net Earnings for the three months ended June 30, 2016 was $15.2 million or 4.6% of sales compared to $8.7 million or 3.1% of sales last year. The net earnings amount in 2016 was positively impacted by the fair value adjustments to financial instruments of $1.5 million which are primarily due to the decrease in unit price during the quarter. Excluding the impact of these adjustments as well as acquisition and transaction costs (net of tax) and accelerated amortization of acquired brand names (net of tax), net earnings would have decreased to $13.6 million or 4.1% of sales. This compares to adjusted net earnings of $11.1 million or 4.0% of sales for the same period in 2015 if the same items were adjusted. The increase in the adjusted net earnings for the year is the result of the contribution of new location growth as well as increases in same-store sales, lower interest and amortization offset by higher income taxes and depreciation.

Basic Earnings Per Unit was $0.843 the three months ended June 30, 2016 compared to $0.529 in the same period in 2015. Diluted earnings per unit was $0.683 for the three months ended June 30, 2016 compared to $0.394 per unit in the same period in 2015. The increases in these amounts for the second quarter of 2016 are primarily attributed to the contribution of new location growth and same-store sales growth along with a smaller impact of the fair value adjustments during 2016 compared to 2015.

Year-to-date Comparison – Six months ended June 30, 2016 vs. 2015

Sales

Sales totaled $681.4 million for the six months ended June 30, 2016, an increase of $120.9 million or 21.6% when compared to 2015. The increase in sales was the result of the following:

- $47.0 million of incremental sales were generated from 48 new locations.
- Same-store sales excluding foreign exchange increased $34.7 million or 6.2%, and increased a further $42.4 million due to the translation of same-store sales at a higher U.S. dollar exchange rate. Approximately 1.2 percentage points of the same-store sales growth was due to the recent addition of a number of new customers within the third party administrator business, GNCS.
- Sales were affected by the closure of under-performing facilities which decreased sales by $3.2 million.

Same-store sales are calculated by including sales for stores that have been in operation for the full comparative period.

Gross Profit

Gross Profit was $310.8 million or 45.6% of sales for the six months ended June 30, 2016 compared to $258.0 million or 46.0% of sales for the same period in 2015. Gross profit increased primarily as a result of higher sales compared to the prior period. The gross profit percentage decreased when compared with the prior period due primarily to a higher mix lower margin glass network sales as well as a higher mix of parts sales in relation to labour, partially offset by improved parts margins in collision.

Operating Expenses

Operating Expenses for the six months ended June 30, 2016 increased $39.5 million to $250.8 million from $211.3 million for the same period of 2015, primarily due to the acquisition of new locations. Excluding the impact of foreign currency translation of approximately $16.6 million, expenses increased $24.6 million from 2015 as a result of new locations and increases at same-store locations due primarily to same-store sales growth. Closed locations lowered operating expenses by a combined $1.7 million.

Operating expenses as a percentage of sales were 36.8% for the six months ended June 30, 2016, which compared to 37.7% for the same period in 2015. The decrease in operating expenses as a percentage of sales was primarily due to the impact of higher same-store sales levels leveraging the fixed component of operating expenses.

Adjusted EBITDA

Earnings before interest, income taxes, depreciation and amortization, adjusted for the fair value adjustments related to the exchangeable share liability and unit option liability, convertible debenture conversion features and non-controlling interest put option, as well as acquisition and transaction costs ("Adjusted EBITDA")[3] for the six months ended June 30, 2016 totaled $60.0 million or 8.8% of sales compared to Adjusted EBITDA of $46.7 million or 8.3% of sales in the prior year. The $13.3 million increase was primarily the result of improvements in same-store sales along with incremental EBITDA contribution from acquisitions and new locations. Changes in U.S. dollar exchange rates in 2016 increased Adjusted EBITDA by $3.7 million.

Depreciation and Amortization

Depreciation Expense related to property, plant and equipment totaled $10.7 million or 1.6% of sales for the six months ended June 30, 2016, an increase of $2.6 million when compared to the $8.1 million or 1.4% of sales recorded in the same period of the prior year. The increase was primarily due to the growth in the business.

Amortization of intangible assets for the six months ended June 30, 2016 totaled $4.9 million or 0.7% of sales, a decrease of $0.2 million when compared to the $5.1 million or 0.9% of sales expensed for the same period in the prior year. The decrease is primarily due to the completed amortization of brand names in 2015 from previous acquisitions.

Fair Value Adjustments

Fair Value Adjustment to Convertible Debenture Conversion Features resulted in a non-cash expense of $5.0 million for the first six months of 2016, compared to $8.2 million in the same period last year. The fair value for the convertible debenture conversion feature is estimated using a Black-Scholes valuation model. The decrease in the liability and the related expense is primarily the result of the early redemption of the 5.75% Convertible Unsecured Subordinated Debentures on January 5, 2016, offset by the impact of the increase in the market value of the Fund's units over the conversion price for the remaining 5.25% Convertible Unsecured Subordinated Debentures.

Fair Value Adjustment to Exchangeable Class A Common Shares liability resulted in a non-cash expense of $1.9 million for the first six months of 2016 compared to $1.2 million in the prior year. The Class A exchangeable shares of BGHI are exchangeable into units of the Fund. This exchangeable feature results in the shares being presented as financial liabilities

[3] As defined in the non-GAAP financial measures section of the MD&A.

of the Fund. The liability represents the value of the Fund attributable to these shareholders. Exchangeable Class A shares are measured at the market price of the units of the Fund as of the statement of financial position date. The fair value adjustment, which increased the liability and the related expense for both years, is the result of increases in the value of the Fund's units.

Fair Value Adjustment to Unit Based Payment Obligation was a non-cash expense of $3.5 million for the first six months of 2016 compared to $4.1 million in the prior year. Similar to the exchangeable share liability, the unit option liability is impacted by changes in the value of the Fund's units. The cost of cash-settled unit-based transactions is measured at fair value using a Black-Scholes model and expensed over the vesting period with the recognition of a corresponding liability. The decrease in the liability is primarily the result of the settlement of 200,000 unit options on January 11, 2016. The decrease to the related expense was partially offset by the increase in the value of the Fund's units.

Fair Value Adjustment to Non-controlling Interest Put Options resulted in a non-cash expense of $0.3 million for the first six months of 2016 compared to $3.7 million in the same period of the prior year. The expense relates to agreements the Fund entered into on May 31, 2013, in connection with the acquisition of Glass America, which provide the non-controlling interest partners with the right to require the Company to purchase their retained interest according to a valuation formula defined in the agreements. The value of the put options is determined by discounting the estimated future payment obligations at each statement of financial position date.

Finance Costs

Finance Costs of $4.8 million or 0.7% of sales for the six months ended June 30, 2016 decreased from $5.9 million or 1.0% of sales for the prior year. The decrease in finance costs primarily resulted from the conversion and redemption of the 2012 convertible debentures in early 2016.

Income Taxes

Current and Deferred Income Tax Expense of $12.9 million for the six months ended June 30, 2016 compares to an expense of $8.9 million for the same period in 2015. Income tax expense is impacted by permanent differences such as mark-to-market adjustments which impacts the tax computed on accounting income.

Net Earnings and Earnings Per Unit

Net Earnings for the six months ended June 30, 2016 was $15.5 million or 2.3% of sales compared to $0.2 million last year. The net earnings amount in 2016 was negatively impacted by the fair value adjustments to financial instruments of $10.7 million which are primarily due to the increase in unit price during the period, acquisition and transaction costs of $0.2 million (net of tax) and accelerated amortization of acquired brand names of $23 thousand (net of tax). Excluding the impact of these adjustments, net earnings would have increased to $26.5 million or 3.9% of sales. This compares to adjusted net earnings of $19.1 million or 3.4% of sales for the same period in 2015 if the same items were adjusted. The increase in the adjusted net earnings for the year is the result of the contribution of new location growth as well as increases in same-store sales, lower interest and amortization offset by higher income taxes and depreciation.

Basic Earnings Per Unit was $0.861 for the first six months ended June 30, 2016 compared to $0.014 in the same period in 2015. Diluted earnings per unit was $0.855 for the six months ended June 30, 2016 compared to diluted earnings of $0.014 per unit in the same period in 2015. The increases in these amounts for the first quarter of 2016 are primarily attributed to the contribution of new location growth and same-store sales growth along with a smaller impact of the fair value adjustments during 2016 compared to 2015.

Summary of Quarterly Results *(in thousands of Canadian dollars, except per unit amounts)*	**2016 Q2**	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3
Sales	**$ 331,005**	$ 350,356	$ 312,505	$ 301,076	$ 278,726	$ 281,770	$ 239,560	$ 218,087
Adjusted EBITDA [1]	**$ 30,511**	$ 29,490	$ 28,552	$ 26,425	$ 25,505	$ 21,185	$ 18,997	$ 16,868
Net earnings (loss)	**$ 15,212**	$ 282	$ (2,704)	$ (19,479)	$ 8,657	$ (8,436)	$ (10,806)	$ 8,361
Basic earnings (loss) per unit	**$ 0.843**	$ 0.016	$ (0.161)	$ (1.189)	$ 0.529	$ (0.516)	$ (0.661)	$ 0.555
Diluted (loss) earnings per unit	**$ 0.683**	$ (0.010)	$ (0.161)	$ (1.189)	$ 0.394	$ (0.516)	$ (0.661)	$ 0.220
Adjusted net earnings [1][2]	**$ 13,633**	$ 12,828	$ 10,446	$ 10,100	$ 11,079	$ 7,996	$ 6,471	$ 6,275
Adjusted net earnings per unit [1][2]	**$ 0.756**	$ 0.714	$ 0.622	$ 0.617	$ 0.677	$ 0.489	$ 0.396	$ 0.416

[1] As defined in the non-GAAP financial measures section of the MD&A.

[2] Adjusted net earnings have been revised to reflect the impact of tax on adjustments, consistent with presentation in the current period.

Sales and adjusted EBITDA have increased in recent quarters due to the acquisitions of Champ's, Netcost, Craftmaster and other new locations as well as same-store sales increases and the impact of foreign currency. The loss in certain quarters is primarily due to the fair value adjustments for exchangeable Class A common shares, unit options, convertible debenture conversion features and non-controlling interest put options, which reduced net earnings, as well as due to expensing acquisition and transaction costs.

LIQUIDITY AND CAPITAL RESOURCES

Cash flow from operations, together with cash on hand and unutilized credit available on existing credit facilities are expected to be sufficient to meet operating requirements, capital expenditures and distributions. At June 30, 2016, the Fund had cash, net of outstanding deposits and cheques, held on deposit in bank accounts totaling $47.9 million (December 31, 2015 - $72.9 million). The net working capital ratio (current assets divided by current liabilities) was 1.04:1 at June 30, 2016 (December 31, 2015 – 1.17:1).

At June 30, 2016, the Fund had total debt outstanding, net of cash, of $85.3 million compared to $99.8 million at March 31, 2016, $81.8 million at December 31, 2015, $89.6 million at September 30, 2015 and $88.3 million at June 30, 2015. Debt, net of cash decreased during the second quarter of 2016 as a result of strong cash flow from operations.

Total debt, net of cash *(thousands of Canadian dollars)*	**June 30, 2016**	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Revolving credit facility	**$ 6,220**	$ 21,099	$ -	$ -	$ -
Convertible debentures	**51,303**	51,144	75,120	73,004	82,392
Seller notes [1]	**63,417**	64,311	66,547	64,790	60,394
Obligations under finance leases	**12,221**	12,529	13,023	12,903	11,613
Total debt	**$ 133,161**	$ 149,083	$ 154,690	$ 150,697	$ 154,399
Cash	**47,868**	49,274	72,926	61,097	66,061
Total debt, net of cash	**$ 85,293**	$ 99,809	$ 81,764	$ 89,600	$ 88,338

[1] Seller notes are loans granted to the Company by the sellers of businesses related to the acquisition of those businesses.

Operating Activities

Cash flow generated from operations, before considering working capital changes, was $23.9 million for the three months ended June 30, 2016 compared to $17.5 million in 2015. The increase was due to increased adjusted EBITDA in 2016, resulting primarily from new location growth as well as same-store sales growth.

For the second quarter of 2016, changes in working capital items provided net cash of $10.0 million compared to using $3.6 million of net cash in 2015. The generation of cash from working capital this year was due primarily to increased payroll accruals and growth in other accruals. Increases and decreases in accounts receivable, inventory, prepaid expenses, income taxes, accounts payable and accrued liabilities are significantly influenced by timing of collections and expenditures. As the Company uses a bi-weekly payroll cycle, it can experience a significant change in payroll accrual quarter to quarter depending upon when the payroll date falls in relation to quarter end. The use of cash flow from working capital in 2015 was due primarily from reduced accounts payable balances and accrued liabilities within that period.

Cash flow generated from operations before considering working capital changes, was $46.6 million for the six months ended June 30, 2016, compared to $32.5 million for the same period in 2015. The increase reflected higher adjusted EBITDA due to acquisitions and same-store sales growth.

For the six months ended June 30, 2016, changes in working capital items used net cash of $5.4 million compared with providing $4.9 million in 2015. Increases and decreases in accounts receivable, inventory, prepaid expenses, income taxes, accounts payable and accrued liabilities are significantly influenced by timing of collections and expenditures.

Financing Activities

Cash used by financing activities totalled $20.9 million for the three months ended June 30, 2016 compared to cash used in financing activities of $5.5 million for the prior year. During the second quarter of 2016, cash was provided by a new draw of the revolving credit facility in the amount of $6.4 million offset by cash used to repay draws as well as long-term debt associated with seller notes in the amount of $23.6 million. Cash was also used to repay finance leases in the amount of $1.3 million and to pay distributions to unitholders and dividends to Class A common shareholders totaling $2.3 million. During 2015, cash was primarily used to repay long-term debt associated with seller notes in the amount of $2.1 million, to repay finance leases in the amount of $1.2 million and to pay distributions to unitholders and dividends to Class A common shareholders totaling $2.0 million.

Cash used by financing activities totalled $5.0 million for the six months ended June 30, 2016 compared to cash used in financing activities of $11.0 million for the prior year. During 2016, cash was provided by draws of the revolving credit facility in the amount of $28.2 million offset by cash used to repay draws as well as long-term debt associated with seller notes in the amount of $26.2 million. Cash was also used to repay finance leases in the amount of $2.7 million and to pay distributions to unitholders and dividends to Class A common shareholders totaling $4.6 million. During 2015, cash was primarily used to repay long-term debt associated with seller notes in the amount of $4.3 million, to repay finance leases in the amount of $2.6 million and to pay distributions to unitholders and dividends to Class A common shareholders totaling $4.1 million.

Debt Financing

The Company has a revolving credit facility of up to $150 million U.S. with an accordion feature which can increase the facility to a maximum of $250 million U.S. The facility is with a syndicate of Canadian and U.S. banks and is secured by the shares and assets of the Company as well as by guarantees of the Fund and BGHI. The interest rate is based on a pricing grid of the Fund's ratio of total funded debt to EBITDA as determined under the credit agreement. The Company can draw the facility in either the U.S. or in Canada, in either U.S. or Canadian dollars and can be drawn in tranches as required. Tranches bear interest only and are not repayable until the maturity date but can be voluntarily repaid at any time. The Company has the ability to choose the base interest rate between Prime, Bankers Acceptances ("BA") or London Inter Bank Offer Rate ("LIBOR"). The total syndicated facility includes a swing line up to a maximum of $3.0 million in Canada and $12.0 million in the U.S. At June 30, 2016 the Company has drawn $5.0 million U.S. on the facility.

Under the revolving facility, Boyd is subject to certain financial covenants which must be maintained to avoid acceleration of the termination of the credit agreement. The financial covenants require the Fund to maintain a total debt to EBITDA ratio of less than 4.25; a senior debt to EBITDA ratio of less than 3.5 up to December 31, 2016 and less than 3.25 thereafter; and a fixed charge coverage ratio of greater than 1.03. For three quarters following a material acquisition, the total debt to EBITDA ratio may be increased to less than 4.75, the senior debt to EBITDA ratio may be increased to less than 4.0 up to December 31, 2016 and increased to less than 3.75 thereafter. The debt calculations exclude the convertible debentures.

The Company supplements its debt financing by negotiating with sellers in certain acquisitions to provide financing to the Company in the form of term notes. The notes payable to sellers are typically at favourable interest rates and for terms of five to 15 years. This source of financing is another means of supporting the Fund's growth, at a relatively low cost. In addition to the four new seller notes in the aggregate amount of $4.5 million that were entered into during the first quarter of 2016, the Fund entered into a further five seller notes in the aggregate amount of $1.3 million. During the six months ended June 30, 2015, the Fund entered into three new seller notes for an aggregate amount of $3.7 million.

The Fund has traditionally used capital leases to finance a portion of both its maintenance and expansion capital expenditures. The Fund expects to continue to use this source of financing where available at competitive interest rates and terms, although this financing also impacts the total leverage capacity covenants under its debt facility. During the first six months of 2016, $2.5 million of expenditures for new equipment, technology infrastructure and vehicles were financed through capital leases. This compares to $4.9 million for the first six months of 2015.

Investing Activities

Cash used in investing activities totalled $14.6 million and $58.7 million for the three and six months ended June 30, 2016, compared to $8.4 million and $21.3 million used in the prior year. The investing activity in both years relate primarily to the acquisitions and new location growth that occurred during these periods.

Acquisitions

On March 18, 2016, the Company, through its Glass America subsidiary, acquired the glass repair assets of Ryan's Auto Glass ("Ryan's") in Cincinnati, Ohio. Ryan's generated sales of approximately $2 million U.S. for the trailing twelve months ended January 2016.

Since the beginning of 2016, the Company has added 38 collision locations as follows:

Date	Location	Previously operated as
January 4, 2016	Lafayette, IN (2 locations)	Twin City Collision
January 15, 2016	Saanichton, BC and Sidney, BC (2 locations)	Hi-Tech Collision
February 10, 2016	Conyers, GA	n/a start-up
February 29, 2016	Punta Gorda, FL	n/a start-up
March 21, 2016	Portland Area, OR (5 locations)	J&M Auto
March 31, 2016	Indianapolis Area, IN (6 locations)	Collision Cure Body Werks
April 19, 2016	Hudson, OH	Clarke Collision Center
April 29, 2016	Rocky Mount, NC	Faith Autobody
May 6, 2016	Burnaby, BC	Galaxie Collision
May 20, 2016	Sapulpa, OK	Finishing Touches Auto Body
May 31, 2016	Tulsa, OK	Desert Rose Collision
June 3, 2016	Kalamazoo, MI	n/a start-up
June 10, 2016	Airway Heights, WA	City West Auto Body
June 28, 2016	Dallas, GA	n/a start-up
July 8, 2016	Portland, OR	Blue Ribbon Autobody
July 15, 2016	Statesville, NC	Black's Collision Repair
July 22, 2016	Titusville, FL	Freddy Curtis Body Shop
July 29, 2016	Cincinatti Area, OH (9 locations) and Southgate, KY	Collision Care Centers

The Company completed the acquisition or start-up of 16 locations from the beginning of 2015 until the reporting date of August 13, 2015.

Capital Expenditures

Although most of Boyd's repair facilities are leased, funds are required to ensure facilities are properly repaired and maintained to ensure the Company's physical appearance communicates Boyd's standard of professional service and quality. The Company's need to maintain its facilities and upgrade or replace equipment, signage, computers, software and courtesy car fleets forms part of the annual cash requirements of the business. The Company manages these expenditures by annually reviewing and determining its capital budget needs and then authorizing major expenditures throughout the year based upon individual business cases. Excluding expenditures related to acquisition and development, the Company spent approximately $3.0 million or 0.9% of sales on sustaining capital expenditures during the second quarter of 2016, compared to $2.7 million or 1.0% of sales during the same period in 2015. These same expenditures were $5.7 million or 0.8% of sales for the six months ended June 30, 2016, compared to $4.5 million or 0.8% of sales during the same period in 2015.

RELATED PARTY TRANSACTIONS

The Fund has not entered into any new related party transactions beyond the items disclosed in the 2015 annual report.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements that present fairly the financial position, financial condition and results of operations in accordance with Canadian generally accepted accounting principles requires that the Fund make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the statement of financial position date and reported amounts of sales and expenses during the reporting period. Actual results could differ materially from these estimates.

The critical accounting estimates are substantially unchanged from those identified in the 2015 annual MD&A.

FUTURE ACCOUNTING STANDARDS

The following is an overview of accounting standard changes that the Fund will be required to adopt in future years:

IFRS 15, *Revenue from Contracts with Customers*, was issued by the International Accounting Standards Board ("IASB") on May 28, 2014 and will replace current guidance found in IAS 11, *Construction Contracts* and IAS 18, *Revenue*. IFRS 15 outlines a single comprehensive model to use in accounting for revenue arising from contracts with customers. On July 22, 2015, the IASB announced a deferral in the effective date for this standard. The standard is effective for reporting periods beginning on or after January 1, 2018 with early application permitted. A choice of retrospective application or a modified transition approach is provided. On April 12, 2016, the IASB issued clarifying amendments to IFRS 15, *Revenue from Contracts with Customers*. The amendments clarify how to identify a performance obligation in a contract, determine whether a company is a principal or an agent and determine whether the revenue from granting a licence should be recognized at a point in time or over time. The amendments also include additional relief to reduce cost and complexity on initial application. The amendments also require application January 1, 2018. The Fund is currently evaluating the impact of adopting IFRS 15 on its financial statements.

IFRS 9, *Financial Instruments*, was issued by the IASB on July 24, 2014 and will replace current guidance found in IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. The new standard will come into effect on January 1, 2018 with early application permitted. The Fund is currently evaluating the impact of adopting IFRS 9 on its financial statements.

IFRS 16, *Leases*, was issued by the IASB on January 13, 2016 and will replace the current guidance found in IAS 17, *Leases* and related interpretations. The new standard will bring most leases on-balance sheet through recognition of related assets and liabilities. IFRS 16 establishes principles for recognition, measurement, presentation and disclosure of leases. The new standard will come into effect on January 1, 2019 with early application permitted if IFRS 15, *Revenue from Contracts with Customers* has also been applied. The Fund is currently evaluating the impact of adopting IFRS 16 on its financial statements.

On January 19, 2016, the IASB issued narrow-scope amendments to IAS 12, *Income Taxes.* The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value, and require application for annual periods beginning on or after January 1, 2017 with early application permitted. The Fund is currently evaluating the impact of adopting these amendments on its financial statements.

On January 29, 2016, the IASB issued amendments to IAS 7, *Statement of Cash Flows.* The amendments require a reconciliation of liabilities arising from financing activities to enable users of the financial statements to evaluate both cash flow and non-cash changes in the net debt of a company. The amendments become mandatory for annual periods beginning on or after January 1, 2017. The Fund is currently evaluating the impact of adopting these amendments on its financial statements.

On June 20, 2016, the IASB issued narrow-scope amendments to IFRS 2, *Share-based Payment.* The amendments provide requirements on the accounting for: (1) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; (2) share-based payment transactions with a net settlement feature for withholding tax obligations; and (3) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity settled. The amendments become mandatory for annual periods beginning on or after January 1, 2018 with early application permitted. The Fund is currently evaluating the impact of adopting these amendments on its financial statements.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Fund's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. During the second quarter of 2016, there have been no changes in the Fund's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Fund's internal control over financial reporting.

BUSINESS RISKS AND UNCERTAINTIES

Risks and uncertainties affecting the business remain substantially unchanged from those identified in the 2015 annual MD&A.

ADDITIONAL INFORMATION

The Fund's units and convertible debentures trade on the Toronto Stock Exchange under the symbols TSX: BYD.UN and TSX: BYD.DB.A. Additional information relating to the Boyd Group Income Fund is available on SEDAR (www.sedar.com) and our website (www.boydgroup.com).

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, **Brock Bulbuck, Chief Executive Officer of the Boyd Group Income Fund**, certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of the **Boyd Group Income Fund**, (the "issuer") for the interim period ended **June 30, 2016**.
2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.
5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i.) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii.) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Internal Control – Integrated Framework (COSO 2013 Framework), published by The Committee of Sponsoring Organizations of the Treadway Commission.

5.2 ***ICFR – material weakness relating to design:*** N/A

5.3 Limitation on scope of design: N/A

6. ***Reporting Changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on April 1, 2016 and ended on June 30, 2016 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: August 12, 2016

(signed)

Brock Bulbuck
Chief Executive Officer

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, **Narendra Pathipati, Chief Financial Officer of the Boyd Group Income Fund**, certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of the **Boyd Group Income Fund**, (the "issuer") for the interim period ended **June 30, 2016**.
2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim report do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i.) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii.) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.2 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Internal Control – Integrated Framework (COSO 2013 Framework), published by The Committee of Sponsoring Organizations of the Treadway Commission.

5.2 ***ICFR – material weakness relating to design:*** N/A

5.3 Limitation on scope of design: N/A

6. ***Reporting Changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on April 1, 2016 and ended on June 30, 2016 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: August 12, 2016

(signed)

Narendra Pathipati
Executive Vice President & Chief Financial Officer

BOYD GROUP INCOME FUND

Interim Condensed Consolidated Financial Statements

Three and Six Months Ended June 30, 2016

Notice: These interim condensed consolidated financial statements have not been audited or reviewed by the Fund's independent external auditors, Deloitte LLP.

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Unaudited)
(thousands of Canadian dollars)

	Note		**June 30, 2016**		December 31, 2015
Assets					
Current assets:					
Cash		**$**	**47,868**	$	72,926
Accounts receivable			**76,732**		64,798
Income taxes recoverable			**860**		3,115
Inventory			**17,784**		20,977
Prepaid expenses			**15,458**		13,140
			158,702		174,956
Note receivable			**536**		678
Property, plant and equipment	*5*		**140,004**		133,043
Deferred income tax asset			**2,202**		2,622
Deferred financing costs	*9*		**-**		321
Intangible assets	*6*		**143,100**		143,679
Goodwill	*7*		**201,690**		183,623
		$	**646,234**	$	638,922
Liabilities and Equity					
Current liabilities:					
Accounts payable and accrued liabilities		**$**	**137,360**	$	134,431
Distributions payable	*8*		**758**		705
Dividends payable	*8*		**10**		11
Current portion of long-term debt	*9*		**10,003**		9,802
Current portion of obligations under finance leases			**4,168**		4,547
			152,299		149,496
Long-term debt	*9*		**59,634**		56,745
Obligations under finance leases			**8,053**		8,476
Convertible debentures	*10*		**51,303**		75,120
Convertible debenture conversion features	*12*		**21,293**		60,164
Deferred income tax liability			**23,364**		20,602
Exchangeable Class A common shares	*12*		**15,435**		15,536
Unit based payment obligation	*13*		**24,593**		33,118
Non-controlling interest put options	*12*		**32,916**		34,738
			388,890		453,995
Equity					
Accumulated other comprehensive earnings			**54,135**		75,111
Deficit			**(105,568)**		(116,517)
Unitholders' capital	*15*		**304,775**		222,331
Contributed surplus			**4,002**		4,002
			257,344		184,927
		$	**646,234**	$	638,922

The accompanying notes are an integral part of these interim condensed consolidated financial statements

Approved by the Board:

BROCK BULBUCK
Trustee

ALLAN DAVIS
Trustee

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Unaudited)
(thousands of Canadian dollars, except unit amounts)

		Unitholders' Capital				
	Note	Units	Amount	Contributed Surplus	Accumulated Other Comprehensive Earnings	Deficit	Total Equity
Balances - January 1, 2015		16,359,107	$ 196,406	$ 4,002	$ 21,977	$ (86,402)	$ 135,983
Issue costs (net of tax of $nil)			(29)				(29)
Retractions		4,875	259				259
Conversion of convertible debentures		424,227	25,695				25,695
Other comprehensive earnings					53,134		53,134
Net loss						(21,962)	(21,962)
Comprehensive earnings					53,134	(21,962)	31,172
Distributions to unitholders						(8,153)	(8,153)
Balances - December 31, 2015		16,788,209	$ 222,331	$ 4,002	$ 75,111	$ (116,517)	$ 184,927
Issue costs (net of tax of $nil)			(75)				(75)
Units issued from treasury in connection with options exercised	*15*	200,000	12,432				12,432
Retractions		27,183	1,973				1,973
Conversion and redemption of convertible debentures	*15*	1,030,292	68,114				68,114
Other comprehensive loss					(20,976)		(20,976)
Net earnings						15,494	15,494
Comprehensive loss					(20,976)	15,494	(5,482)
Distributions to unitholders	*8*					(4,545)	(4,545)
Balances - June 30, 2016		18,045,684	$ 304,775	$ 4,002	$ 54,135	$ (105,568)	$ 257,344
Balances - January 1, 2015		16,359,107	$ 196,406	$ 4,002	$ 21,977	$ (86,402)	$ 135,983
Issue costs (net of tax of $nil)			(29)				(29)
Retractions		1,453	74				74
Conversion of convertible debentures		3,290	77				77
Other comprehensive earnings					20,008		20,008
Net earnings						221	221
Comprehensive earnings					20,008	221	20,229
Distributions to unitholders	*8*					(4,024)	(4,024)
Balances - June 30, 2015		16,363,850	$ 196,528	$ 4,002	$ 41,985	$ (90,205)	$ 152,310

The accompanying notes are an integral part of these interim condensed consolidated financial statements

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (Unaudited)
(thousands of Canadian dollars, except unit and per unit amounts)

	Note	Three months ended June 30, **2016**	Three months ended June 30, 2015	Six months ended June 30, **2016**	Six months ended June 30, 2015
Sales	17	**$ 331,005**	$ 278,726	**$ 681,361**	$ 560,496
Cost of sales		**178,284**	149,327	**370,570**	302,501
Gross profit		**152,721**	129,399	**310,791**	257,995
Operating expenses		**122,210**	103,894	**250,790**	211,305
Acquisition and transaction costs	4	**57**	902	**500**	1,135
Depreciation of property, plant and equipment	5	**5,247**	4,101	**10,683**	8,098
Amortization of intangible assets	6	**2,521**	2,579	**4,904**	5,146
Fair value adjustments	11	**(1,547)**	1,320	**10,706**	17,282
Finance costs		**2,426**	2,933	**4,840**	5,861
		130,914	115,729	**282,423**	248,827
Earnings before income taxes		**21,807**	13,670	**28,368**	9,168
Income tax expense					
Current		**4,221**	4,608	**8,444**	8,106
Deferred		**2,374**	405	**4,430**	841
		6,595	5,013	**12,874**	8,947
Net earnings		**$ 15,212**	$ 8,657	**$ 15,494**	$ 221

The accompanying notes are an integral part of these interim condensed consolidated financial statements

	Note	Three months ended June 30, **2016**	Three months ended June 30, 2015	Six months ended June 30, **2016**	Six months ended June 30, 2015
Basic earnings per unit	18	**$ 0.843**	$ 0.529	**$ 0.861**	$ 0.014
Diluted earnings per unit	18	**$ 0.683**	$ 0.394	**$ 0.855**	$ 0.014
Basic weighted average number of units outstanding	18	**18,044,070**	16,359,953	**18,000,517**	16,359,697
Diluted weighted average number of units outstanding	18	**19,541,699**	19,019,521	**18,515,521**	16,359,697

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) EARNINGS (Unaudited)
(thousands of Canadian dollars)

	Three months ended June 30, **2016**	Three months ended June 30, 2015	Six months ended June 30, **2016**	Six months ended June 30, 2015
Net earnings	**$ 15,212**	$ 8,657	**$ 15,494**	$ 221
Other comprehensive (loss) earnings				
Items that may be reclassified subsequently to Interim Condensed Consolidated Statements of Earnings				
Change in unrealized earnings on translating financial statements of foreign operations	**1,072**	(4,725)	**(20,976)**	20,008
Other comprehensive (loss) earnings	**1,072**	(4,725)	**(20,976)**	20,008
Comprehensive (loss) earnings	**$ 16,284**	$ 3,932	**$ (5,482)**	$ 20,229

The accompanying notes are an integral part of these interim condensed consolidated financial statements

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(thousands of Canadian dollars)

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	**2016**	2015
Cash flows from operating activities				
Net earnings	**$ 15,212**	$ 8,657	**$ 15,494**	$ 221
Items not affecting cash				
Fair value adjustments	**(1,547)**	1,320	**10,706**	17,282
Deferred income taxes	**2,374**	405	**4,430**	841
Amortization of discount on convertible debt	**229**	408	**457**	805
Amortization of deferred finance costs	**18**	53	**36**	106
Amortization of intangible assets	**2,521**	2,579	**4,904**	5,146
Depreciation of property, plant and equipment	**5,247**	4,101	**10,683**	8,098
Gain on disposal of equipment and software	**(144)**	(20)	**(176)**	(22)
Interest accrued on Exchangeable Class A common shares	**29**	32	**62**	65
	23,939	17,535	**46,596**	32,542
Changes in non-cash working capital items	**9,972**	(3,635)	**(5,378)**	4,909
	33,911	13,900	**41,218**	37,451
Cash flows used in financing activities				
Fund units issued from treasury in connection with options exercised	**-**	-	**382**	-
Issue costs	**-**	-	**(75)**	(29)
Increase in obligations under long-term debt	**6,409**	-	**28,232**	-
Repayment of long-term debt	**(23,585)**	(2,128)	**(26,211)**	(4,252)
Repayment of obligations under finance leases	**(1,285)**	(1,242)	**(2,724)**	(2,562)
Dividends paid on Exchangeable Class A common shares	**(29)**	(32)	**(62)**	(65)
Distributions paid to unitholders	**(2,273)**	(2,011)	**(4,492)**	(4,024)
Payment to non-controlling interests	**(89)**	(126)	**(89)**	(126)
Collection of notes receivable	**-**	9	**-**	26
	(20,852)	(5,530)	**(5,039)**	(11,032)
Cash flows used in investing activities				
Proceeds on sale of equipment and software	**202**	65	**355**	86
Equipment purchases and facility improvements	**(2,233)**	(2,510)	**(4,779)**	(4,223)
Acquisition and development of businesses (net of cash acquired)	**(11,853)**	(5,850)	**(53,536)**	(17,087)
Software purchases and licensing	**(770)**	(145)	**(920)**	(232)
Senior managers unit loan program	**98**	69	**133**	124
	(14,556)	(8,371)	**(58,747)**	(21,332)
Effect of foreign exchange rate changes on cash	**91**	(842)	**(2,490)**	3,464
Net (decrease) increase in cash position	**(1,406)**	(843)	**(25,058)**	8,551
Cash, beginning of year	**49,274**	66,904	**72,926**	57,510
Cash, end of year	**$ 47,868**	$ 66,061	**$ 47,868**	$ 66,061
Income taxes paid	**$ 5,017**	$ 4,019	**$ 6,230**	$ 6,091
Interest paid	**$ 2,448**	$ 2,921	**$ 4,404**	$ 3,847

The accompanying notes are an integral part of these interim condensed consolidated financial statements

1. GENERAL INFORMATION

Boyd Group Income Fund (the "Fund" or "BGIF") is an unincorporated, open-ended mutual fund trust established under the laws of the Province of Manitoba, Canada on December 16, 2002. It was established for the purposes of acquiring and holding a majority interest in The Boyd Group Inc. (the "Company"). The Company is partially owned by Boyd Group Holdings Inc. ("BGHI"), which is controlled by the Fund. These financial statements reflect the activities of the Fund, the Company and all its subsidiaries including BGHI.

The Company's business consists of the ownership and operation of autobody/autoglass repair facilities and related services. At the reporting date, the Company operated locations in five Canadian provinces under the trade name Boyd Autobody & Glass, as well as in 19 U.S. states under the trade name Gerber Collision & Glass. The Company is a major retail auto glass operator in the U.S. with locations across 31 U.S. states under the trade names Gerber Collision & Glass, Glass America, Auto Glass Service, Auto Glass Authority and Autoglassonly.com. The Company also operates Gerber National Claim Services ("GNCS"), an auto glass repair and replacement referral business with approximately 5,500 glass provider locations and 4,600 Emergency Roadside Services provider locations throughout the U.S.

The units and convertible debentures of the Fund are listed on the Toronto Stock Exchange and trade under the symbols "BYD.UN" and "BYD.DB.A". The head office and principal address of the Fund are located at 3570 Portage Avenue, Winnipeg, Manitoba, Canada, R3K 0Z8.

The policies applied in these interim condensed consolidated financial statements are based on International Financial Reporting Standards ("IFRS") issued and outstanding as of August 11, 2016, the date the Board of Trustees approved the statements. Any subsequent changes to IFRS that are given effect in the Fund's annual consolidated financial statements for the year ending December 31, 2016 could result in restatement of these interim condensed consolidated financial statements.

2. BASIS OF PRESENTATION AND SUMMARY OF ACCOUNTING POLICIES

These interim condensed consolidated financial statements for the three and six months ended June 30, 2016 have been prepared in accordance with IAS 34,"Interim financial reporting" using the same accounting policies and methods of computation followed in the consolidated financial statements for the year ended December 31, 2015, except for the accounting policy for share-based compensation, which came into effect January 1, 2016 and has been outlined in note 14. During the three and six months ended June 30, 2016, the Fund did not adopt any changes in accounting policies that resulted in a material impact to the financial statements of the Fund. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2015, which have been prepared in accordance with IFRS.

3. NEW ACCOUNTING STANDARDS ADOPTED AND FUTURE STANDARDS NOT YET EFFECTIVE

The following is an overview of accounting standard changes that the Fund will be required to adopt in future years:

IFRS 15, *Revenue from Contracts with Customers*, was issued by the International Accounting Standards Board ("IASB") on May 28, 2014 and will replace current guidance found in IAS 11, *Construction Contracts* and IAS 18, *Revenue*. IFRS 15 outlines a single comprehensive model to use in accounting for revenue arising from contracts with customers. On July 22, 2015, the IASB announced a deferral in the effective date for this standard. The standard is effective for reporting periods beginning on or after January 1, 2018 with early application permitted. A choice of retrospective application or a modified transition approach is provided. On April 12, 2016, the IASB issued clarifying amendments to IFRS 15, *Revenue from Contracts with Customers*. The amendments clarify how to identify a performance obligation in a contract, determine whether a company is a principal or an agent and determine whether the revenue from granting a licence should be recognized at a point in time or over time. The amendments also include additional relief to reduce cost and complexity on initial application. The amendments also require application January 1, 2018. The Fund is currently evaluating the impact of adopting IFRS 15 on its financial statements.

IFRS 9, *Financial Instruments*, was issued by the IASB on July 24, 2014 and will replace current guidance found in IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 includes a logical model for classification and measurement, a single, forward-looking ‘expected loss’ impairment model and a substantially-reformed approach to hedge accounting. The new standard will come into effect on January 1, 2018 with early application permitted. The Fund is currently evaluating the impact of adopting IFRS 9 on its financial statements.

IFRS 16, *Leases*, was issued by the IASB on January 13, 2016 and will replace the current guidance found in IAS 17, *Leases* and related interpretations. The new standard will bring most leases on-balance sheet through recognition of related assets and liabilities. IFRS 16 establishes principles for recognition, measurement, presentation and disclosure of leases. The new standard will come into effect on January 1, 2019 with early application permitted if IFRS 15, *Revenue from Contracts with Customers* has also been applied. The Fund is currently evaluating the impact of adopting IFRS 16 on its financial statements.

On January 19, 2016, the IASB issued narrow-scope amendments to IAS 12, *Income Taxes.* The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value, and require application for annual periods beginning on or after January 1, 2017 with early application permitted. The Fund is currently evaluating the impact of adopting these amendments on its financial statements.

On January 29, 2016, the IASB issued amendments to IAS 7, *Statement of Cash Flows.* The amendments require a reconciliation of liabilities arising from financing activities to enable users of the financial statements to evaluate both cash flow and non-cash changes in the net debt of a company. The amendments become mandatory for annual periods beginning on or after January 1, 2017. The Fund is currently evaluating the impact of adopting these amendments on its financial statements.

On June 20, 2016, the IASB issued narrow-scope amendments to IFRS 2, *Share-based Payment.* The amendments provide requirements on the accounting for: (1) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; (2) share-based payment transactions with a net settlement feature for withholding tax obligations; and (3) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity settled. The amendments become mandatory for annual periods beginning on or after January 1, 2018 with early application permitted. The Fund is currently evaluating the impact of adopting these amendments on its financial statements.

4. ACQUISITIONS

The Fund completed 10 acquisitions that added 21 locations, as well as the acquisition of a glass repair business with four locations during the six months ended June 30, 2016 as follows:

Acquisition Date	Location
January 4, 2016	Lafayette, Indiana (2 locations)
January 15, 2016	Saanichton, British Columbia and Sidney, British Columbia
March 18, 2016	Cincinnati, Ohio (4 autoglass locations)
March 21, 2016	Portland Area, Oregon (5 locations)
March 31, 2016	Indianapolis Area, Indiana (6 locations)
April 19, 2016	Hudson, Ohio
April 29, 2016	Rocky Mount, North Carolina
May 6, 2016	Burnaby, British Columbia
May 20, 2016	Sapulpa, Oklahoma
May 31, 2016	Tulsa, Oklahoma
June 10, 2016	Airway Heights, Washington

The Fund has accounted for the acquisitions using the acquisition method as follows:

Acquisitions in 2016		Total acquisitions
Identifiable net assets acquired at fair value:		
Cash	$	-
Other currents assets		1,173
Property, plant and equipment		9,326
Identified intangible assets		
Customer relationships		11,657
Brand name		-
Non-compete agreements		469
Liabilities assumed		(441)
Identifiable net assets acquired	$	22,184
Goodwill		28,918
Total purchase consideration	$	51,102
Consideration provided		
Cash paid or payable	$	45,333
Sellers notes		5,769
Total consideration provided	$	51,102

The preliminary purchase prices for the 2016 acquisitions as disclosed above may be revised as additional information becomes available. Further adjustments may be recorded in future periods as purchase price adjustments are finalized.

U.S. acquisition transactions are initially recognized in Canadian dollars at the rates of exchange in effect on the transaction dates. Subsequently, the assets and liabilities are translated at the rate in effect at the Statement of Financial Position date.

A significant part of the goodwill recorded on the acquisitions can be attributed to the assembled workforce and the operating know-how of key personnel. However, no intangible assets qualified for separate recognition in this respect.

Goodwill recognized during 2016 is expected to be deductible for tax purposes, except for goodwill related to the March 21, 2016 acquisition in the Portland Area of Oregon. Goodwill recognized on this transaction totalled $7,040.

5. PROPERTY, PLANT AND EQUIPMENT

As at		**June 30, 2016**		December 31, 2015
Balance, beginning of year	**$**	**133,043**	$	89,264
Acquired through business combination		**9,326**		14,377
Additions		**16,020**		29,792
Proceeds on disposal		**(355)**		(352)
Gain on disposal		**176**		215
Depreciation		**(10,683)**		(18,022)
Foreign exchange		**(7,523)**		17,769
Balance, end of period	**$**	**140,004**	$	133,043

6. INTANGIBLE ASSETS

As at		**June 30, 2016**		December 31, 2015
Balance, beginning of year	**$**	**143,679**	$	112,053
Acquired through business combination		**12,126**		10,730
Additions		**920**		9,102
Amortization		**(4,904)**		(10,072)
Foreign exchange		**(8,721)**		21,866
Balance, end of period	**$**	**143,100**	$	143,679

7. GOODWILL

As at		**June 30, 2016**		December 31, 2015
Balance, beginning of year	**$**	**183,623**	$	142,755
Acquired through business combination		**28,918**		11,565
Deferred tax liability on purchase price allocation adjustment		**-**		756
Purchase price allocation adjustments within the measurement period		**-**		(293)
Additional consideration provided		**-**		1,221
Foreign exchange		**(10,851)**		27,619
Balance, end of period	**$**	**201,690**	$	183,623

In February 2015, additional consideration was provided to the sellers of Collex Collision Experts Inc. and Collex Collision Experts of Florida Inc. in order to allow the Fund to file an election that allows the transaction to be treated as an asset acquisition for U.S. federal income tax purposes, resulting in stepped-up tax basis of the assets acquired.

The purchase price allocation adjustments represent balance sheet reclassifications between accounts payable and accrued liabilities, deferred income taxes and goodwill within the measurement period for the Collision Revision acquisition.

8. DISTRIBUTIONS AND DIVIDENDS

The Fund's Trustees have discretion in declaring distributions. The Fund's distribution policy is to make distributions of its available cash from operations taking into account current and future performance, amounts necessary for principal and interest payments on debt obligations, amounts required for maintenance capital expenditures and amounts allocated to reserves.

Distributions to unitholders and dividends on the exchangeable Class A shares were declared and paid as follows:

Record date	Payment date	Distribution per Unit / Dividend per Share	Distribution amount	Dividend amount
January 31, 2016	February 25, 2016	$ 0.0420	$ 757	$ 11
February 29, 2016	March 29, 2016	0.0420	757	11
March 31, 2016	April 27, 2016	0.0420	757	11
April 30, 2016	May 27, 2016	0.0420	758	10
May 31, 2016	June 28, 2016	0.0420	758	10
June 30, 2016	July 27, 2016	0.0420	758	10
		$ 0.2520	$ 4,545	$ 63

Record date	Payment date	Distribution per Unit / Dividend per Share	Distribution amount	Dividend amount
January 31, 2015	February 25, 2015	$ 0.0410	$ 671	$ 11
February 28, 2015	March 27, 2015	0.0410	671	11
March 31, 2015	April 28, 2015	0.0410	671	11
April 30, 2015	May 27, 2015	0.0410	670	10
May 31, 2015	June 26, 2015	0.0410	670	11
June 30, 2015	July 29, 2015	0.0410	671	11
		$ 0.2460	$ 4,024	$ 65

At June 30, 2016, there were 207,853 (December 31, 2015 – 235,036) exchangeable Class A shares outstanding with a carrying value of $15,435 (December 31, 2015 - $15,536).

During 2016, an expense in the amount of $1,873 (2015 - $1,226) was recorded against earnings related to these exchangeable Class A shares.

Further distributions and dividends were declared for the month of July 2016 in the amount of $0.042 per unit/share.

9. LONG-TERM DEBT

On July 23, 2015, the Company entered into an amended and restated credit agreement for a term of five years, increasing the revolving credit facility to $150,000 U.S., with an accordion feature which can increase the facility to a maximum of $250,000 U.S. The facility is with a syndicate of Canadian and U.S. banks and is secured by the shares and assets of the Company as well as guarantees by BGIF and BGHI. The interest rate is based on a pricing grid of the Fund's ratio of total funded debt to EBITDA as determined under the credit agreement. The Company can draw the facility in either the U.S. or in Canada, in either U.S. or Canadian dollars and can be drawn in tranches as required. Tranches bear interest only and are not repayable until the maturity date but can be voluntarily repaid at any time. The Company has the ability to choose the base interest rate between Prime, Bankers Acceptances ("BA") or London Inter Bank Offer Rate ("LIBOR"). The total syndicated facility includes a swing line up to a maximum of $3,000 in Canada and $12,000 in the U.S.

Under the revolving facility the Company is subject to certain financial covenants which must be maintained to avoid acceleration of the termination of the credit agreement. The financial covenants require the Fund to maintain a total debt to EBITDA ratio of less than 4.25; a senior debt to EBITDA ratio of less than 3.5 up to December 31, 2016 and less than 3.25 thereafter; and a fixed charge coverage ratio of greater than 1.03. For three quarters following a material acquisition, the total debt to EBITDA ratio may be increased to less than 4.75, the senior debt to EBITDA ratio may be increased to less than 4.0 up to December 31, 2016 and increased to less than 3.75 thereafter. The debt calculations exclude the convertible debentures. As at June 30, 2016, $6,505 ($5,000 U.S.) had been drawn under the revolving facility. As at December 31, 2015, neither the revolving facility nor the swing line had been drawn on.

Deferred financing costs of $356 were incurred during 2015 to complete the amended and restated credit agreement. These fees are amortized to finance costs on a straight line basis over the five year term of the amended and restated credit agreement. The unamortized deferred financing costs of $285 have been netted against the debt drawn as at June 30, 2016.

As at June 30, 2016, the Company was in compliance with all financial covenants.

Long-term debt is comprised of the following:

As at	**June 30, 2016**	December 31, 2015
Revolving credit facility (net of financing costs)	**$ 6,220**	$ -
Seller notes	**63,417**	66,547
	$ 69,637	$ 66,547
Current portion	**10,003**	9,802
	$ 59,634	$ 56,745

The following is the continuity of long-term debt:

As at	**June 30, 2016**	December 31, 2015
Balance, beginning of year	**$ 66,547**	$ 56,598
Consideration on acquisition	**5,769**	7,971
Net draw	**27,947**	-
Repayment	**(26,211)**	(8,926)
Foreign exchange	**(4,415)**	10,904
Balance, end of period	**$ 69,637**	$ 66,547

The following table summarizes the repayment schedule of the long-term debt:

Principal Payments	**June 30, 2016**	December 31, 2015
Less than 1 year	**$ 10,003**	$ 9,802
1 to 5 years	**39,313**	33,242
Greater than 5 years	**20,321**	23,503
	$ 69,637	$ 66,547

Included in finance costs is interest on long-term debt of $2,132 (2015 - $2,079).

10. CONVERTIBLE DEBENTURES

On December 19, 2012, the Fund issued $30,000 aggregate principal amount of convertible unsecured subordinated debentures due December 31, 2017 (the "Debentures") with a conversion price of $23.40. On December 24, 2012, as allowed under the provisions of the agreement to issue the Debentures, the underwriters purchased an additional $4,200 aggregate principal amount of Debentures increasing the aggregate proceeds of the Debenture Offering to $34,200.

Between December 19, 2012 and November 6, 2015, at the request of the holder, the Fund converted $9,996 of principal amount of Debentures into units of the Fund. On January 5, 2016, the Fund completed the early redemption and cancellation of the Debentures. Subsequent to the initial announcement of the early redemption, $24,012 principal amount of the Debentures were converted into 1,026,152 units of the Fund. The remaining $192 in Debentures were redeemed and cancelled by issuing 3,000 units. As a result of redemption and cancellation, the Debentures previously listed on the Toronto Stock Exchange under the symbol "BYD.DB" were de-listed.

On September 29, 2014, the Fund issued $50,000 aggregate principal amount of convertible unsecured subordinated debentures due October 31, 2021 (the "2014 Debentures") with a conversion price of $61.40. On September 29, 2014, as allowed under the provisions of the agreement to issue the 2014 Debentures, the underwriters purchased an additional $7,500 aggregate principal amount of 2014 Debentures increasing the aggregate proceeds of the 2014 Debenture offering to $57,500.

The 2014 Debentures bear interest at an annual rate of 5.25% payable semi-annually, and are convertible at the option of the holder into units of the Fund at any time prior to the maturity date and may be redeemed by the Fund on or after October 31, 2017 provided that certain thresholds are met surrounding the weighted average market price of the trust units at that time. On redemption or maturity, the 2014 Debentures may, at the option of the Fund, be repaid in cash or, subject to regulatory approval, units of the Fund.

Details of the 2014 Debentures carrying value are as follows:

As at	**June 30, 2016**	December 31, 2015
Balance, beginning of year	**$ 50,916**	$ 50,047
Adjusted for:		
Accretion charges	**457**	869
Conversion to Fund units	**(70)**	-
Balance, end of period	**$ 51,303**	$ 50,916

During 2016, an expense in the amount of $4,969 (2015 – $8,185) was recorded to earnings related to convertible debentures.

11. FAIR VALUE ADJUSTMENTS

	For the three months ended June 30,		For the six months ended June 30,	
	2016	2015	**2016**	2015
Convertible debenture conversion features	**$ (2,016)**	$ (1,878)	**$ 4,969**	$ 8,185
Exchangeable Class A common shares	**(434)**	(67)	**1,873**	1,226
Unit based payment obligation	**100**	758	**3,524**	4,126
Non-controlling interest put options	**803**	2,507	**340**	3,745
Total fair value adjustments	**$ (1,547)**	$ 1,320	**$ 10,706**	$ 17,282

12. FINANCIAL INSTRUMENTS

Carrying value and estimated fair value of financial instruments

			June 30, 2016		December 31, 2015	
	Classification	Fair value hierarchy	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial assets						
Cash	FVTPL [(1)]	1	**47,868**	**47,868**	72,926	72,926
Financial liabilities						
2012 convertible debenture	Other financial liabilities	2	**-**	**-**	24,204	70,918
2012 convertible debenture conversion feature	FVTPL [(1)]	2	**-**	**-**	43,945	43,945
2014 convertible debenture	Other financial liabilities	2	**51,303**	**75,808**	50,916	70,725
2014 convertible debenture conversion feature	FVTPL [(1)]	2	**21,293**	**21,293**	16,219	16,219
Exchangeable Class A common shares	FVTPL [(1)]	1	**15,435**	**15,435**	15,536	15,536
Non-controlling interest put options	FVTPL [(1)]	3	**32,916**	**32,916**	34,738	34,738

(1) Fair Value Through Profit or Loss

For the Fund's current financial assets and liabilities, including accounts receivable, notes receivable and accounts payable and accrued liabilities, distributions payable and dividends payable, which are short term in nature and subject to normal trade terms, the carrying values approximate their fair value. As there is no ready secondary market for the Fund's long-term debt, the fair value has been estimated using the discounted cash flow method. The fair value using the discounted cash flow method is approximately equal to carrying value. The fair value for the non-controlling interest put option is based on the estimated cash payment or receipt necessary to settle the contract at the Statement of Financial Position date. Cash payments or receipts are based on discounted cash flows using current market rates and prices and adjusted for credit

risk. The fair value of the exchangeable Class A shares is estimated using the market price of the units of Fund as of the statement of financial position date. The fair value for the 2014 convertible debenture conversion feature is estimated using a Black-Scholes valuation model with the following assumptions used: stock price $74.26, dividend yield 0.91%, expected volatility 27.65%, risk free interest rate of 0.75%, term of five years. The fair value for the Fund's debentures will change based on the movement in bond rates and changes in the Fund's credit rating.

Collateral

The Company's syndicated loan facility is collateralized by a General Security Agreement. The carrying amount of the financial assets pledged as collateral for this facility at June 30, 2016 was approximately $124,600 (December 31, 2015 - $137,724).

Interest rate risk

The Company's operating line and syndicated loan facility are exposed to interest rate fluctuations and the Company does not hold any financial instruments to mitigate this risk. Convertible debentures and seller notes are at fixed interest rates.

Foreign currency risk

The Company's operations in the U.S. are more closely tied to its domestic currency. Accordingly, the U.S. operations are measured in U.S. dollars and the Company's foreign exchange translation exposure relates to these operations. When the U.S. operation's net asset values are converted to Canadian dollars, currency fluctuations result in period to period changes in those net asset values. The Fund's equity position reflects these changes in net asset values as recorded in accumulated other comprehensive earnings. The income and expenses of the U.S. operations are translated into Canadian dollars at the average rate for the period in order to include their financial results in the consolidated financial statements. Period to period changes in the average exchange rates cause translation effects that have an impact on net earnings. Unlike the effect of exchange rate fluctuations on transaction exposure, the exchange rate translation risk does not affect local currency cash flows.

Transactional foreign currency risk also exists in circumstances where U.S. denominated cash is received in Canada. The Company monitors U.S. denominated cash flows to be received in Canada and evaluates whether to use forward foreign exchange contracts. No forward foreign exchange contracts were used during 2016 or 2015.

The Fund earns interest on promissory notes issued to The Boyd Group (U.S.) Inc., the parent of the Fund's U.S. operations. As at June 30, 2016 and December 31, 2015, promissory notes denominated in Canadian dollars are as follows:

Promissory notes As at	**June 30, 2016**	December 31, 2015
Promissory note at 3.3% due September 29, 2017	$ 108,000	$ 108,000
Promissory note at 6.5% due January 1, 2020	41,800	41,800
Promissory note at 8.58% due January 1 2024	6,800	6,800
Promissory note at 8.58% due January 1, 2024	25,000	25,000
Promissory note at 8.58% due January 1, 2024	30,000	30,000
	$ 211,600	$ 211,600

On January 4, 2016, $11,000 of the $25,000 note due January 1, 2024 was assigned by the Fund to The Boyd Group Inc. This assignment was related to the conversion and redemption of the Fund's 2012 convertible debentures and was made in exchange for The Boyd Group Inc. issuing 11,000 Class IV shares to the Fund.

Currently the Fund's U.S. operations purchase Canadian dollars at market rates to fund the monthly interest payments.

Non-controlling interest put option

On May 31, 2013, the Fund entered into an agreement whereby Glass America contributed its auto-glass business to Gerber Glass in exchange for shares representing a 30% ownership interest in a new combined Glass America entity. The agreement contains a put option, which provides the non-controlling interest with the right to require the Fund to purchase their retained interest according to a valuation formula defined in the agreement. All changes in the estimated liability are recorded in earnings. The put option was restricted until June 1, 2015.

On May 31, 2013, in connection with the acquisition of Glass America, the Fund entered into an agreement that provides a member of its U.S. management team the opportunity to participate in the future growth of the Fund's U.S. glass business. Within the agreement was a put option held by the non-controlling shareholder that provided the shareholder an option to put the business back to the Fund according to a valuation formula defined in the agreement. The put option is restricted until December 1, 2016 and is exercisable anytime thereafter by the glass-business operating partner. The put option may be exercised before December 1, 2016 upon the occurrence of certain unusual events such as a change of control or resignation of the operating partner. All fair value changes in the estimated liability are recorded in earnings.

The liability recognized in connection with both put options has been calculated using formulas defined in the agreements. The formula for the Glass America put is based on a multiple of EBITDA for the trailing twelve months. The formula for the Gerber Glass put is based on multiples of estimated future earnings of the combined Gerber Glass and Glass America business, and estimated future exercise dates. The estimated future payment obligation is then discounted to its present value at each statement of financial position date. The significant unobservable inputs include the put being exercised in one year at a probability weighted estimated EBITDA level of approximately $10,600 USD using a discount rate of 9%. An increase in the EBITDA level or a reduction in the discount rate would increase the put liability.

During 2016, the Fund made $89 (2015 - $126) in payments to the Glass America non-controlling interest.

The liability for non-controlling interest put options comprises the following:

As at		**June 30, 2016**		December 31, 2015
Glass-business operating partner non-controlling interest put option	**$**	**10,651**	$	10,850
Glass America non-controlling interest put option		**22,265**		23,888
	$	**32,916**	$	34,738

The change in the non-controlling interest put option liabilities is summarized as follows:

	June 30, 2016		December 31, 2015	
	Glass-business operating partner	**Glass America non-controlling interest**	Glass-business operating partner	Glass America non-controlling interest
Balance, beginning of year	**$ 10,850**	**$ 23,888**	$ 6,510	$ 16,720
Fair value adjustments	**442**	**(102)**	2,990	4,603
Payment to non-controlling interests	**-**	**(89)**	-	(1,086)
Foreign exchange	**(641)**	**(1,432)**	1,350	3,651
Balance, end of period	**$ 10,651**	**$ 22,265**	$ 10,850	$ 23,888

13. UNIT BASED PAYMENT OBLIGATION

Pursuant to the Fund's Option Agreement and Confirmation, the Fund has granted options to purchase units of the Fund to certain key executives. The following options are outstanding:

Issue Date	Number of Units	Exercise Price	Expiry Date	**June 30, 2016 Fair Value**	December 31, 2015 Fair Value
January 11, 2006	200,000	$ 1.91	January 11, 2016	**$ -**	$ 12,803
January 2, 2008	150,000	$ 2.70	January 2, 2018	**9,170**	7,599
January 2, 2009	150,000	$ 3.14	January 2, 2019	**8,208**	6,786
January 2, 2010	150,000	$ 5.41	January 2, 2020	**7,215**	5,930
				$ 24,593	$ 33,118

On January 11, 2016, the Fund completed the settlement of the unit options issued on January 11, 2006. As a result of the settlement, 200,000 units were issued at an exercise price of $1.91. The fair value of the unit options at settlement was $12,432.

The fair value of each outstanding option is estimated using a Black-Scholes valuation model with the following assumptions used for the outstanding options granted: stock price $74.26, dividend yield 0.91% and expected volatility 27.65% (determined as a weighted standard deviation of the unit price over the past four years). The risk free interest rate assumptions used in the valuation model are as follows: January 2, 2008 issuance - 0.55%, January 2, 2009 issuance - 0.53%, January 2, 2010 issuance - 0.57%.

During 2016, an expense in the amount of $3,524 (2015 – $4,126) was recorded to earnings related to these unit based payment obligations.

14. SHARE-BASED COMPENSATION

Certain executive officers of the Fund, as well as the Board of Directors of the Company and BGHI, participate in share-based compensation plans. These plans are cash-settled, with compensation expense determined based on the fair value of the associated liability at the end of the reporting period until the awards are settled.

Long-term incentive plan

For the year ended December 31, 2015, Performance Cash Awards were granted to certain executive officers under the Fund's long-term incentive plan. Performance Cash Awards represent the right to receive payments, conditional, in whole or in part, upon the achievement of one or more objective performance goals. A Performance Cash Award granted under the Plan is denominated and payable in cash and will vest and be paid out over a three-year period, subject to the terms of the plan.

On January 1, 2016, Performance Cash Units were granted to certain executive officers for the 2016 grant year in place of Performance Cash Awards. Performance Cash Units are tied to unit value from date of grant to the date of payment and will vest and be paid out in cash over a three-year period, subject to the terms of the plan. Performance Cash Units represent the right to receive payments linked to the Fund's unit value, conditional, in whole or in part, upon the achievement of one or more objective performance goals. The distribution rate declared by the Fund on issued and outstanding units of the Fund is also applied to the Performance Cash Units. The distribution amount on the Performance Cash Units is converted into additional Performance Cash Units based on the market value of the Fund's units at the time of the distribution. These additional Performance Cash Units vest at the same time as the Performance Cash Units that the distribution rate was applied on.

The 2015 Award and 2016 Award include non-market performance conditions. The impact of market and non-market performance conditions is recognized through the adjustment of the award that is expected to vest. At the end of each reporting period, the Fund re-assesses its estimates of the number of awards that are expected to vest and recognizes the impact of the revision to compensation expense in earnings over the vesting period.

The fair value of each outstanding Performance Cash Unit is estimated based on the fair market value of the Fund's units at the grant date, subsequently adjusted for additional units granted based on the reinvestment of notional distributions and the market value of the units at the end of each reporting period. The associated compensation expense is recognized over the vesting period, factoring in the probability of the performance criteria being met during that period.

Directors Deferred Share Unit Plan

On December 22, 2015, the Board of Trustees approved a Directors Deferred Share Unit Plan ("DSUP"), effective December 31, 2015. The plan is administered through BGHI and requires independent Trustees, who are also Directors of BGHI, to receive at least 60% of their Director compensation in the form of deferred shares, which are essentially notional shares of BGHI and are redeemable for cash on termination. Directors may elect to receive up to 100% of their Director compensation in the form of deferred shares. The number of deferred share units to which a Director is entitled will be adjusted for the payment of dividends or other cash distributions on the Class A common shares of BGHI.

The fair value of each outstanding Director Deferred Share Unit is estimated based on the fair market value of the BGHI's shares at the grant date, subsequently adjusted for additional shares granted based on the reinvestment of notional dividends and the market value of the shares at the end of each reporting period.

15. CAPITAL

Unitholders' Capital

Authorized:
Unlimited number of trust units

An unlimited number of units are authorized and may be issued pursuant to the Declaration of Trust. All units are of the same class with equal rights and privileges. Each unit is redeemable and transferable. A unit entitles the holder thereof to participate equally in distributions, including the distributions of net earnings and net realized capital gains of the Fund and distributions on termination or winding-up of the Fund, is fully paid and non-assessable and entitles the holder thereof to one vote at all meetings of Unitholders for each unit held.

On January 5, 2016, the Fund completed the early redemption and cancellation of the Debentures. Subsequent to the initial announcement of the early redemption, $24,012 principal amount of the Debentures were converted into 1,026,152 units of the Fund. The remaining $192 in Debentures were redeemed and cancelled by issuing 3,000 units. The fair value of the Debentures on conversion and redemption was $68,027.

During 2016, at the request of the holder, the Fund converted $70 principal amount of the 2014 Debentures into 1,140 units of the Fund. The fair value of the 2014 Debentures at the time of conversion was $87.

On January 11, 2016, the Fund completed the settlement of the unit options issued on January 11, 2006. As a result of the settlement, 200,000 units were issued at an exercise price of $1.91. The fair value of the unit options at settlement was $12,432.

16. SEASONALITY

The Fund's financial results for any individual quarter are not necessarily indicative of results to be expected for the full year. Interim period revenues and earnings are typically sensitive to regional and local weather, market conditions, and in particular, to cyclical variations in economic activity.

17. SEGMENTED REPORTING

The Fund has one reportable line of business, being automotive collision repair and related services, with all revenues relating to a group of similar services. In this circumstance, IFRS requires the Fund to provide geographical disclosure. For the periods reported, all of the Fund's revenues were derived within Canada or the United States of America. Reportable assets include property, plant and equipment, goodwill and intangible assets which are all located within these two geographic areas.

	For the three months ended June 30,		For the six months ended June 30,	
Revenues	**2016**	2015	**2016**	2015
Canada	**$ 20,849**	$ 20,597	**$ 43,047**	$ 41,918
United States	**310,156**	258,129	**638,314**	518,578
	$ 331,005	$ 278,726	**$ 681,361**	$ 560,496

Reportable Assets As at	**June 30, 2016**	December 31, 2015
Canada	**$ 18,831**	$ 16,428
United States	**465,963**	443,917
	$ 484,794	$ 460,345

18. EARNINGS PER UNIT

	For the three months ended June 30,		For the six months ended June 30,	
	2016	2015	**2016**	2015
Net earnings	**$ 15,212**	$ 8,657	**$ 15,494**	$ 221
Add (less):				
2014 convertible debentures	**(1,557)**	(806)	-	-
2012 convertible debentures	**-**	(314)	-	-
Exchangeable class A shares	**(405)**	(34)	-	-
Unit options	**100**	-	-	-
Non-controlling interest put options	**-**	-	340	-
Net earnings - diluted basis	**$ 13,350**	$ 7,503	**$ 15,834**	$ 221
Basic weighted average number of units	**18,044,070**	16,359,953	**18,000,517**	16,359,697
Add:				
2014 convertible debentures	**936,144**	936,482	**-**	-
2012 convertible debentures	**-**	1,458,590	**-**	-
Exchangeable class A shares	**234,096**	264,496	**-**	-
Unit options	**327,389**	-	**-**	-
Non-controlling interest put options	**-**	-	**515,004**	-
Average number of units outstanding - diluted basis	**19,541,699**	19,019,521	**18,515,521**	16,359,697
Basic earnings per unit	**$ 0.843**	$ 0.529	**$ 0.861**	$ 0.014
Diluted earnings per unit	**$ 0.683**	$ 0.394	**$ 0.855**	$ 0.014