BOYD GROUP INCOME FUND

2018 Annual Report

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BOYD GROUP INCOME FUND

2018 REPORT TO UNITHOLDERS

To our Unitholders,

In 2018, the Fund was able to achieve record revenue of $1.9 billion and Adjusted EBITDA[1] of $173.4 million. In addition, growth during this year and over the past three years remains on track to reach our long-term goal of doubling the size of the business based on revenues on a constant currency basis during the five-year period ending in 2020. The Fund once again successfully delivered meaningful increases in revenue, Adjusted EBITDA[1] and Adjusted net earnings[1].

As the industry continues to evolve and the shortage of technicians continues, we are investing in our business and our people. During 2018, we completed our investment and training for company-wide diagnostic repair scanning technology, which allows us to ensure that all damage is identified and enables us to complete high quality repairs. We also rolled out an enhanced benefit program for our U.S. employees, funded by a portion of the tax savings from U.S. tax reform. In addition, we continue to invest in the technology, equipment and training programs for our employees to ensure they are equipped for continued operational execution.

During 2018, we added 81 locations, including eight intake centers, and entered into the states of Alabama, Missouri, Texas and Wisconsin. Subsequent to year-end, we entered into the states of New York and South Carolina. This new location growth, including entry into new markets, is in line with our strategy of doubling the size of our business by 2020. Our corporate development team continues to have a healthy pipeline of targets and we remain confident that we will achieve our long-term growth goal.

Total sales in 2018 were $1.9 billion, an 18.8% increase over the $1.6 billion achieved in 2017. The increase in sales was largely the result of contributions from new locations, along with same-store sales growth of 4.8%. After adjusting for one additional selling/production day, same-store sales increased 4.4% on a per day basis.

Adjusted EBITDA[1] grew to $173.4 million, or 9.3% of sales, compared with $145.6 million, or 9.3% of sales in 2017. Contributions from new locations and same-store sales growth contributed to the 19.1% increase. Boyd's investment in enhanced benefit programs continues to have a near-term impact on EBITDA margins.

Boyd had net earnings of $77.6 million in 2018, compared to $58.4 million in 2017. Impacting net earnings were fair value adjustments to financial instruments as a result of unit price increases during the year as well as acquisition and transaction costs (net of tax). In 2017, these same adjustments occurred, along with an adjustment for the accelerated amortization of the discount on convertible debt (net of tax) and an adjustment related to income tax expense as a result of U.S. tax reform. After adjusting for these items, Adjusted net earnings[1] for 2018 was $85.6 million or 4.6% of sales. This compares to adjusted net earnings[1] of $58.8 million or 3.7% of sales in 2017. This translated to adjusted net earnings[1] of $4.35 per unit, compared to $3.18 in 2017. Lower taxes due to the U.S. tax rate decrease from approximately 39% to 26% and lower finance costs due to the redemption of convertible debentures in 2017 were major factors in higher earnings.

In 2018, we generated adjusted distributable cash[1] of $154.8 million and paid distributions and dividends of $10.5 million, resulting in a payout ratio based on adjusted distributable cash[1] of 6.8%. This compares with adjusted distributable cash[1] of

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[1] EBITDA, Adjusted EBITDA, distributable cash, adjusted distributable cash, adjusted net earnings and adjusted net earnings per unit are not recognized measures under International Financial Reporting Standards ("IFRS"). Management believes that in addition to revenue, net earnings and cash flows, the supplemental measures of distributable cash, adjusted distributable cash, adjusted net earnings, adjusted net earnings per unit, 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, adjusted net earnings and adjusted net earnings per unit 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 December 31, 2018, which can be accessed via the SEDAR Web site (www.sedar.com).

$94.5 million and distributions and dividends paid of $9.6 million, resulting in a payout ratio of 10.2% a year ago. Maintaining a conservative payout ratio continues to be a priority to ensure that we have the resources to take advantage of the significant consolidation opportunities in our industry. Nothwithstanding our conservative distribution and payout ratio strategy, we again increased distributions in November 2018, our 11th consecutive year of distribution increases. Unitholders now receive an annualized payment of $0.54, a 2.3% increase over the annualized distribution set in November 2017 of $0.528.

With respect to the balance sheet at December 31, 2018, the Fund held total debt, net of cash, of $232.1 million, compared to $219.1 million at December 31, 2017. Cash flow from operations, before considering working capital changes, was $146.5 million for the year ended December 31, 2018 compared with $116.6 million for 2017. The increase reflects higher Adjusted EBITDA. Management believes that the Fund's capital resources are sufficient to meet growth, working capital, capital expenditure and distribution requirements.

We remain confident in our ability to achieve our long-term goal of doubling our business by 2020, compared to 2015 on a constant currency basis. We are well-positioned to take advantage of the industry trends of consolidation and have ample "dry powder" with over $300 million in cash and availability in our credit facility to act on opportunities. As well, the WOW Operating Way continues to be an important and successful component of our operating model that represents our key to continuous improvement and sustainable operating performance.

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

Sincerely,

(signed)

Brock Bulbuck
Chief Executive Officer

BOYD GROUP INCOME FUND

2018 CHAIRMAN'S MESSAGE

To our Unitholders,

The Fund continues to focus on value creation for unitholders through a commitment to innovation and continuous improvement, customer service and respect for customers and employees alike. These focus areas remain critical to continued success for the Fund, especially as it faces rapid change in vehicle technologies. The Board remains confident in Management's ability to face these challenges and continue to execute the long-term growth strategy, including doubling the size of the business by 2020. The Fund's track record is strong, as demonstrated by the fact the Fund has now achieved the best or second best 10-year performance on the TSX for the fourth year in a row.

The Board of Trustees is committed to effective oversight of the Fund in the context of a changing world. To this end, during the past year the Board has worked to develop and formalize a number of additional good governance practices. For example, the Board of Trustees developed and approved a Board Composition, Diversity and Renewal Policy, which recognizes the many benefits of having a diverse board with fresh perspectives. This policy will only enhance the focus the Board of Trustees has had on building a board with diverse experiences and backgrounds over the last several years.

The Board also continues to support management progress in the evolving area of environmental, social and governance reporting and monitoring. This resulted in a number of governance and social policies being made publicly available during 2018 on the Fund's website. It also has resulted in more robust internal reporting on various metrics in the areas of environmental and social matters.

The Board of Trustees, through the Compensation Committee, has advanced compensation practices for executives of the Fund, to increase alignment between unitholders and management. Compensation practices are now further aligned with the strategic objectives of the Fund through adoption of short-term and long-term incentive plans, which are linked to specific performance targets for the Fund. In addition, the Fund's compensation programs now include elements such as share-based bonuses, cliff vesting and clawback provisions in order to keep pace with compensation best practices. For greater accountability in the area of compensation, the Fund's unitholders will this year be asked to vote on an advisory basis, whether they support the compensation practices as outlined in the Fund's information circular.

On behalf of the Trustees of the Boyd Group Income Fund, I would like to thank the management team and all employees for their continued commitment and hard work, and to our stakeholders for their continued support. We look forward to another good year in 2019.

Sincerely,

(signed)

Allan Davis
Chairman

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 and Assured Automotive, as well as in 27 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 34 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 glass, emergency roadside and first notice of loss 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, including intake centers, and trade names.

BOYD AUTOBODY & GLASS	48 locations
Alberta	15
Manitoba	15
British Columbia	14
Saskatchewan	4
Assured	**81 locations**
Ontario	81

The above numbers include 35 intake locations

gerber COLLISION & GLASS		482 locations	
Florida	62	Maryland	10
Illinois	61	Oregon	10
Michigan	58	Tennessee	9
North Carolina	29	Pennsylvania	7
Georgia	28	Missouri	5
Ohio	28	Oklahoma	5
Washington	28	Utah	5
Indiana	27	Nevada	4
Arizona	22	Alabama	2
Colorado	19	Idaho	1
New York	18	Kansas	1
Wisconsin	17	Kentucky	1
Louisiana	12	South Carolina	1
Texas	12		

The above numbers include 11 intake locations
Two fleet locations previously omitted from the above totals have now been included. These are co-located with collision repair centers.

GLASS AMERICA
gerber COLLISION & GLASS
AUTO GLASS SERVICE
AUTO GLASS AUTHORITY Experience the Difference...
AUTO GLASS only.com
gerber NATIONAL CLAIM SERVICES

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 trade on the Toronto Stock Exchange under the symbol TSX: BYD.UN.

The following review of the Fund's operating and financial results for the year ended December 31, 2018, including material transactions and events up to and including March 20, 2019, as well as management's expectations for the year ahead, should be read in conjunction with the annual audited consolidated financial statements of Boyd Group Income Fund for the year ended December 31, 2018, included on pages 48 to 91 of this report, and as filed on SEDAR at www.sedar.com.

SIGNIFICANT EVENTS

On January 2, 2018, the Fund completed the settlement of the unit options issued on January 2, 2008. As a result of the settlement, 150,000 units were issued at an exercise price of $2.70. The fair value of the unit options at settlement was $14.7 million.

On September 15, 2018, certain key executives provided irrevocable notice that the unit options issued to executives on January 2, 2009 would be exercised, which resulted in the issuance of 150,000 units at an exercise price of $3.14 on November 26, 2018. The fair value of the unit options at settlement was $15.4 million.

On January 31, 2019, the call option transaction to acquire the 30% non-controlling interest in Glass America LLC held by GAJV Holdings Inc. was completed, and Gerber Glass LLC acquired the 30% non-controlling interest in Glass America LLC.

The Fund added 115 new collision locations since January 1, 2018 as follows:

Date	Location	Previously operated as
January 12, 2018	Lawrenceville, GA	n/a start-up
January 19, 2018	Collier County, FL (2 locations)	Autocraft Enterprises and Autocraft Naples
January 31, 2018	Sudbury, ON (4 locations)	Regent Autobody
February 20, 2018	Falcon, CO	Falcon Collision Center
February 23, 2018	Dallas, TX (3 locations)	Earth Collision Center
April 17, 2018	Seattle, WA (3 locations)	Professional Collision Group
May 1, 2018	Schaumburg, IL	n/a intake center
May 8, 2018	Merrillville, IN	n/a intake center
May 18, 2018	Alexandria, LA	Kyle's Collision Center
May 25, 2018	Atlanta, GA (2 locations)	Cherokee Collision Center
May 28, 2018	Bradford, ON	Chico's Collision
June 1, 2018	Orland Park, IL	n/a intake center
June 8, 2018	Chicago, IL	Brown's Auto Construction
June 27, 2018	Elk Grove Village, IL	Owner's Choice Collision
July 3, 2018	Aurora, ON	GaryRay Collision
July 6, 2018	Brunswick, OH	Shade's Auto Body
July 9, 2018	Nanaimo, BC	Stone Bros. Auto Body and Auto Wrecking
July 10, 2018	Elkhart, IN	Duncan RV Repair
August 3, 2018	Bessemer & Birmingham, AL	C&M Collision Center
August 3, 2018	Kenosha, WI	Jay-Bee Collision Repair Center
September 21, 2018	Dundas, ON	Terry's Autobody
September 27, 2018	Lafayette, LA	n/a start-up
October 10, 2018	Kennewick, WA	SonShine Collision Services
October 10, 2018	Springfield, IL	Dick Taylor Collision Services
October 10, 2018	Jacksonville, FL	n/a intake center
October 12, 2018	Saskatoon, SK (2 locations)	Nutana Collision
October 15, 2018	Turtle Creek, PA	Johnny Mock's Auto Body Shop
October 15, 2018	Brownsburg & Greenwood, IN	Golden Chassis
November 1, 2018	Kansas City, MO (5 locations)	A&B Body Shop, Inc.
November 1, 2018	Verona, PA	n/a start-up
November 5, 2018	LaGrange, GA	n/a start-up
November 14, 2018	Palatka, FL	n/a intake center
November 30, 2018	West Hawksbury, ON	Marchildon Autobody
November 30, 2018	Wisconsin & Northern Illinois (18 locations including 2 intake centers)	Gates Collision Centers
December 1, 2018	Winnipeg, MB	n/a start-up
December 3, 2018	McDonough, GA	n/a intake center
December 11, 2018	Albany, OR	Pacific Auto Body & Paint
December 14, 2018	Central & Western Regions, TX (9 locations)	Paceline Collision Centers
December 19, 2018	Jacksonville, NC	Stevenson Toyota Collision
December 28, 2018	Lake Havasu City, AZ	n/a start-up
January 1, 2019	Union City, GA	n/a intake center
January 9, 2019	Cayce, SC	Bob Johnson's Body Shop
January 11, 2019	Peoria, AZ	Lake Pleasant Collision Center
February 28, 2019	New York (18 locations)	Carubba Collision
March 8, 2019	Michigan (11 locations)	Dusty's, Whitney's and Wright Brothers Collision
March 15, 2019	Guelph, ON	Majestic Collision
March 18, 2019	Richland, WA	Atomic Auto Body and Detail

OUTLOOK

Boyd continues to execute on its growth strategy. During 2018, the Company added 81 locations, while at the same time achieving organic growth through same-store sales increases of 4.8%.

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) during the five-year period ending in 2020, implying an average annual growth rate of 15%. With prudent financial management and its strong balance sheet, Boyd is also 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.

The enhanced benefit program, which was funded by a portion of the tax savings realized from U.S. Tax Reform, along with other people initiatives put in place are having some impact. Ongoing investments in technology, equipment and training are contributing to continued operational execution. However, technician shortage remains a constraint.

With respect to the trade dispute which began in 2018, based on currently available information and tariffs announced to date, there should be minimal impact, if any, on Boyd's business, although this remains subject to change depending on the outcome of further global tariff discussions.

On January 1, 2019, Boyd will adopt IFRS 16, *Leases*, which will bring most leases onto the statement of financial position through recognition of right-of-use assets and lease liabilities. The adoption of this standard will have a significant impact on Boyd's consolidated statement of financial position, as well as a decrease in operating expenses and an increase in depreciation expense and finance costs as a result of the depreciation of the right-of-use assets and accretion expenses on the lease liability. The implementation of this standard will not have any impact on net cash flows.

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 success into the future.

BUSINESS ENVIRONMENT & STRATEGY

The collision repair industry in North America is estimated by Boyd to represent approximately $30 to $40 billion U.S. in annual revenue. The industry is highly fragmented, consisting primarily of small independent family owned businesses operating in local markets. It is estimated that car dealerships have approximately 19% of the total market. It is believed that multi-unit collision repair operators with greater than $20 million in annual revenues (including multi-unit car dealerships), now have approximately 27% of the total market. In late 2018, two of the four largest multi-location collision repairers announced a merger, making the combined entity more than twice the current size of Boyd in terms of revenue.

Customer relationship dynamics in the Company's principal markets differ from region to region. In three of the Canadian provinces where Boyd operates, government-owned insurance companies have, by legislation, either exclusive or semi-exclusive rights to provide insurance to automobile owners. Although Boyd's services in these markets are predominantly paid for by government-owned insurance companies, these insurers do not typically refer insured automobile owners to specific collision repair centers. In these markets Boyd focuses its marketing to attract business from individual vehicle owners primarily through consumer based advertising. Boyd manages relationships in the government-owned insurance markets through active participation in industry associations.

In Alberta, British Columbia, Ontario and in the United States, where private insurers operate, a greater emphasis is placed on establishing and maintaining DRP's and other referral arrangements with insurance, fleet and lease companies. DRP's are established between insurance companies and collision repair shops to better manage automobile repair claims and increase levels of customer satisfaction. Insurance, fleet and lease companies select collision repair operators to participate in their programs based on integrity, convenience and physical appearance of the facility, quality of work, customer service, cost of repair, cycle time and other key performance metrics. There is a continuing trend among major insurers in both the public and private insurance markets towards using performance-based criteria for selecting collision repair partners and for referring work to them. Local and regional DRP's, and more recently national and self-managed DRP relationships, represent an opportunity for Boyd to increase its business. Insurers have also moved to consolidate DRP repair volumes with a fewer number of repair shops. There is some preference among some insurance carriers to do business with multi-location collision repairers in order to reduce the number and complexity of contacts necessary to manage their networks of collision repair providers and to achieve a higher level of consistent performance. Boyd continues to develop and strengthen its DRP relationships with insurance carriers in both Canada and the United States and believes it is well positioned to take advantage of these trends.

In addition, Boyd has used consumer based advertising in some of its markets to complement and supplement its DRP growth strategies. The Company believes this strategy is effective in increasing its brand awareness and overall sales. Boyd plans to continue this strategy and may expand it into other Canadian and U.S. markets, as it achieves sufficient critical mass in these other markets to do so.

As described further under "Business Risks and Uncertainties", operating results are expected to be subject to fluctuations due to a variety of factors including changes in customer purchasing patterns, pricing by insurance companies, general operating effectiveness, automobile technologies, availability of qualified employees, general and regional economic downturns, unemployment rates and weather conditions. A negative economic climate has the potential to affect results negatively. The Fund has worked to mitigate this risk by continuing to focus on meeting insurance companies' performance requirements, and in doing so, grow market share.

Boyd's primary strategy is to continue to focus on maximizing its opportunities through a commitment to:

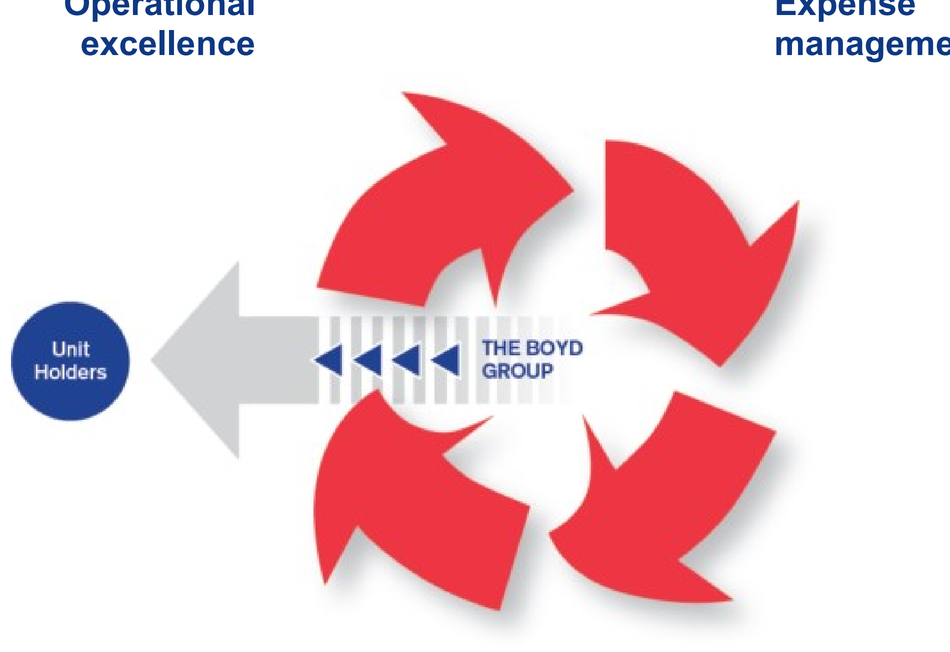
- Use of best practices, economies of scale and infrastructure and systems to enhance profitability and achieve operational excellence;
- Expense management through a focus on cost containment and efficiency improvements;
- Optimizing returns from existing operations by achieving same-store sales growth; and
- Growing the business through single location and multi-location acquisitions, along with new location development.

Through these strategies, Boyd expects to generate growth sufficient to double the size of its business (measured against its 2015 revenue on a constant currency basis) over a five-year period, implying an average annual growth rate of 15%.

BUSINESS STRATEGY

Operational excellence

Expense management



New location and acquisition growth

Same-store sales growth and optimize returns from existing operations

Operational Excellence

Operational excellence has been a key component of Boyd's past success and has contributed to the Company being viewed as an industry leading service provider. Delivering on our customers' expectations related to cost of repair, time to repair, quality and customer service are critical to being successful and being rewarded with same-store sales growth. The Company's commitment to operational excellence is embodied in its mission and goal, which is condensed into a top of mind cheer for its employees which is 'Wow every customer, be the best'. In 2015, Boyd rolled out and implemented its Wow Operating Way process improvement initiative which is now in place at all of its locations, except newly acquired locations, where it will be implemented as part of acquisition integration. The Wow Operating Way is a repair planning and execution methodology that drives excellence in customer satisfaction, repair cycle times and operational metrics.

Boyd also conducts extensive customer satisfaction polling at all operating locations to assist in keeping customer satisfaction at the forefront of its mandate.

Boyd will also continue to invest in its infrastructure, process improvement initiatives and IT systems to contribute to high quality service to its customers and improved operational performance.

Expense Management

Boyd continues to manage its operating expenses as a percentage of sales. By working continuously to identify cost savings and to achieve same-store sales growth, Boyd will continue to manage this expense ratio. Operating expenses have a high fixed component and therefore same-store sales growth contributes to a lower percentage of operating expenses to sales.

Same-Store Sales / Optimize Returns

Increasing same-store sales and running shops at or near capacity has a positive impact on financial performance. Boyd continues to seek opportunities to help grow same-store sales.

New Location and Acquisition Growth

In line with stated growth strategies, Boyd was successful in opening 81 new locations in 2018. Boyd 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, Boyd expects this strategy to generate growth sufficient to double the size of its business (measured against its 2015 revenue on a constant currency basis) over the five year period from 2015-2020, implying an average annual growth rate of 15%.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

Statements made in this annual 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 five-year period ending in 2020	Acquisition 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

Forward-looking Information	Key Assumptions	Most Relevant Risk Factors
Boyd remains confident in its business model to increase market share by expanding its presence in North America 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
In 2019, the Company expects to make capital expenditures (excluding those related to acquisition and development of new locations) within the range of 1.5% to 1.7% of sales	The actual cost for these capital expenditures agrees with the original estimate The purchase, delivery and installation of the capital items is consistent with the estimated timeline No other new capital requirements are identified or required during the period All identified capital requirements are required during the period	Expected actual expenditures could be above or below 1.5% to 1.7% of sales The timing of the expenditures could occur on a different timeline The Fund may identify additional capital expenditure needs that were not originally anticipated The Fund may identify capital expenditure needs that were originally anticipated; however, are no longer required or required on a different timeline

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 Annual Information Form, the "Business Risks and Uncertainties" and other sections of our Management's Discussion and Analysis and our other periodic filings with Canadian securities regulatory authorities. All forward-looking statements presented herein should be considered in conjunction with such filings.

SELECTED ANNUAL INFORMATION

The following table summarizes selected financial information for the Fund over the prior three years:

For the years ended December 31, *(thousands of Canadian dollars, except per unit amounts)*		**2018**		2017		2016
Sales	**$**	**1,864,613**	$	1,569,448	$	1,387,119
Net earnings	**$**	**77,639**	$	58,435	$	30,365
Adjusted net earnings	**$**	**85,607**	$	58,833	$	52,646
Basic earnings per unit	**$**	**3.944**	$	3.160	$	1.684
Diluted earnings per unit	**$**	**3.785**	$	2.808	$	1.420
Adjusted net earnings per unit	**$**	**4.349**	$	3.182	$	2.920
Cash distributions per unit declared:						
Trust unit distributions	**$**	**0.530**	$	0.518	$	0.506
As at December 31, *(thousands of Canadian dollars)*		**2018**		2017		2016
Total assets	**$**	**1,233,483**	$	1,011,393	$	737,496
Total long-term financial liabilities	**$**	**319,720**	$	329,756	$	252,531

Acquisitions and new single location growth had the largest impact on growing sales from 2016 to present. The primary driver in sales growth in 2016 was the addition of 58 locations through a combination of single locations and regional chains. Same-store sales growth in excess of 5% also contributed to higher sales in 2016. In 2017, sales growth was driven primarily by the addition of 105 locations, including 68 locations added as part of the Assured acquisition. In 2018, sales growth was driven primarily by the addition of 81 locations, as well as same-store sales growth of 4.8%.

The net earnings reported were impacted by fair value adjustments related to financial instruments that mainly arise as the Fund's unit price increases. Excluding these adjustments, net earnings would have increased each year as a result of the increase in sales and gross profit.

The change in total assets and total long-term financial liabilities was significantly impacted by acquisitions. In addition to these changes, fluctuations in total assets have primarily related to increases in property, plant and equipment, intangible assets and goodwill as a result of new location growth. Long-term financial liabilities have primarily been impacted by financing of acquisitions. The recognition of exchangeable Class A common shares, unit based payment obligations, convertible debenture conversion features and the non-controlling interest put options and call liability as financial liabilities under IFRS has also contributed to the growth in long-term financial liabilities. The increase in long-term financial liabilities in 2017 was primarily due to draws on the revolving credit facility to finance acquisitions, partially offset by the conversion and redemption of the 2014 Debentures into units in November 2017. The decrease in long-term financial liabilities in 2018 was primarily the result of the settlement of unit options and the reclassification of the non-controlling interest call liability, partially offset by draws on the revolving credit facility to finance acquisitions.

Since the end of 2007, the Fund has increased monthly distributions to unitholders and Boyd Group Holdings Inc. has increased dividends to its Class A shareholders annually such that as of March 20, 2019 the distribution/dividend rate is $0.045 per month or $0.540 on an annualized basis.

BOYD GROUP INCOME FUND

Boyd Group Income Fund (the "Fund"), is an unincorporated, open-ended mutual fund trust. The Fund owns 100% of the Class I common shares and 55% of the subordinated notes issued by a U.S. subsidiary of the Company, The Boyd Group (U.S.) Inc. (the "Notes"). The remaining 45% of the Notes are owned by the Company. Distributions to unitholders, when paid by the Fund, were funded from a combination of interest income earned on the Notes and from dividends on the Class I common share investment or as a return of capital on Notes. There was no return of capital in 2017 and 2018. The Class I common shares held by the Fund currently, through March 20, 2019, represent 90.6% of the total common shares of the Company.

Boyd Group Holdings Inc. ("BGHI") owns 100% of the Class II common shares issued by the Company. The Class II common shares currently, through March 20, 2019, represent 9.4% of the common shares of the Company. The share structure of BGHI at March 20, 2019, consists of 100 million Voting shares, 216,041 Class A common shares and 1,846,822 Class B common shares. The Fund, through the ownership of 70 million or 70% of the Voting shares, has voting control of BGHI. The remaining 30% is held directly or indirectly by a senior officer of the Fund. Of the 216,041 Class A common shares, 107,329 are also held directly or indirectly by a senior officer of the Fund with the remaining shares being held by external third parties. The Class B common shares are all held by Boyd and are issued only upon exchange of Class A common shares for units of the Fund. Although the Fund has voting control, it did not and continues not to have any significant economic interest in the activities of BGHI. All dividends received by BGHI from Boyd on the Class II common shares are passed on as dividends to Class A and B common shareholders of BGHI.

The Fund also holds 162,230 Class IV non-voting, redeemable, retractable preferred shares of the Company issued as a result of an internal restructuring in 2007, the bought deal public equity offerings completed in 2014, 2013 and 2011, the convertible debenture offering completed in 2012, the subsequent conversion and redemption of 2012 Debentures into units, the convertible debenture offering completed in 2014 and the subsequent conversion and redemption of 2014 Debentures into units.

The consolidated financial statements of the Fund, BGHI and their subsidiaries have been prepared in accordance with International Financial Reporting Standards and contain the consolidated financial position, results of operations and cash flows of the Fund, BGHI and the Company and the Company's subsidiary companies for the year ended December 31, 2018.

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 options and call liability. 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. 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:

ADJUSTED EBITDA

(thousands of Canadian dollars)	For the three months ended December 31, **2018**	2017	For the years ended December 31, **2018**	2017
Net earnings	$ **29,904**	$ 23,167	$ **77,639**	$ 58,435
Add:				
Finance costs	**2,911**	2,792	**10,283**	16,505
Income tax expense (recovery)	**6,771**	(4,416)	**24,635**	18,714
Depreciation of property, plant and equipment	**9,274**	8,426	**34,067**	28,057
Amortization of intangible assets	**4,750**	3,678	**17,674**	13,608
Standardized EBITDA	$ **53,610**	$ 33,647	$ **164,298**	$ 135,319
Add:				
Fair value adjustments	**(8,673)**	7,300	**4,787**	8,167
Acquisition and transaction costs	**2,626**	863	**4,298**	2,149
Adjusted EBITDA	$ **47,563**	$ 41,810	$ **173,383**	$ 145,635

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 unit and per unit amounts)	For the three months ended December 31, **2018**	2017	For the years ended December 31, **2018**	2017
Net earnings	$ **29,904**	$ 23,167	$ **77,639**	$ 58,435
Add:				
Accelerated amortization of discount on convertible debt (net of tax)	-	-	-	4,491
Changes in deferred tax assets and liabilities resulting from changes in U.S. substantively enacted tax rates	-	(13,571)	-	(13,571)
Fair value adjustments (non-taxable)	**(8,673)**	7,300	**4,787**	8,167
Acquisition and transaction costs (net of tax)	**1,943**	526	**3,181**	1,311
Adjusted net earnings	$ **23,174**	$ 17,422	$ **85,607**	$ 58,833
Weighted average number of units	**19,732,171**	19,216,060	**19,684,337**	18,489,781
Adjusted net earnings per unit	$ **1.174**	$ 0.907	$ **4.349**	$ 3.182

Distributions and Distributable Cash

The Fund and BGHI make monthly distributions, in accordance with their distribution policies, to unitholders of the Fund and dividends to Class A common shareholders of BGHI of record on the last day of each month, payable on or about the last business day of the following month. The amount of cash distributed by the Fund is equal to the pro rata share of interest or principal repayments received on the Notes and distributions received on or in respect of the Class I common shares of the Company held by the Fund, after deducting expenses of the Fund and any cash redemptions of the Fund during the period. The amount of cash distributed by BGHI is equal to the pro rata share of dividends received on or in respect of the Class II common shares of the Company held by BGHI, after deducting expenses of BGHI. All dividends paid or allocated to unitholders of the Fund or Class A shareholders of BGHI are considered to be eligible dividends for Canadian income tax purposes.

During 2018, the Fund paid distributions totaling $10.4 million (2017 - $9.5 million) while BGHI paid dividends to Class A common shareholders during this same period of $117 thousand (2017 - $118 thousand).

Distributable cash is a non-GAAP measure that provides an indication of the Fund's ability to sustain distributions while maintaining productive capacity. Distributable cash can be compared to cash flow provided by operating activities, which is its nearest GAAP measure. In addition, a comparison can also be made to earnings.

The Fund's distribution level is currently well below cash flow provided by operating activities and adjusted distributable cash. Excess funds have been retained to grow the business and strengthen the statement of financial position. A continuation of this trend would permit the Fund to continue to increase distributions over time while maintaining a strong statement of financial position and executing its growth strategy.

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, 2018	February 26, 2018	$	0.0440	$	865	$	10
February 28, 2018	March 27, 2018		0.0440		865		10
March 31, 2018	April 26, 2018		0.0440		866		9
April 30, 2018	May 29, 2018		0.0440		865		10
May 31, 2018	June 27, 2018		0.0440		865		10
June 30, 2018	July 27, 2018		0.0440		866		9
July 31, 2018	August 29, 2018		0.0440		865		10
August 31, 2018	September 26, 2018		0.0440		866		10
September 30, 2018	October 29, 2018		0.0440		866		9
October 31, 2018	November 28, 2018		0.0440		865		9
November 30, 2018	December 21, 2018		0.0450		892		10
December 31, 2018	January 29, 2018		0.0450		892		10
		$	0.5300	$	10,438	$	116

(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, 2017	February 24, 2017	$ 0.0430	$ 776	$ 10
February 28, 2017	March 29, 2017	0.0430	777	10
March 31, 2017	April 26, 2017	0.0430	777	10
April 30, 2017	May 29, 2017	0.0430	777	10
May 31, 2017	June 28, 2017	0.0430	777	10
June 30, 2017	July 27, 2017	0.0430	777	10
July 31, 2017	August 29, 2017	0.0430	800	10
August 31, 2017	September 27, 2017	0.0430	801	10
September 30, 2017	October 27, 2017	0.0430	801	10
October 31, 2017	November 28, 2017	0.0430	801	10
November 30, 2017	December 20, 2017	0.0440	859	10
December 31, 2017	January 29, 2018	0.0440	859	10
		$ 0.5180	$ 9,582	$ 120

Maintaining Productive Capacity

Maintaining productive capacity is defined by Boyd as the maintenance of the Company's facilities, equipment, signage, vehicles, 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 vehicles 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.

For 2019, the Company expects to make cash capital expenditures (excluding those related to acquisition and development of new locations) within the range of 1.5% and 1.7% of sales. Emerging vehicle technologies requiring new, specialized repair equipment, as well as image and property upgrades will contribute to this higher level of budgeted spend for 2019. Lower than expected capital expenditures during 2018 will result in some of these expenditures being incurred in 2019.

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 and 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 2018 and 2017:

Standardized and Adjusted Distributable Cash [1]				
	For the three months ended December 31,		**For the years ended December 31,**	
(thousands of Canadian dollars, except per unit and per share amounts)	**2018**	2017	**2018**	2017
Cash flow from operating activities before changes in non-cash working capital items	**$ 44,506**	$ 38,698	**$ 146,492**	$ 116,606
Changes in non-cash working capital items	**22,581**	10,375	**34,023**	3,066
Cash flows from operating activities	**67,087**	49,073	**180,515**	119,672
Less adjustment for:				
Sustaining expenditures on plant, software and equipment [2]	**(9,344)**	(8,532)	**(26,651)**	(23,549)
Standardized distributable cash	**$ 57,743**	$ 40,541	**$ 153,864**	$ 96,123
Standardized distributable cash per average unit and Class A common share				
Per average unit and Class A common share	**$ 2.895**	$ 2.085	**$ 7.730**	$ 5.135
Per diluted unit and Class A common share [5]	**$ 2.852**	$ 2.061	**$ 7.664**	$ 5.075
Standardized distributable cash from above	**$ 57,743**	$ 40,541	**$ 153,864**	$ 96,123
Add (deduct) adjustments for:				
Acquisition and transaction costs [3]	**2,626**	863	**4,298**	2,149
Proceeds on sale of equipment and software	**62**	387	**565**	750
Principal repayments of finance leases [4]	**(928)**	(889)	**(3,906)**	(4,349)
Payment to non-controlling interest [6]	**-**	-	**-**	(221)
Adjusted distributable cash	**$ 59,503**	$ 40,902	**$ 154,821**	$ 94,452
Adjusted distributable cash per average unit and Class A common share				
Per average unit and Class A common share	**$ 2.983**	$ 2.104	**$ 7.778**	$ 5.046
Per diluted unit and Class A common share [5]	**$ 2.939**	$ 2.080	**$ 7.712**	$ 4.986
Distributions and dividends paid				
Unitholders	**$ 2,623**	$ 2,461	**$ 10,405**	$ 9,500
Class A common shareholders	**29**	30	**117**	118
Total distributions and dividends paid	**$ 2,652**	$ 2,491	**$ 10,522**	$ 9,618
Distributions and dividends paid				
Per unit	**$ 0.133**	$ 0.130	**$ 0.529**	$ 0.517
Per Class A common share	**$ 0.133**	$ 0.130	**$ 0.529**	$ 0.517
Payout ratio based on standardized distributable cash	**4.6%**	6.1%	**6.8%**	10.0%
Payout ratio based on adjusted distributable cash	**4.5%**	6.1%	**6.8%**	10.2%

(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 2018 the Company acquired a further $2.8 million (2017 - $2.0 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 distributed cash.

[5] Per diluted unit and Class A common share amounts have been calculated in accordance with definitions of dilution and anitdilution 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 and tax liabilities being allocated to them.

RESULTS OF OPERATIONS

Results of Operations	**For the three months ended December 31,**			**For the years ended December 31,**		
(thousands of Canadian dollars, except per unit amounts)	**2018**	% change	2017	**2018**	% change	2017
Sales - Total	**495,131**	19.4	414,619	**1,864,613**	18.8	1,569,448
Same-store sales - Total (excluding foreign exchange)	**434,621**	6.8	406,862	**1,506,889**	4.8	1,437,900
Gross margin %	**44.3**	(2.4)	45.4	**45.2**	(1.3)	45.8
Operating expense %	**34.7**	(1.7)	35.3	**35.9**	(1.6)	36.5
Adjusted EBITDA [1]	**47,563**	13.8	41,810	**173,383**	19.1	145,635
Acquisition and transaction costs	**2,626**	204.3	863	**4,298**	100.0	2,149
Depreciation and amortization	**14,024**	15.9	12,104	**51,741**	24.2	41,665
Fair value adjustments	**(8,673)**	N/A	7,300	**4,787**	N/A	8,167
Finance costs	**2,911**	4.3	2,792	**10,283**	(37.7)	16,505
Income tax expense (recovery)	**6,771**	(253.3)	(4,416)	**24,635**	31.6	18,714
Adjusted net earnings [1]	**23,174**	33.0	17,422	**85,607**	45.5	58,833
Adjusted net earnings per unit [1]	**1.174**	29.4	0.907	**4.349**	36.7	3.182
Net earnings	**29,904**	29.1	23,167	**77,639**	32.9	58,435
Basic earnings per unit	**1.516**	25.7	1.206	**3.944**	24.8	3.160
Diluted earnings per unit	**1.190**	0.4	1.185	**3.785**	34.8	2.808
Standardized distributable cash [1]	**57,743**	42.4	40,541	**153,864**	60.1	96,123
Adjusted distributable cash [1]	**59,503**	45.5	40,902	**154,821**	63.9	94,452
Distributions and dividends paid	**2,652**	6.5	2,491	**10,522**	9.4	9,618

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

Sales

Sales totaled $1.865 billion for the year ended December 31, 2018, an increase of $295.2 million or 18.8% when compared to 2017. The increase in sales was the result of the following:

- $234.9 million of incremental sales were generated from 174 new locations that were not in operation for the full comparative period
- Same-store sales excluding foreign exchange increased $69.0 million or 4.8% and decreased $2.3 million due to the translation of same-store sales at a lower U.S. dollar exchange rate. After adjusting for one additional selling/production day, same-store sales increased 4.4% on a per day basis.
- Sales were affected by the closure of under-performing facilities which decreased sales by $6.4 million

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

Gross Profit

Gross Profit was $842.5 million or 45.2% of sales for the year ended December 31, 2018 compared to $718.4 million or 45.8% of sales for the same period in 2017. Gross profit increased primarily as a result of higher sales due to acquisition and same-store sales growth compared to the prior period. The gross margin percentage is primarily impacted by a higher mix of parts sales in relation to labour as well as incremental sales in the Assured business at a lower gross margin. Assured, which was acquired in July 2017, has lower gross margins due to some higher sales sourcing costs, which are more than offset by their higher capacity utilization and, in turn, their higher operating leverage. Labour margins declined slightly due to both the higher direct labour costs associated with new location integration and ramp-up as well as the competitive labour market. Improved parts margins partially offset these negative impacts.

Operating Expenses

Operating Expenses for the year ended December 31, 2018 increased $96.4 million to $669.1 million from $572.7 million for the same period of 2017, primarily due to the acquisition of new locations. Excluding the impact of foreign currency translation which decreased operating expenses by $1.0 million, expenses increased $100.3 million from 2017 primarily as a result of new locations. Closed locations lowered operating expenses by a combined $2.9 million.

Operating expenses as a percentage of sales were 35.9% for the year ended December 31, 2018, which compared to 36.5% for the same period in 2017. The decrease as a percentage of sales was primarily due to the impact of higher same-store sales levels leveraging the fixed component of operating expenses, partially offset by the 0.3%, or 30 basis point impact of the enhanced benefits for U.S. employees and a 0.1%, or 10 basis point impact of increased training costs in 2018. The lower operating expense ratios associated with the Assured business as a result of their higher capacity utilization also positively impacted operating expenses as a percentage of sales.

Acquisition and Transaction Costs

Acquisition and Transaction Costs for the year ended December 31, 2018 were $4.3 million compared to $2.1 million recorded for the same period of 2017. The costs relate to various acquisitions, including acquisitions from prior periods, as well as other completed or potential acquisitions. For the year ended December 31, 2018, $1.9 million in acquisition and transaction costs related to the costs incurred to complete the Glass America call option transaction.

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 and non-controlling interest put option and call liability, as well as acquisition and transaction costs ("Adjusted EBITDA")[1] for the year ended December 31, 2018 totaled $173.4 million or 9.3% of sales compared to Adjusted EBITDA of $145.6 million or 9.3% of sales in the prior year. The $27.8 million increase was primarily the result of incremental EBITDA contribution from new location and same-store sales growth, as well as changes in U.S. dollar exchange rates in 2018, which increased Adjusted EBITDA by $0.5 million.

Depreciation and Amortization

Depreciation related to property, plant and equipment totaled $34.1 million or 1.8% of sales for the year ended December 31, 2018, an increase of $6.0 million when compared to the $28.1 million or 1.8% of sales recorded in the same period of the prior year. The increase was primarily due to acquisition growth as well as investments in capital equipment.

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

Amortization of intangible assets for the year ended December 31, 2018 totaled $17.7 million, or 0.9% of sales, an increase of $4.1 million when compared to the $13.6 million, or 0.9% of sales, expensed for the same period in the prior year. The increase is primarily the result of the addition of new intangible assets from recent acquisitions.

Fair Value Adjustments

Fair Value Adjustment to Exchangeable Class A Common Shares liability resulted in a non-cash expense of $2.4 million during 2018 compared to a non-cash expense of $3.1 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 fair value adjustment, which increased the liability and resulted in the recording of the related expense, is the result of the increase in the value of the Fund's units.

Fair Value Adjustment to Unit Based Payment Obligation liability resulted in a non-cash expense of $4.9 million for 2018 compared to a non-cash expense of $9.8 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 decrease in the liability is primarily the result of the settlement of 150,000 unit options on January 2, 2018 and the settlement of an additional 150,000 unit options on November 26, 2018, partially offset by the non-cash expenses on the remaining options, which are primarily the result of the increase in the value of the Fund's units.

Fair Value Adjustment to Non-controlling Interest Put Option and Call Liability resulted in a non-cash recovery of $2.5 million for 2018 compared to a $5.9 million non-cash recovery in the prior year. The value of the non-controlling interest call liability has been determined based on completion of the call option transaction on January 31, 2019, resulting in a non-cash recovery of $1.7 million. The non-controlling interest put option has been calculated based on the Gerber Glass Company Agreement. Revisions to the EBITDA amount on which the calculation is based resulted in a non-cash recovery of $0.8 million in 2018.

Finance Costs

Finance Costs of $10.3 million or 0.6% of sales for the year ended December 31, 2018 decreased from $16.5 million or 1.1% of sales for the prior year. During the third quarter of 2017, the Fund provided notice that it would be redeeming the convertible debentures due October 31, 2021 on November 2, 2017, resulting in a shortened period to maturity, which increased finance costs by $4.9 million. Finance costs decreased in 2018 due to the conversion and redemption of the 2014 convertible debentures in November 2017, partially offset by draws on the revolving credit facility to fund acquisitions.

Income Taxes

Current and Deferred Income Tax Expense of $24.6 million for the year ended December 31, 2018 compares to an expense of $18.7 million for 2017. Income tax expense has been impacted by U.S. tax reform, which in 2018 reduced the estimated blended U.S. federal and state tax rate from 39% to 26% in the U.S., effective January 1, 2018. Income tax expense in 2017 was impacted by a one-time income tax recovery of approximately $13.6 million related to the revaluation of deferred tax liabilities in the U.S. Income tax expense continues to be 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 year ended December 31, 2018 was $77.6 million or 4.2% of sales compared to $58.4 million or 3.7% of sales in the prior year. The net earnings amount in 2018 was negatively impacted by fair value adjustments to financial instruments of $4.8 million, which were primarily due to the increase in unit price during the period, and acquisition and transaction costs of $3.2 million (net of tax). After adjusting for fair value and other unusual items, Adjusted net earnings[1] for 2018 was $85.6 million, or 4.6% of sales. This compares to Adjusted net earnings of $58.8 million or 3.7% of sales in 2017. The increase in the Adjusted net earnings for the year is primarily the result of decreased income tax expense as a

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

result of U.S. tax reform, reduced finance costs due to the conversion and redemption of outstanding debentures in November 2017 and the contribution of new location and same-store sales growth, partially offset by increased expenses related to the enhanced benefits for U.S. employees previously announced.

Basic Earnings Per Unit was $3.944 per unit for the year ended December 31, 2018 compared to $3.160 in 2017. The increase in basic earnings per unit is primarily attributed to contributions of new location and same-store sales growth and decreased income tax expense. Diluted earnings per unit was $3.785 for the year ended December 31, 2018 compared to $2.808 in 2017. Adjusted net earnings per unit[1] was $4.349 compared to $3.182 in 2017.

Summary of Quarterly Results

(in thousands of Canadian dollars, except per unit amounts)	**2018 Q4**	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1
Sales	**$ 495,131**	$ 459,564	$ 456,627	$453,291	$ 414,619	$ 391,933	$383,981	$ 378,915
Adjusted EBITDA (1)	**$ 47,563**	$ 41,203	$ 42,494	$ 42,123	$ 41,810	$ 35,561	$ 35,478	$ 32,786
Net earnings	**$ 29,904**	$ 16,571	$ 12,828	$ 18,336	$ 23,167	$ 19,835	$ 421	$ 15,012
Basic earnings per unit	**$ 1.516**	$ 0.842	$ 0.652	$ 0.932	$ 1.206	$ 1.067	$ 0.023	$ 0.831
Diluted earnings (loss) per unit	**$ 1.190**	$ 0.752	$ 0.652	$ 0.928	$ 1.185	$ 0.396	$ (0.078)	$ 0.699
Adjusted net earnings (1)	**$ 23,174**	$ 20,403	$ 21,141	$ 20,888	$ 17,422	$ 12,473	$ 15,010	$ 13,927
Adjusted net earnings per unit (1)	**$ 1.174**	$ 1.037	$ 1.075	$ 1.062	$ 0.907	$ 0.671	$ 0.831	$ 0.771

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

Sales and adjusted EBITDA have increased in recent quarters due to the acquisition of Assured and other new locations as well as same-store sales increases.

STATUS AS A SPECIFIED INVESTMENT FLOW-THROUGH AND TAXATION

Under the previous taxation regime for income trusts, the Fund had been exempt from tax on its income to the extent that its income was distributed to unitholders. This exemption did not apply to the Company or its subsidiaries, which are corporations that are subject to income tax. Under the tax regime effective for 2010 and years thereafter for trusts, certain distributions from a "specified investment flow-through" trust or partnership ("SIFT") are no longer deductible in computing a SIFT's taxable income, and a SIFT is subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to a Canadian corporation. Foreign investment income from non-portfolio investments is not subject to the SIFT tax.

The Fund has and will continue to evaluate its structure from time to time. In 2009, the Fund investigated and evaluated its structuring alternatives in connection with the SIFT rules with a view of preserving and maximizing unitholder value. Based upon its investigation, analysis and due diligence and given its size and circumstances, the Fund determined at that time, that a change to a share corporation structure would not be advantageous to the Fund or its unitholders. This determination was based on several reasons. First, the Fund did not believe it would achieve any net tax savings by converting. Second, the Fund believed that the cost of conversion was not a prudent use of cash and was not justified by any perceived benefits from conversion for a fund of Boyd's size. Third, to the extent that the Fund paid SIFT tax, it believed that its taxable unitholders would benefit from the lower tax rate on distributions received, as it expected to be able to maintain distributions, despite any trust tax that the Fund would incur. Lastly, the Fund's distribution level to unitholders was being funded almost entirely by its U.S. operations and since distributions that are sourced from U.S. business earnings are not subject to the SIFT tax, the Fund benefited from a tax deduction at the U.S. corporate entity level for interest paid to the Fund which was distributed to unitholders.

The Fund is required to record income tax expense at its effective tax rate. The Fund's effective tax rate varies due to the fixed level of interest that is deducted from the U.S. operations and paid to the trust unitholders as distributions. This amount of interest was approximately $10.4 million for the year ended December 31, 2018 (2017 - $9.6 million). The Fund estimates that its basic Canadian provincial and federal tax rate is approximately 26% and its U.S. federal and state tax rate

is approximately 26% for the year ending December 31, 2018 and 39% for the year ending December 31, 2017. In forecasting future tax obligations, the Fund deducts the interest amount above from the U.S. taxable income to estimate the U.S. tax expense. As a result of the fixed nature of the interest deduction and the potential for change in the U.S. – Canada mix of income, it is not possible to provide a reliable estimate of the future effective tax rate for the Fund.

The following illustration is only intended to demonstrate the differences in the effective tax rate depending on the level of net income and a fixed interest deduction in the U.S. It is not a forecast of the expected effective tax rate of the Fund.

Effective tax rate (illustration only)			
Net income level [1]	$ 75,000	$ 100,000	$ 125,000
U.S. interest deduction re: distribution	(10,000)	(10,000)	(10,000)
	$ 65,000	$ 90,000	$ 115,000
Example blended tax rate (U.S. and Canada)	26.00%	26.00%	26.00%
	$ 16,900	$ 23,400	$ 29,900
Effective tax rate - % of total	22.53%	23.40%	23.92%

(1) Net income level is before tax and excludes other non-taxable adjustments such as fair value and put option adjustments.

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 December 31, 2018, the Fund had cash, net of outstanding deposits and cheques, held on deposit in bank accounts totaling $64.5 million (December 31, 2017 - $47.8 million). The net working capital ratio (current assets divided by current liabilities) was 0.81:1 at December 31, 2018 (December 31, 2017 – 0.98:1).

At December 31, 2018, the Fund had total debt outstanding, net of cash, of $232.1 compared to $182.2 million at September 30, 2018, $174.9 million at June 30, 2018, $214.9 million at March 31, 2018 and $219.1 million at December 31, 2017. Debt, net of cash, increased when compared to December 31, 2017 as a result of increased draws on the revolving credit facility and increased seller notes used to fund acquisitions.

Total debt, net of cash *(thousands of Canadian dollars)*	**December 31, 2018**	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
Revolving credit facility (net of financing costs)	**$ 222,039**	$ 173,322	$ 185,266	$ 210,240	$ 200,222
Seller notes [1]	**66,120**	51,559	54,673	55,373	57,754
Obligations under finance leases	**8,407**	8,674	8,167	8,459	8,921
Total debt	**$ 296,566**	$ 233,555	$ 248,106	$ 274,072	$ 266,897
Cash	**64,476**	51,348	73,246	59,215	47,831
Total debt, net of cash	**$ 232,090**	$ 182,207	$ 174,860	$ 214,857	$ 219,066

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

The following table summarizes the contractual obligations at December 31, 2018 and required payments over the next five years:

Contractual Obligations (thousands of Canadian dollars)	Total	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	After 5 years
Bank indebtedness	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts payable and accrued liabilities	267,991	267,991	-	-	-	-	-
Long-term debt	288,159	16,390	13,672	10,828	5,446	226,728	15,095
Obligations under finance leases	8,407	3,846	2,080	2,379	13	13	76
Operating lease obligation	535,533	93,820	85,726	75,882	63,278	47,137	169,690
Purchase obligations [(1)]	-	unknown	unknown	unknown	unknown	unknown	unknown
	$ 1,100,090	$ 382,047	$ 101,478	$ 89,089	$ 68,737	$ 273,878	$ 184,861

[(1)] Subject to fulfilling certain conditions such as meeting contractual purchase obligations and no change in control the repayment amount would be nil.

Operating Activities

Cash flow generated from operations, before considering working capital changes, was $146.5 million for the year ended December 31, 2018 compared to $116.6 million in 2017. The increase was due to increased adjusted EBITDA in 2018, resulting from new location and same-store sales growth.

In 2018, changes in working capital items provided net cash of $34.0 million compared with providing net cash of $3.1 million in 2017. 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. The decrease in tax payments due to U.S. tax reform impacted changes in working capital in 2018 when compared to 2017.

Financing Activities

Cash used by financing activities totaled $11.9 million for the year ended December 31, 2018 compared to cash provided by financing activities of $140.6 million during the prior year. During 2018, cash was provided by draws of the revolving credit facility in the amount of $67.8 million, offset by cash used to repay draws as well as long-term debt associated with seller notes in the amount of $66.1 million. Cash was also used to repay finance leases in the amount of $3.9 million and to pay distributions to unitholders and dividends to Class A common shareholders totaling $10.5 million. During 2017, cash was provided by draws on the revolving credit facility in the amount of $209.1 million, offset by cash used to repay draws as well as long-term debt associated with seller notes in the amount of $53.2 million. In 2017, cash was also used to repay finance leases in the amount of $4.3 million, to pay distributions to unitholders and dividends to Class A common shareholders totaling $9.6 million and to make payments to non-controlling interests totaling $0.2 million.

Debt Financing

On May 26, 2017, the Company entered into a second amended and restated credit agreement for a term of five years, increasing the revolving credit facility to $300 million U.S. with an accordion feature which can increase the facility to a maximum of $450 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. The Company can make draws 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 $5.0 million U.S. in Canada and $20.0 million U.S. in the U.S. At December 31, 2018, the Company has drawn $61.3 million U.S. (December 31, 2017 - $40.0 million U.S.) and $139.0 million Canadian (December 31, 2017 - $150.8 million) on the revolving credit 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 3.25; 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 3.75.

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. During 2018, the Fund entered into 19 new seller notes for an aggregate amount of $20.1 million. The Company repaid seller notes in 2018 totaling approximately $14.7 million (2017 - $12.9 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 2018, $2.8 million (2017 - $2.0 million) of expenditures for new equipment, technology infrastructure and vehicles were financed through capital leases.

Unitholders' Capital

On November 26, 2018, the Fund completed the settlement of the unit options issued on January 2, 2009. As a result of the settlement, 150,000 units were issued at an exercise price of $3.14. The fair value of the unit options at settlement was $15.4 million.

On January 2, 2018, the Fund completed the settlement of the unit options issued on January 2, 2008. As a result of the settlement, 150,000 units were issued at an exercise price of $2.70. The fair value of the unit options at settlement was $14.7 million.

On November 2, 2017, the Fund completed the early redemption and cancellation of its 5.25% Convertible Unsecured Subordinated Debentures due October 31, 2021. Subsequent to the initial announcement of the early redemption, $52.4 million principal amount of the Debentures were converted into 853,027 units of the Fund using a conversion price of $61.40 per trust unit as stated in the Trust Indenture dated as of September 29, 2014. Debentures not converted were redeemed in accordance with the provisions of the Trust Indenture dated as of September 29, 2014. On November 2, 2017, the remaining $2.5 million in Debentures were redeemed through the issuance of 28,995 units of the Fund.

During 2017, prior to the notice of early redemption, at the request of the holders, the Fund converted $1.5 million principal amount of the 2014 Debentures into 25,112 units of the Fund.

On July 4, 2017, the Company acquired the assets and business of Assured. Funding for the Assured transaction included the issuance of 537,872 units of the Fund to the sellers at a unit price of $96.15.

A unitholder is entitled to request the redemption of units at any time, and the Fund is obligated to redeem those units, subject to a cash redemption maximum of $25,000 for any one month. The redemption price is determined as the lower of 90% of the market price during the 10 trading day period commencing immediately after the date of the redemption or 100% of the closing market price on the date of redemption. No amounts were redeemed in either 2018 or 2017.

A Class A common shareholder of BGHI can exchange Class A common shares for units of the Fund upon request. The retraction of Class A common shares is achieved by BGHI issuing Class B common shares to the Fund in exchange for units of the Fund, and the units so received being delivered to the Class A shareholder requesting the retraction. For the year ended December 31, 2018, BGHI received requests and retracted 9,611 (2017 – 3,798) Class A common shares, issued 9,611 (2017 – 3,798) Class B common shares to the Fund and received 9,611 (2017 – 3,798) units of the Fund as consideration, which were delivered to the Class A shareholders in respect of the retractions.

The Fund sells the Class B shares to the Company in exchange for Notes and Class I shares to fund future distributions on the Trust units. The exchange value is equivalent to the unit value provided to the Class A common shareholder. The Fund anticipates that it will continue to sell any Class B shares of BGHI that it receives as a result of these retractions, to the Company.

The holders of the Class A common shares receive cash dividends on a monthly basis at a rate equivalent to the monthly cash distribution paid to unitholders of the Fund.

The following chart discloses outstanding unit data of the Fund, including information on all outstanding securities of the Fund and its subsidiaries that are convertible or exchangeable for units of the Fund as of March 20, 2019.

Convertible or exchangeable units of the Fund As of March 20, 2019	# or $ amount of securities outstanding	# of units to be issued in conversion or exchange by holder	Maximum # of units to be issued
Units outstanding	19,869,020	19,869,020	19,869,020
Class A common shares of BGHI [(1)]	190,610	190,610	190,610
Unit options:			
Date Granted - November 8, 2007 [(2)]	150,000	150,000	150,000
		20,209,630	20,209,630

(1) The Fund is obligated to issue units to BGHI, in exchange for Class B shares of BGHI, upon a request for retraction by the holders of the Class A shares of BGHI on a 1:1 basis.

(2) On November 8, 2007, the Fund granted options to certain key employees allowing them to exercise the right to purchase, in the aggregate, up to 450,000 units of the Fund, such options to purchase up to 150,000 units issued on each of January 2, 2008, 2009 and 2010. Effective March 20, 2019, the units may be purchased, to the extent validly exercised, on a date, at the grantee's election, between nine years and 258 days after the grant date up to and including the 10th anniversary of the grant date (September 15 to January 2 of the applicable period). The purchase price per unit under the options issued on each issue date is the greater of the closing price for units on the Toronto Stock Exchange on the option grant date (being $2.70 per unit) and the weighted average trading price of the units on the Toronto Stock Exchange for the first 15 trading days in the month of January of the year in which each issue date falls, being $2.70, $3.14 and $5.41, respectively. The cost of the options is being recognized over the term between the date when unitholder approval is obtained and the date the options become exercisable. On November 26, 2018, the Fund completed the settlement of the unit options issued on January 2, 2009. As a result of the settlement, 150,000 units were issued at an exercise price of $3.14. On January 2, 2018, the Fund completed the settlement of the unit options issued on January 2, 2008. As a result of the settlement, 150,000 units were issued at an exercise price of $2.70.

Investing Activities

Cash used in investing activities totaled $156.0 million for the year ended December 31, 2018, compared to $263.0 million used in the prior year. The investing activity in both periods related primarily to new location growth that occurred during these periods.

Acquisitions and Development of Businesses

Since the beginning of 2018, the Company has added 115 collision locations as follows:

Date	Location	Previously operated as
January 12, 2018	Lawrenceville, GA	n/a start-up
January 19, 2018	Collier County, FL (2 locations)	Autocraft Enterprises and Autocraft Naples
January 31, 2018	Sudbury, ON (4 locations)	Regent Autobody
February 20, 2018	Falcon, CO	Falcon Collision Center
February 23, 2018	Dallas, TX (3 locations)	Earth Collision Center
April 17, 2018	Seattle, WA (3 locations)	Professional Collision Group
May 1, 2018	Schaumburg, IL	n/a intake center
May 8, 2018	Merrillville, IN	n/a intake center
May 18, 2018	Alexandria, LA	Kyle's Collision Center
May 25, 2018	Atlanta, GA (2 locations)	Cherokee Collision Center
May 28, 2018	Bradford, ON	Chico's Collision
June 1, 2018	Orland Park, IL	n/a intake center
June 8, 2018	Chicago, IL	Brown's Auto Construction
June 27, 2018	Elk Grove Village, IL	Owner's Choice Collision
July 3, 2018	Aurora, ON	GaryRay Collision
July 6, 2018	Brunswick, OH	Shade's Auto Body
July 9, 2018	Nanaimo, BC	Stone Bros. Auto Body and Auto Wrecking
July 10, 2018	Elkhart, IN	Duncan RV Repair
August 3, 2018	Bessemer & Birmingham, AL	C&M Collision Center
August 3, 2018	Kenosha, WI	Jay-Bee Collision Repair Center
September 21, 2018	Dundas, ON	Terry's Autobody
September 27, 2018	Lafayette, LA	n/a start-up
October 10, 2018	Kennewick, WA	SonShine Collision Services
October 10, 2018	Springfield, IL	Dick Taylor Collision Services
October 10, 2018	Jacksonville, FL	n/a intake center
October 12, 2018	Saskatoon, SK (2 locations)	Nutana Collision
October 15, 2018	Turtle Creek, PA	Johnny Mock's Auto Body Shop
October 15, 2018	Brownsburg & Greenwood, IN	Golden Chassis
November 1, 2018	Kansas City, MO (5 locations)	A&B Body Shop, Inc.
November 1, 2018	Verona, PA	n/a start-up
November 5, 2018	LaGrange, GA	n/a start-up
November 14, 2018	Palatka, FL	n/a intake center
November 30, 2018	West Hawksbury, ON	Marchildon Autobody
November 30, 2018	Wisconsin & Northern Illinois (18 locations including 2 intake centers)	Gates Collision Centers
December 1, 2018	Winnipeg, MB	n/a start-up
December 3, 2018	McDonough, GA	n/a intake center
December 11, 2018	Albany, OR	Pacific Auto Body & Paint
December 14, 2018	Central & Western Regions, TX (9 locations)	Paceline Collision Centers
December 19, 2018	Jacksonville, NC	Stevenson Toyota Collision
December 28, 2018	Lake Havasu City, AZ	n/a start-up
January 1, 2019	Union City, GA	n/a intake center
January 9, 2019	Cayce, SC	Bob Johnson's Body Shop
January 11, 2019	Peoria, AZ	Lake Pleasant Collision Center
February 28, 2019	New York (18 locations)	Carubba Collision
March 8, 2019	Michigan (11 locations)	Dusty's, Whitney's and Wright Brothers Collision
March 15, 2019	Guelph, ON	Majestic Collision
March 18, 2019	Richland, WA	Atomic Auto Body and Detail

The Company completed the acquisition or start-up of 105 locations during 2017.

Start-ups

In 2018, the Company commenced operations in six new start-up collision repair facilities. The total combined investment in leaseholds and equipment for these facilities was approximately $2.7 million, financed through a combination of cash and finance leases. The Company commenced operations in three new start-up collision repair facilities in 2017 with a combined investment of approximately $2.4 million. The Company anticipates it will use similar start-up strategies as part of its continued growth in the future.

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 vehicles 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 and those funded through finance leases, the Company spent approximately $26.7 million or 1.4% of sales on capital expenditures during 2018, compared to $23.5 million or 1.5% of sales during 2017. Lower than expected capital expenditures during 2018 will result in some of these expenditures being incurred in 2019.

LEGAL PROCEEDINGS

Neither the Fund, Boyd nor any of its subsidiaries are involved in any legal proceedings which are material in any respect.

RELATED PARTY TRANSACTIONS

To broaden and deepen management ownership in the Fund, the Company established the Senior Managers Unit Loan Program ("Unit Loan Program") in December 2012, which facilitated the one-time purchase of 121,607 of trust units held by Brock Bulbuck, President and Chief Executive Officer, and Tim O'Day, President and Chief Operating Officer US Operations, by existing Boyd trustees and senior managers. Only senior managers were eligible to receive loan support, and only up to 75% of each senior manager's purchase. The loans bear interest at a fixed rate of 3% per annum with interest payable monthly. For the first five years of the loan, ending December 2017, 2% of the original loan amount was forgiven and applied as a reduction of the loan principal. Participants are required to make monthly payments equal to .25% of the original principal amount. Beginning March 31, 2013, participants are required to make additional minimum repayments of principal equal to the lesser of 12.5% of their annual pre-tax bonus or 12.5% of the original loan amount. Participants are required to repay the loan in full on the earlier of termination of employment, the sale of the units, or ten years from the date of loan issuance. The loan can be repaid at any time without penalty; however, the 2% future annual forgiveness would be forfeited. Units purchased are held by the Company as security for repayment of the loan. Pursuant to the conditions of the senior manager unit loan program, loan repayments by senior managers amounted to $0.1 million for 2018 (2017 - $0.2 million). At December 31, 2018, the carrying value of loans made under the Unit Loan Program was $0.1 million (2017 - $0.1 million). Subsequent to year-end, all loans made under the Unit Loan Program were fully repaid.

In certain circumstances the Company has entered into property lease arrangements where an employee of the Company is the landlord. In most cases, the Company assumes these property lease arrangements initially in connection with an acquisition. The property leases for these locations do not contain any significant non-standard terms and conditions that would not normally exist in an arm's length relationship, and the Fund has determined that the terms and conditions of the leases are representative of fair market rent values.

The following are the lease expense amounts for facilities under lease with related parties (in thousands of Canadian dollars):

Landlord	Affiliated Person(s)	Location	Lease Expires	**December 31, 2018**	December 31, 2017
Kard Properties Ltd.	Desmond D'Silva	Richmond Hill, ON	2035	**$ 188**	$ 92
Kard Properties Ltd.	Desmond D'Silva	Ottawa, ON	2035	**257**	127
Kard Properties Ltd.	Desmond D'Silva	Ajax, ON	2036	**87**	42
Kard Properties Ltd.	Desmond D'Silva	Mississauga, ON	2032	**50**	25
Kard Properties Ltd.	Desmond D'Silva	Oakville, ON	2035	**188**	92
D'Silva Real Estate Holdings Inc.	Desmond D'Silva	Barrie, ON	2032	**420**	180
Gerber Building No. 1 Ptnrp	Eddie Cheskis, & Tim O'Day	South Elgin, IL	2023	**122**	120
Kard Properties Ltd.	Desmond D'Silva	Missisauga, ON	2035	**105**	52
Kard Properties Ltd.	Desmond D'Silva	Hamilton,ON	2036	**62**	31
Kard Properties Ltd.	Desmond D'Silva	Missisauga, ON	2035	**50**	24
Kard Properties Ltd.	Desmond D'Silva	Missisauga, ON	2035	**309**	153
Kard Properties Ltd.	Desmond D'Silva	Missisauga, ON	2036	**100**	50
Kard Properties Ltd.	Desmond D'Silva	Scarborough, ON	2036	**87**	44
Kard Properties Ltd.	Desmond D'Silva	Toronto, ON	2023	**50**	25
Kard Properties Ltd.	Desmond D'Silva	Brampton, ON	2036	**100**	49
Kard Properties Ltd.	Desmond D'Silva	Hamilton, ON	2035	**103**	51
Kard Properties Ltd.	Desmond D'Silva	Woodstock, ON	2037	**67**	33
Kard Properties Ltd.	Desmond D'Silva	Etobicoke, ON	2037	**213**	105
Kard Properties Ltd.	Desmond D'Silva	Milton, ON	2035	**113**	56
Kard Properties Ltd.	Desmond D'Silva	Brantford, ON	2020	**83**	-
Kard Properties Ltd.	Desmond D'Silva	Ottawa, ON	2036	**212**	104

The Fund's subsidiary, The Boyd Group Inc., has declared dividends totaling $57 thousand (2017 – $56 thousand), through BGHI to 4612094 Manitoba Inc., an entity controlled by a senior officer of the Fund. At December 31, 2018, 4612094 Manitoba Inc. owned 107,329 (2017 – 107,329) Class A common shares and 30,000,000 (2017 – 30,000,000) voting common shares of BGHI, representing approximately 30% of the total voting shares of BGHI.

On September 29, 2017, Gerber Glass LLC, a subsidiary of the Fund, exercised its' call option, as provided for in the GA Company Agreement, to acquire the 30% non-controlling interest in Glass America LLC held by GAJV Holdings Inc. The exercise price had been calculated in accordance with the terms of the GA Company Agreement. GAJV Holdings Inc. did not agree with the calculation of the exercise price, including certain material changes, and the matter was submitted to binding arbitration in accordance with the terms of the GA Company Agreement. On January 31, 2019, the call option transaction was completed, and Gerber Glass LLC acquired the 30% non-controlling interest in Glass America LLC.

On November 26, 2018, the Fund completed the settlement of the unit options issued on January 2, 2009. As a result of the settlement 150,000 units were issued at an exercise price of $3.14. The fair value of the unit options at settlement was $15.4 million.

On January 2, 2018, the Fund completed the settlement of the unit options issued on January 2, 2008. As a result of the settlement 150,000 units were issued at an exercise price of $2.70. The fair value of the unit options at settlement was $14.7 million.

FOURTH QUARTER

Sales for the three months ended December 31, 2018 totaled $495.1 million, an increase of $80.5 million or 19.4% compared to the same period in 2017. Overall same-store sales excluding foreign exchange increased $27.8 million, or 6.8% in the fourth quarter of 2018 when compared to the fourth quarter of 2017 and increased a further $14.3 million due to the translation of same-store sales at a higher U.S. dollar exchange rate. After adjusting for one additional selling/production day, same-store sales increased 5.2% on a per day basis. Sales growth of $40.0 million was attributable to incremental sales generated from 86 new locations. The closure of under-performing facilities accounted for a decrease in sales of $1.6 million.

Gross Profit for the fourth quarter decreased to 44.3% from 45.4% in the same period in 2017. The gross margin percentage decrease is due to a combination of a higher mix of parts sales in relation to labor as well as some lower DRP pricing this quarter. Improved parts margins partially offset these negative impacts. The lower DRP pricing this quarter is the result of certain DRP performance pricing arrangements changing in a way that is currently resulting in slightly greater variability quarter to quarter.

Adjusted EBITDA for the fourth quarter of 2018 totaled $47.6 million or 9.6% of sales compared to Adjusted EBITDA of $41.8 million or 10.1% of sales in the same period of the prior year. The $5.8 million increase was primarily the result of incremental EBITDA contribution from new locations and same-store sales growth along with a lower operating expense ratio. The lower operating expense ratio is primarily the result of some expense accrual reductions as certain expense estimates changed or were firmed up at amounts that were lower than previously estimated and accrued. These expense reductions included workers compensation and advertising costs.

Current and Deferred Income Tax Expense of $6.8 million in 2018 compared to a recovery of $4.4 million in 2017. Income tax expense in the fourth quarter of 2017 was impacted by a one-time income tax recovery of approximately $13.6 million related to the revaluation of deferred tax liabilities in the U.S. based on tax reform. Income tax expense decreased in 2018 due to U.S. tax reform, which lowered the effective tax rate in the U.S. by approximately 13%.

Net Earnings for the fourth quarter was $29.9 million or $1.190 per fully diluted unit compared to net earnings of $23.2 million or $1.185 per fully diluted unit for the same period in the prior year. The net earnings in the fourth quarter of 2017 were impacted by the changes in deferred tax assets and liabilities resulting from changes in U.S. tax rates, resulting in a one-time tax recovery of $13.6 million. Also impacting net earnings in both the current and prior period was the recording of fair value adjustments for exchangeable shares, unit options and non-controlling interest put option and call liability adjustments, as well as the recording of acquisition and transaction costs. Excluding these impacts, adjusted net earnings for the fourth quarter was $23.2 million or $1.174 per unit compared to adjusted net earnings of $17.4 million or $0.907 per unit for the same period in the prior year. The increase in adjusted net earnings of $5.8 million is the result of the contribution of new location growth as well as lower operating expense ratios.

Standardized Distributable Cash for the fourth quarter increased to $57.7 million from $40.5 million for the same period in 2017. Adjusted distributable cash for the fourth quarter increased to $59.5 million from $40.9 million for the same period a year ago, representing a payout ratio of 4.5% for 2018 compared to 6.1% for the same period last year. The increase in distributable cash is primarily the result of higher Adjusted EBITDA levels.

FINANCIAL INSTRUMENTS

In order to limit the variability of earnings due to the foreign exchange translation exposure on the income and expenses of the U.S. operations, the Company may at times enter into foreign exchange contracts. These contracts are marked to market monthly with unrealized gains and losses included in earnings. The Company did not have any such contract in place during 2018 or 2017.

Transactional foreign currency risk also exists in limited 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 such foreign exchange contracts were used during 2018 or 2017.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements that present fairly the financial position, financial condition and results of operations 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 balance sheet date and reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from these estimates. The following is a summary of critical accounting estimates and assumptions that the Fund believes could materially impact its financial position, financial condition or results of operations:

Impairment of Goodwill and Intangible Assets

When testing goodwill and intangibles for impairment, the Fund uses the recorded historical cash flows of the cash generating unit ("CGU") or group of CGU's to which the asset relate for the most recent two years, and an estimate or forecast of cash flows for the next year to establish an estimate of the Fund's future cash flows. An estimate of the recoverable amount is then calculated as the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The methods used to value intangible assets and goodwill require critical estimates to be made regarding the future cash flows and useful lives of the intangible assets. Goodwill and intangible asset impairments, when recognized, are recorded as a separate charge to earnings, and could materially impact the operating results of the Fund for any particular accounting period.

Impairment of Other Long-lived Assets

The Fund assesses the recoverability of its long-lived assets, other than goodwill and intangibles, after considering the potential impairment indicated by such factors as business and market trends, the Fund's ability to transfer the assets, future prospects, current market value and other economic factors. In performing its review of recoverability, management estimates the future cash flows expected to result from the use of the assets and their potential disposition. If the discounted sum of the expected future cash flows is less than the carrying value of the assets generating those cash flows, an impairment loss would be recognized based on the excess of the carrying amounts of the assets over their estimated recoverable value. The underlying estimates for cash flows include estimates for future sales, gross margin rates and operating expenses. Changes which may impact these estimates include, but are not limited to, business risks and uncertainties and economic conditions. To the extent that management's estimates are not realized, future assessments could result in impairment charges that may have a material impact on the Fund's consolidated financial statements.

Fair Value of Financial Instruments

The Fund has applied discounted cash flow methods to establish the fair value of certain financial liabilities recorded on the statement of financial position, as well as disclosed in the notes to the financial statements. The Fund also establishes mark-to-market valuations for derivative instruments, which are assumed to represent the current fair value of these instruments. These valuations rely on assumptions regarding future interest and exchange rates as well as other economic indicators, which at the time of establishing the fair value for disclosure, have a high degree of uncertainty. Unrealized gains or losses on these derivative financial instruments may not be realized as markets change.

Income Taxes

The Fund is subject to income tax in several jurisdictions and estimates are used to determine the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Fund recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. Uncertain tax liabilities may be recognized when, despite the Fund's belief that its tax return positions are supportable, the Fund believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. The Fund believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. To the extent that the final tax outcome is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

CHANGES IN ACCOUNTING POLICIES

The Fund has adopted IFRS 15 *Revenue from Contracts with Customers* on January 1, 2018 using the modified retrospective approach, which recognizes the cumulative effect of initial application as an adjustment to the opening balance of retained earnings (deficit) at January 1, 2018 without restatement of comparatives. Beginning January 1, 2018, the Fund recognizes revenue upon completion and delivery of the repair to the customer, which has been determined to be the performance obligation that is distinct and the point at which control of the asset passes to the customer. Revenue is measured at the fair value of the consideration received. Previously, revenue was recognized to the extent that it was probable that the economic benefits would flow to the Fund, the sales price was fixed or determinable and collectability was reasonably assured. As a result, revenue that met the revenue recognition criteria under the prevailing IAS 18 was recognized in the year ended December 31, 2017. The same revenue, however, would not have met the recognition criteria under IFRS 15. As such, the impact on the consolidated financial statements as at January 1, 2018 is a decrease to opening retained earnings (deficit) of $6.7 million.

The Fund has adopted IFRS 9 *Financial Instruments* on January 1, 2018 using the modified retrospective approach. The adoption of IFRS 9 did not have a material impact on the Fund's consolidated financial statements.

The Fund has adopted the narrow-scope amendments to IFRS 2, *Share-based Payment* on January 1, 2018. The adoption of IFRS 2 did not have a material impact on the Fund's consolidated financial statements.

FUTURE ACCOUNTING STANDARDS

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

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 onto the statement of financial position through recognition of right-of-use assets and lease liabilities. IFRS 16 establishes principles for recognition, measurement, presentation and disclosure of leases.

The Fund is continuing to evaluate the impact of adopting IFRS 16 on its financial statements, but expects this standard will have a significant impact on its consolidated statement of financial position, through recognition of right-of-use assets and lease liabilities, estimated at approximately $450 million and $490 million respectively. During 2019, the Fund will recognize a decrease in operating expenses, as well as increases in depreciation expense and finance costs as a result of the depreciation of the right-of-use assets and accretion expense on the lease liability.

The Fund will apply the standard effective January 1, 2019 and plans to transition using the modified retrospective approach without restatement of prior reporting periods. The Fund expects to apply the recognition exemption for short-term leases. Other practical expedients available under the guidance are still being evaluated.

Since many of the Fund's leases are denominated in U.S. dollars, there will be additional volatility in foreign exchange amounts recognized due to the revaluation to the rate of exchange in effect at the date of the statement of financial position.

CERTIFICATION OF DISCLOSURE CONTROLS

Management's responsibility for financial information contained in this Annual Report is described on page 49. In addition, the Fund's Audit Committee of the Board of Trustees has reviewed this Annual Report, and the Board of Trustees has reviewed and approved this Annual Report prior to its release. The Fund is committed to providing timely, accurate and balanced disclosure of all material information about the Fund and to providing fair and equal access to such information. As of December 31, 2018, the Fund's management evaluated the effectiveness of the design and operation of its disclosure controls and procedures, as defined under the rules adopted by the Canadian securities regulatory authorities. Disclosure controls are procedures designed to ensure that information required to be disclosed in reports filed with securities regulatory authorities is recorded, processed, summarized and reported on a timely basis, and is accumulated and communicated to the Fund's management, including the CEO and the CFO, as appropriate, to allow timely decisions regarding required disclosure.

The Fund's management, including the CEO and the CFO, does not expect that the Fund's disclosure controls will prevent or detect all misstatements due to error or fraud. Because of the inherent limitations in all control systems, an evaluation of

controls can provide only reasonable, not absolute assurance, that all control issues and instances of fraud or error, if any, within the Fund have been detected. The Fund is continually evolving and enhancing its systems of controls and procedures. Based on the evaluation of disclosure controls, the CEO and the CFO have concluded that, subject to the inherent limitations noted above, the Fund's disclosure controls are effective in ensuring that material information relating to the Fund is made known to management on a timely basis, and is fairly presented in all material respects in this Annual Report.

CERTIFICATION ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for the design and effectiveness of internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles which incorporates International Financial Reporting Standards for publicly accountable enterprises. The Fund's management, including the CEO and the CFO, does not expect that the Fund's internal control over financial reporting will prevent or detect all misstatements due to error or fraud. Because of the inherent limitations in all control systems, an evaluation of controls can provide only reasonable, not absolute assurance, that all control issues and instances of fraud or error, if any, within the Fund have been detected. The Fund is continually evolving and enhancing its systems of internal controls over financial reporting. The CEO and CFO of the Fund have evaluated the design and effectiveness of the Fund's internal control over financial reporting as at the end of the period covered by the annual filings and have concluded that, subject to the inherent limitations noted above, the controls are sufficient to provide reasonable assurance.

In addition, during the fourth quarter of 2018, 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

The following information is a summary of certain risk factors relating to the business of the Fund and Boyd, and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Annual Report and the documents incorporated by reference herein.

The Fund and the Company are subject to certain risks inherent in the operation of the business. The Fund manages risk and risk exposures through a combination of management oversight, insurance, its system of internal controls and disclosures and sound operating policies and practices.

The Board of Trustees has the responsibility to identify the principal risks of the Fund's business and ensure that appropriate systems are in place to manage these risks. The Audit Committee has the responsibility to discuss with management the Fund's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Fund's risk assessment and risk management policies. In order to support these responsibilities, management has a risk and sustainability management committee which meets on an ongoing basis to evaluate and assess the Fund's risks.

The process being followed by the risk and sustainability management committee is a systematic one which includes identifying risks; analyzing the likelihood and consequence of risks; and then evaluating risks as to risk tolerance and control effectiveness. This approach stratifies risks into four risk categories as follows:

Extreme Risks: Immediate/ongoing action is required – involvement of senior management is required. Avoidance of the item may be necessary if risk reduction techniques are insufficient to address the risk.

High Risks: Risk item is significant and management responsibility should be specified and appropriate action taken.

Moderate Risks: Managed by specific monitoring or response procedures. Additional risk mitigation techniques could be considered if benefits exceed the cost.

Low Risks: Managed by routine procedures. No further action is required at this time.

Risks can be reduced by limiting the likelihood or the consequence of a particular risk. This can be achieved by adjusting the Company's activities, implementing additional control/monitoring processes, or insuring/hedging against certain

outcomes. Residual risk remains after mitigation and control techniques are applied to an identified risk. Awareness of the residual risk that the Fund ultimately accepts is a key benefit of the risk management process.

The following describes the risks that are most material to the Fund's business; however, this is not a complete list of the potential risks the Fund faces. There may be other risks that the Fund is not aware of, or risks that are not material today that could become material in the future.

Dependence on The Boyd Group Inc. and its Subsidiaries

The Fund is an unincorporated open-ended, limited purpose mutual fund trust which is entirely dependent upon the operations and assets of the Company through the Fund's ownership of the Notes, Class I and Class IV shares of the Company. Accordingly, the Fund's ability to make cash distributions to the unitholders will be dependent upon the ability of the Company and its subsidiaries to pay its interest and principle obligations under the Notes and to declare dividends, return capital, or make other distributions.

Operational Performance

In order to compete in the market place, the Company must consistently meet the operational performance metrics expected by its insurance company clients and its customers. Failing to deliver on metrics such as cycle time, quality of repair, customer satisfaction and cost of repair can, over time, result in reductions to pricing, repair volumes, or both. The Company has implemented processes as well as measuring and monitoring systems to assist it in delivering on these key metrics. However, there can be no assurance that the Company will be able to continue to deliver on these metrics or that the metrics themselves will not change in the future.

Acquisition Risk

The Company plans to continue to increase revenues and earnings through the acquisition of additional collision repair facilities and other businesses. The Company follows a detailed process of due diligence and approvals to limit the possibility of acquiring a non-performing location or business. However, there can be no assurance that the Company will be able to find suitable acquisition targets at acceptable pricing levels without incurring cost overruns, or that the locations acquired will achieve sales and profitability levels to justify the Company's investment.

Boyd views the United States and Canada as having significant potential for further expansion of its business. There can be no assurance that any market for the Company's services and products will develop either at the local, regional or national level. Economic instability, laws and regulations, increasing acquisition valuations and the presence of competition in all or certain jurisdictions may limit the Company's ability to successfully expand operations.

The Company has grown rapidly since 2009, through multi-location acquisitions as well as single location growth opportunities. Rapid growth can put a strain on managerial, operational, financial, human and other resources. Risks related to rapid growth include administrative and operational challenges such as the management of an expanded number of locations, the assimilation of financial reporting systems, technology and other systems of acquired companies, increased pressure on senior management and increased demand on systems and internal controls. The ability of the Company to manage its operations and expansion effectively depends on the continued development and implementation of plans, systems and controls that meet its operational, financial and management needs. If Boyd is unable to continue to develop and implement these plans, systems or controls or otherwise manage its operations and growth effectively, the Company will be unable to maintain or increase margins or achieve sustained profitability, and the business could be harmed.

A key element of the Company's strategy is to successfully integrate acquired businesses in order to sustain and enhance profitability. There can be no assurance that the Company will be able to profitably integrate and manage additional repair facilities. Successful integration can depend upon a number of factors, including the ability to maintain and grow DRP relationships, the ability to retain and motivate certain key management and staff, retaining and leveraging client and supplier relationships and implementing standardized procedures and best practices. In the event that any significant acquisition cannot be successfully integrated into Boyd's operations or performs below expectations, the business could be materially and adversely affected.

To the extent that the prior owners of businesses acquired by Boyd failed to comply with or otherwise violated applicable laws, the Company, as the successor owner, may be financially responsible for these violations and any associated undisclosed liability. The Company seeks, through systematic investigation and due diligence, and through indemnification

by former owners, to minimize the risk of material undisclosed liabilities associated with acquisitions. The discovery of any material liabilities, including but not limited to tax, legal and environmental liabilities, could have a material adverse effect on the Company's business, financial condition and future prospects.

Employee Relations and Staffing

Boyd currently employs approximately 8,568 people, of which 1,479 are in Canada and 7,089 are in the U.S. The current work force is not unionized, except for approximately 51 employees located in the U.S. who are subject to collective bargaining agreements. The automobile collision repair industry typically experiences high employee turnover rates. A shortage of qualified employees can impact the volume and pace at which collision repair shops can fix damaged vehicles. Although the Company believes that it is on good terms with its employees, there are no assurances that a disruption in service would not occur as a result of employee unrest or employee turnover. The collision repair industry is experiencing significant competition for talent, and, in particular, a limited pool of qualified technicians. There is no guarantee that a significant work disruption or the inability to maintain, replace or grow staff levels would not have a material effect on the Company.

Attracting, training, developing and retaining employees at all levels of the organization is required to effectively manage Boyd's operations. The Company has rolled out various retention and recruitment initiatives to mitigate this risk. Failure to attract, train, develop and retain employees at all levels of the organization could lead to a lack of knowledge, skills and experience required to effectively manage the business and could have a material adverse effect on the Company's business, financial condition and future performance.

Brand Management and Reputation

The Company's success is impacted by its ability to protect, maintain and enhance the value of its brands and reputation. Brand value and reputation can be damaged by isolated incidents, particularly if the incident receives considerable publicity or if it draws litigation. Incidents may occur as a result of events beyond the Company's control or may be isolated to actions that occur in one particular location. Demand for the Company's services could diminish significantly if an incident or other matter damages its brand or erodes the confidence of its insurance company clients or directly with the vehicle owners themselves. With the advent of the Internet and the evolution of social media there is an increased ability for individuals to adversely affect the brand and reputation of the Company. There can be no assurance that past or future incidents will not negatively affect the Company's brand or reputation.

Market Environment Change

The collision repair industry is subject to continual change in terms of regulations, repair processes and equipment, technology and changes in the strategic direction of clients, suppliers and competitors. The Company endeavors to stay abreast of developments and preferences in the industry and make strategic decisions to manage through these changes and potential disruptions to the traditional business model. In certain situations, the Company is involved in leading change by anticipating or developing new methods to address changing market needs. The Company however, may not be able to correctly anticipate the need for change, may not effectively implement changes, or may be required to increase spending on capital equipment to maintain or improve its relative position with competitors. There can be no assurance that market environment changes will not occur that could negatively affect the financial performance of the Company.

Reliance on Technology

As is the case with most businesses in today's environment, there is a risk associated with Boyd's reliance on computerized operational and reporting systems. Boyd makes reasonable efforts to ensure that back-up systems and redundancies are in place and functioning appropriately. Boyd has disaster recovery programs to protect against significant system failures. Although a computer system failure would not be expected to critically damage the Company in the long term, there can be no assurance that a computer system crash or like event would not have a material impact on its financial results. Reliance on technology in order to gain or maintain competitive advantage is becoming more significant and therefore the Company is faced with determining the appropriate level of investment in new technology in order to be competitive. There can be no assurance that the Company will correctly identify or successfully implement the appropriate technologies for its operations.

Increased reliance on computerized operational and reporting systems also results in increased cyber security risk, including potential unauthorized access to customer, supplier and employee sensitive information, corruption or loss of data and release of sensitive or confidential information. Disruptions due to cyber security incidents could aversely affect the

business, results of operations and financial condition. Cyber security incidents could result in operational delays, disruption to work flow and reputational harm. There can be no assurance that Boyd will be able to anticipate, prevent or mitigate rapidly evolving types of cyber-attacks.

Foreign Currency Risk

In the past, the Company has financed acquisitions of U.S. businesses in part by making U.S. denominated loans available under its credit facilities that could then be serviced and repaid from anticipated future U.S. earnings streams. Although this natural hedging strategy is partially effective in mitigating future foreign currency risks, a substantial portion of Boyd's revenue and cash flow are now, and are expected to continue to be, generated in U.S. dollars. Fluctuations in exchange rates between the Canadian dollar and the U.S. currency may have a material adverse effect on the Company's reported earnings and cash flows and its ability to make future Canadian dollar cash distributions. Fluctuations in the exchange rates between the Canadian dollar and the U.S. currency may also have a material adverse effect on the Fund's unit price.

There can be no assurance that fluctuations in the U.S dollar relative to the Canadian dollar can be hedged effectively for long periods of time and there can be no assurances given that any currency hedges or partial hedges in place would remain effective in the future.

Loss of Key Customers

A high percentage of the Company's revenues are derived from insurance companies. Over the past 25+ years, many private insurance companies have implemented DRP's with collision repair operators who have been recognized as consistent high quality, performance based repairers in the industry. The Company's ability to continue to grow its business, as well as maintain existing business volume and pricing, is largely reliant on its ability to maintain these DRP relationships. The Company continues to develop and monitor these relationships through ongoing measurement of the success factors considered critical by insurance clients. The loss of any existing material DRP relationship, or a material component of a significant DRP relationship, could have a material adverse effect on Boyd's operations and business prospects. Of the top five non-government owned insurance companies that the Company deals with, which in aggregate account for approximately 40% (2017 – 44%) of total sales, one insurance company represents approximately 13% (2017 – 14%) of the Company's total sales, while a second insurance company represents approximately 11% (2017 – 13%).

DRP relationships are governed by agreements that are usually cancellable upon short notice. These relationships can change quickly, both in terms of pricing and volumes, depending upon collision repair shop performance, cycle time, cost of repair, customer satisfaction, competition, insurance company management, program changes and general economic activity. To mitigate this risk, management fosters close working relationships with its insurance company clients and customers and the Company continually seeks to diversify and grow its client base both in Canada and the U.S. There can be no assurance given that relationships with insurance company clients will not change in the future, which could impair Boyd's revenues and result in a material adverse effect on the Company's business.

Decline in Number of Insurance Claims

The automobile collision repair industry is dependent on the number of accidents which occur and, for the most part, become repairable insurance claims. The volume of accidents and related insurance claims can be significantly impacted by technological disruption and changes in technology such as ride sharing, collision avoidance systems, driverless vehicles and other safety improvements made to vehicles. Other changes which have and can continue to affect insurance claim volumes include, but are not limited to, weather, general economic conditions, unemployment rates, changing demographics, vehicle miles driven, new vehicle production, insurance policy deductibles, auto insurance premiums, photo radar and graduated licensing. In addition, repairable claims volumes have been and can continue to be impacted by an increased number of non-repairable claims or "write-offs". There can be no assurance that a significant decline in insurance claims will not occur, which could impair Boyd's revenues and result in a material adverse effect on the Company's business.

Margin Pressure and Sales Mix Changes

The Company's costs to repair vehicles, including the cost of parts, materials and labour are market driven and can fluctuate either suddenly or over time. Increasing vehicle complexity due to advances in technology may also increase the cost associated with vehicle repair. The Company is not always able to pass these cost increases on to end users in the form of higher selling prices to its customers and/or its insurance company clients. As a result, there can be no assurance that increases in the costs to repair vehicles will ultimately be recoverable from its insurance company clients and customers.

While negotiations with insurance companies and other influencing factors over time can result in selling price increases, the timing and extent of such increases is not determinable. In addition, some DRP relationships contain performance based pricing, which can impact margins. There can be no assurance that increases in the costs to repair vehicles will ultimately be recoverable from the Company's clients or customers.

The Company's margin is also impacted by the mix of collision repair, retail glass and glass network sales as well as the mix of parts, labour and materials within each business area. There can be no assurance that changes to sales mix will not occur that could negatively impact the financial performance of the Company.

The Company currently makes its own part sourcing decisions for parts used in the provision of vehicle repair services. The Company's clients could, in the future, decide to source products directly, impose the use of certain parts suppliers on the Company or otherwise change the parts sourcing process. Such a decision could have an adverse effect on the Company's margin.

Weather Conditions

The effect of weather conditions on collision repair volume represents an element of risk to the Company's ability to maintain sales. Historically, extremely mild winters and dry weather conditions have had a negative impact on collision repair sales volumes. Natural disasters resulting in business interruption could also negatively impact the Company's operations. Climate change has increased the frequency and severity of natural disasters and extreme weather condition events. Even with market share gains, weather-related decline in market size can result in sales declines which could have a material impact on the Company's business. Business interruption due to natural disasters and extreme weather condition events may result in store closures, which could have a material adverse effect on the Company's business.

Competition

The collision repair industry in North America, estimated at approximately $30 to $40 billion U.S. is very competitive. The main competitive factors are price, service, quality, customer satisfaction and adherence to various insurance company processes and performance requirements. There can be no assurance that Boyd's competitors will not achieve greater market acceptance due to pricing or other factors.

Although competition exists mainly on a regional basis, Boyd competes with a small number of other multi-location collision repair operators in multiple markets in which it operates.

Given these industry characteristics, existing or new competitors, including other automotive-related businesses, may become significantly larger and have greater financial and marketing resources than Boyd. The recent merger of two of the four largest multi-location collision repair operators has resulted in a combined entity that is twice the current size of Boyd in terms of revenues. Competitors may compete with Boyd in rendering services in the markets in which Boyd currently operates and also in seeking existing facilities to acquire, or new locations to open, in markets in which Boyd desires to expand. There can be no assurance that the Company will be able to maintain or achieve its desired market share.

Access to Capital

The Company grows, in part, through future acquisitions or start-up of collision and glass repair and replacement businesses. There can be no assurance that Boyd will have sufficient capital resources available to implement its growth strategy. Inability to raise new capital, in the form of debt or equity, could limit Boyd's future growth through acquisition or start-up.

The Company will endeavour, through a variety of strategies, to ensure in advance that it has sufficient capital for growth. Potential sources of capital that the Company has been successful at accessing in the past include public and private equity placements, convertible debt offerings, using equity securities to directly pay for a portion of acquisitions, capital available through strategic alliances with trading partners, capital lease financing, seller financing and both senior and subordinate debt facilities or by deferring possible future purchase price payments using contingent consideration and call or put options. There can be no assurance that the Company will be successful in accessing these or other sources of capital in the future.

The Company and its subsidiaries use financial leverage through the use of debt, which have debt service obligations. The Company's ability to refinance or to make scheduled payments of interest or principal on its indebtedness will depend on its

future operating performance and cash flow, which are subject to prevailing economic conditions, prevailing interest rates, and financial, competitive, business and other factors, many of which are beyond its control.

The Company's revolving credit facilities contain restrictive covenants that limit the discretion of the Company's management and the ability of the Company to incur additional indebtedness, to make acquisitions of collision repair businesses, to create liens or other encumbrances, to pay dividends and fund distributions, to redeem any equity or debt, or to make investments, capital expenditures, loans or guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. In addition, the revolving credit facilities contain a number of financial covenants that require the Fund and its subsidiaries to meet certain financial ratios and financial condition tests. A failure to comply with the obligations under these credit facilities could result in an event of default, which, if not cured or waived, could permit acceleration of the relevant indebtedness. If the indebtedness were to be accelerated, there can be no assurance that the assets of the Company and its subsidiaries would be sufficient to repay the indebtedness in full. There can also be no assurance that the Company will be able to refinance the credit facilities as and when they mature. The revolving credit facility is secured by the assets of the Company.

Dependence on Key Personnel

The success of the Company is dependent on the services of a number of members of management. The experience and talent of these individuals is a significant factor in Boyd's continued success and growth. The loss of one or more of these individuals could have a material adverse effect on the Company's business operations and prospects. The Company has entered into management agreements with key members of management in order to mitigate this risk.

Tax Position Risk

The Fund and its subsidiaries account for income tax positions in accordance with accounting standards for income taxes, which require that the Company recognize in the financial statements, the impact of a tax position, if that position is more likely than not of being sustained on examination by taxation authorities, based on the technical merits of the position.

Inherent risks and uncertainties can arise over tax positions taken, or expected to be taken, with respect to matters including but not limited to acquisitions, transfer pricing, inter-company charges and allocations, financing charges, fees, related party transactions, tax credits, tax based incentives and stock based transactions. Management uses tax experts to assist the Fund in correctly applying and accounting for the tax rules, however there can be no assurance that a position taken will not be challenged by the taxation authorities that could result in an unexpected material financial obligation.

Expenses incurred by the Fund are only deductible to the extent they are reasonable. There can be no assurance that the taxation authorities will not challenge the reasonableness of certain expenses. If such a challenge were successful against the Fund, it may materially and adversely affect the distributable cash flow of the Fund. Management of the Fund believes the expenses inherent in the structure of the Fund are supportable and reasonable in the circumstances.

The Units will cease to be qualified investments for a Registered Plan under the Tax Act unless the Units are listed on a "designated stock exchange" (as defined in the Tax Act) or the Company qualifies as a "mutual fund trust" (as defined in the Tax Act).

Securities received from the Company as a result of a redemption of Units may not be qualified investments for a Registered Plan, which may result in adverse tax consequences for the Registered Plan and the annuitant under, or the holder of, the Registered Plan.

There can be no assurance that additional changes to the taxation of income trust or corporations or changes to other government laws, rules and regulations, either in Canada or the U.S., will not be undertaken which could have a material adverse effect on the Fund's unit price and business. There can be no assurance the Fund will benefit from these rules, that the rules will not change in the future or that the Fund will avail itself of them.

Quality of Corporate Governance

Securities law imposes statutory civil liability for misrepresentations in continuous disclosure documents including failure to make timely disclosure. Investors have a right of action if they are harmed by a misrepresentation in an issuer's disclosure document or in a public oral statement relating to an issuer, or the failure of an issuer to make timely disclosure of a material change. Potentially liable parties include the issuer, each officer or Trustee of the issuer who authorizes, permits or

acquiesces in the release of the document containing a misrepresentation, the making of the public statement containing a misrepresentation or in the failure to make a timely disclosure.

Under the Ontario Securities Act, section 138.4(6), a due diligence defense is available. The due diligence defense requires the following items to be addressed:

- the issuer must have a system designed to ensure the issuer is meeting its disclosure obligations;
- the defendant must have conducted a reasonable investigation to support reliance on the system; and
- defendants must have no reasonable grounds to believe that the document or a public oral statement contained a misrepresentation or that the failure to make the required disclosure would occur.

The Fund is keenly aware of the significance of these laws and the interrelationships between civil liability, disclosure controls and good governance. The Fund has adopted policies, practices and processes to reduce the risk of a governance or control breakdown. A statement of the Fund's governance practices is included in the Fund's most recent information circular which can be found at www.sedar.com. Although the Fund believes it follows good corporate governance practices, there can be no assurance that these practices will eliminate or mitigate the impact of a material lawsuit in this area.

The area of governance is growing to encompass not only traditional governance matters, but also environmental and social matters. This area is often referred to as Environmental, Social and Governance, or "ESG". Increased awareness and attention by investors to ESG matters means that the Company needs to become more transparent in developing and reporting on ESG initiatives and increase or add ESG initiatives where there are significant gaps. The Fund is developing and enhancing ESG reporting and initiatives and during 2018 has adopted policies on reporting and anti-retaliation, occupational health and safety, non-discrimination, human rights, diversity and anti-corruption, which are available on the Boyd website at www.boydgroup.com.

Economic Downturn

Historically the auto collision repair industry has proven to be resilient to economic downturns along with the accompanying unemployment, and while the Company works to mitigate the effect of economic downturn on its operations, economic conditions, which are beyond the Company's control, could lead to a decrease in accident repair claims volumes due to fewer miles driven or due to vehicle owners being less inclined to have their vehicles repaired. It is difficult to predict the severity and the duration of any decrease in claims volumes resulting from an economic downturn and the accompanying unemployment and what affect it may have on the auto collision repair industry, in general, and the financial performance of the Company in particular. There can be no assurance that an economic downturn would not negatively affect the financial performance of the Company.

Increased Government Regulation and Tax Risk

The Fund, the Company and its subsidiaries are subject to various federal, provincial, state and local laws, regulations and taxation authorities. Various federal, provincial, state and local agencies as well as other governmental departments administer such laws, regulations and their related rules and policies. New laws governing the Fund or its business could be enacted or changes or amendments to existing laws and regulations could be enacted which could have a significant impact on Boyd. For example, privacy legislation continues to evolve rapidly and tariff changes are being introduced with greater frequency. The Fund utilizes the services of professional advisors in the areas of taxation, environmental, health and safety, labour and general business law to mitigate the risk of non-compliance. Failure by the Fund to comply with the applicable laws, regulations or tax changes may subject it to civil or regulatory proceedings and no assurance can be given that this will not have a material impact on the Fund or its financial results.

Canada, Maryland, Delaware and urban centers in Utah and California have regulations to limit emissions pollutants used in a number of consumer and commercial products including automotive paint and coatings. As a result, the automobile collision repair industry in those regions has adapted their refinish processes and equipment to waterborne basecoat technology. The Company also converts all new U.S. operations to waterborne basecoat technology and has converted all new locations since August 2009. Although to date, there have been no negative consequences to this conversion there can be no assurance that conversion to this new technology or compliance with legislation will not have a material adverse affect on the Fund's business or financial results.

From time to time, the Fund has, and will continue to evaluate structuring alternatives. In 2009, the Fund investigated and

evaluated its structuring alternatives in connection with the SIFT rules with a view of preserving and maximizing unitholder value. Based upon its investigation, analysis and due diligence and given its size and circumstances, the Fund determined at that time, that a change to a share corporation structure would not be advantageous to the Fund or its unitholders. This determination was made based on several reasons. First, the Fund did not believe it would achieve any net tax savings by converting. Second, the Fund believed that the cost of conversion was not a prudent use of cash and was not justified by any perceived benefits from conversion for a fund of its size. Third, to the extent that the Fund paid SIFT tax, it believed that its taxable unitholders would benefit from the lower tax rate on distributions received, as it was expected to be able to maintain distributions, despite any trust tax that the Fund would incur. Lastly, the Fund's distributions to unitholders were funded almost entirely by U.S. operations. Fund distributions that are sourced from U.S. business earnings are not subject to the SIFT tax. There can be no assurance that additional changes to the taxation of income trusts or corporations or changes to other government laws, rules and regulations, either in Canada or the U.S., will not be undertaken which could have a material adverse effect on the Fund's unit price and business. There can be no assurance that the Fund will benefit from these rules, that the rules will not change in the future or that the Fund will avail itself of them.

Environmental, Health and Safety Risk

The nature of the collision repair business means that hazardous substances must be used, which could cause damage to the environment or individuals if not handled properly. The Company's environmental protection policy requires environmental site assessments to be performed on all business locations prior to acquisition, start-up or relocation so that any existing or potential environmental situations can be remedied or otherwise appropriately addressed. It is also Boyd's practice to secure environmental indemnification from landlords and former owners of acquired collision repair businesses, where such indemnification is available. Boyd also engages a private environmental consulting firm to perform regular compliance reviews to ensure that the Company's environmental and health and safety policies are followed.

To date, the Company has not encountered any environmental protection requirements or issues which would be expected to have a material financial or operational effect on its current business and it is not aware of any material environmental issues that could have a material impact on future results or prospects. No assurance can be given, however, that the prior activities of Boyd, or its predecessors, or the activities of a prior owner or lessee, have not created a material environmental problem or that future uses or evolving regulations will not result in the imposition of material environmental, health or safety liability upon Boyd.

Fluctuations in Operating Results and Seasonality

The Company's operating results have been and are expected to continue to be subject to quarterly fluctuations due to a variety of factors including changes in customer purchasing patterns, pricing paid to insurance companies, general operating effectiveness, automobile technologies, general and regional economic downturns, unemployment rates and weather conditions. These factors can affect Boyd's ability to fund ongoing operations and finance future activities.

Risk of Litigation

The Fund and its subsidiaries could become involved in various legal actions in the ordinary course of business. Litigation loss accruals may be established if it becomes probable that the Fund will incur an expense and the amount can be reasonably estimated. The Fund's management and internal and external experts are involved in assessing the probability and in estimating any amounts involved. Changes in these assessments may lead to changes in recorded loss accruals. Claims are reviewed on a case by case basis, taking into consideration all information available to the Fund.

The actual costs of resolving claims could be substantially higher or lower than the amounts accrued. In certain cases, legal claims may be covered under the Fund's various insurance policies.

Execution on New Strategies

New initiatives are introduced from time to time in order to grow Boyd's business. Initiatives such as entering new markets, introducing and improving related products and services, or identifying new strategies to capture additional market share have the potential to be accretive to the Company's business when the opportunity is accurately identified and executed. There can be no assurance that the Company identifies new strategies that are accretive to the business or that it is successful in implementing such initiatives.

Insurance Risk

The Fund insures its property, plant and equipment, including vehicles through insurance policies with insurance carriers located in Canada and the U.S. Included within these policies is insurance protection against property loss and general liability. The Fund also insures its directors and officers against liabilities arising from errors, omissions and wrongful acts. Management uses its knowledge, as well as the knowledge of experienced brokers, to ensure that insurable risks are insured appropriately under terms and conditions that would protect the Fund and its subsidiaries from losses. There can be no assurance that all perils would be fully covered or that a material loss would be recoverable under such insurance policies.

Cash Distributions Not Guaranteed

The Fund and BGHI receive cash in the form of interest payments on the Notes and dividends from the Company or its subsidiaries. The Fund and BGHI distribute the cash they receive, net of expenses and amounts reserved, to unitholders and Class A common shareholders respectively. The actual amount of cash received and ultimately distributed by the Fund and BGHI in the future will depend upon numerous factors, including profitability, fluctuations in working capital, sustainability of margins, required capital expenditures, the need to maintain productive capacity, required funding of long-term contractual obligations, required funding to meet growth targets, repurchases of units, restrictions on distributions arising from compliance with financial debt covenants, taxation on income or on distributions and debt repayments expected to be funded by cash flows generated from operations. There can be no assurance regarding the amount of distributable cash generated by the Company or its subsidiaries, and therefore no assurance as to the amount of cash which may be distributed by the Fund or BGHI in the future.

Unitholder Limited Liability is Subject to Contractual and Statutory Assurances That May Have Some Enforcement Risks

The Declaration of Trust provides that no Unitholder will be subject to any liability in connection with the Fund or its obligations and affairs and, in the event that a court determines Unitholders are subject to any such liabilities, the liabilities will be enforceable only against, and will be satisfied only out of, the Fund's assets.

However, there remains a risk, which is considered by the Fund to be remote in the circumstances, that a Unitholder could be held personally liable, despite such statement in the Declaration of Trust, for the obligations of the Fund to the extent that claims are not satisfied out of the assets of the Fund.

Real Estate Management

The Fund has various operating lease commitments, primarily in respect of leased premises for the majority of repair locations. Beginning January 1, 2019, the Fund will be required to bring most leases on-balance sheet through recognition of related assets and liabilities. This will have a significant impact on both the reported financial condition and results of operations of the Fund.

Interest Rates

The Company occasionally fixes the interest rate on its debt using interest rate swap contracts or other provisions available in its debt facilities. There can be no guarantee that interest rate swaps or other contract terms that effectively turn variable rate debt into fixed rates will be an effective hedge against long-term interest rate fluctuations.

The Company has not fixed interest rates within its revolving credit facility. There can be no assurance that interest rates either in Canada or the U.S. will not increase in the future, which could result in a material adverse effect on the Company's business.

U.S. Health Care Costs and Workers Compensation Claims

The Fund accrues for the estimated amount of U.S. health care claims and workers compensation claims that may have occurred but were not reported at the end of the reporting period under its health care and workers compensation plans. The accruals are based upon the Company's knowledge of current claims as well as third party estimates derived from past experience. Significant claim occurrences which remain unreported for a number of months could materially impact this accrual. In addition, as U.S health care costs increase, there can be no assurance given that the Company can continue to offer health care insurance to its employees at a reasonable cost.

Low Capture Rates

Sales growth can be enhanced if the Company is effective at booking repair orders for all sales opportunities that are identified. The Company is exposed to missed jobs to the extent employees are ineffective at capturing all sales opportunities. Measurement of capture rates, management support and training are methods that are employed to enhance capture rates. However, it is possible that the Company may not be able to capture sales effectively enough to maximize sales.

Energy Costs

The Company is exposed to fluctuations in the price of energy. These costs not only impact the costs associated with occupying and operating collision repair facilities but may also affect costs of parts and materials used in the repair process as well as miles driven by automobile owners. There can be no assurance that escalating costs which cannot be offset by energy conservation practices, price increases to clients and customers or productivity gains, would not result in materially lower operating margins. As well, there can be no assurance that escalating energy costs will not materially reduce automobile miles driven and in turn reduce the number of collisions.

Capital Expenditures

The business of the Company requires ongoing capital maintenance. Moreover, opportunities may arise for capital upgrades providing returns or cost savings that may not be realized in the immediate future but, rather, over several years. As vehicle technology advances and market needs change, the capital intensity of the industry is changing, requiring expenditures in excess of historical capital maintenance levels. To the extent that capital expenditures are in excess of amounts budgeted, the amounts of cash available for distribution may decrease.

ADDITIONAL INFORMATION

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

FORM 52-109F1
CERTIFICATION OF ANNUAL FILINGS
FULL CERTIFICATE

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

1. ***Review:*** I have reviewed the AIF, if any, annual financial statements and annual MD&A, including, for greater certainty, all documents and information that are incorporated by reference in the AIF (together, the "annual filings") of **Boyd Group Income Fund** (the "issuer") for the financial year ended **December 31, 2018**.
2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the annual 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, for the period covered by the annual filings.
3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual 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 annual 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 financial year end

   (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 annual 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. ***Evaluation:*** The issuer's other certifying officer(s) and I have

   (a) evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's DC&P at the financial year end and the issuer has disclosed in its annual MD&A our conclusions about the effectiveness of DC&P at the financial year end based on that evaluation; and

   (b) evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's ICFR at the financial year end and the issuer has disclosed in its annual MD&A

      (i) our conclusions about the effectiveness of ICFR at the financial year end based on that evaluation; and

(ii) N/A

7. ***Reporting changes in ICFR:*** The issuer has disclosed in its annual MD&A any change in the issuer's ICFR that occurred during the period beginning on October 1, 2018 and ended on December 31, 2018 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.
8. **Reporting to the issuer's auditors and board of directors or audit committee:** The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of ICFR, to the issuer's auditors, and the board of directors or the audit committee of the board of directors any fraud that involves management or other employees who have a significant role in the issuer's ICFR.

Date: March 21, 2019

(signed)

Brock Bulbuck
Chief Executive Officer

FORM 52-109F1
CERTIFICATION OF ANNUAL FILINGS
FULL CERTIFICATE

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

1. ***Review:*** I have reviewed the AIF, if any, annual financial statements and annual MD&A, including, for greater certainty, all documents and information that are incorporated by reference in the AIF (together, the "annual filings") of **Boyd Group Income Fund** (the "issuer") for the financial year ended **December 31, 2018**.
2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the annual 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, for the period covered by the annual filings.
3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual 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 annual 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 financial year end

   (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 annual 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. ***Evaluation:*** The issuer's other certifying officer(s) and I have

   (a) evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's DC&P at the financial year end and the issuer has disclosed in its annual MD&A our conclusions about the effectiveness of DC&P at the financial year end based on that evaluation; and

   (b) evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's ICFR at the financial year end and the issuer has disclosed in its annual MD&A

      (i) our conclusions about the effectiveness of ICFR at the financial year end based on that evaluation; and

(ii) N/A

7. ***Reporting changes in ICFR:*** The issuer has disclosed in its annual MD&A any change in the issuer's ICFR that occurred during the period beginning on October 1, 2018 and ended on December 31, 2018 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.
8. **Reporting to the issuer's auditors and board of directors or audit committee:** The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of ICFR, to the issuer's auditors, and the board of directors or the audit committee of the board of directors any fraud that involves management or other employees who have a significant role in the issuer's ICFR.

Date: March 21, 2019

(signed)

Narendra Pathipati
Executive Vice President & Chief Financial Officer

BOYD GROUP INCOME FUND

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2018

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

These consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Management is responsible for their integrity, objectivity and reliability, and for the maintenance of financial and operating systems, which include effective controls, to provide reasonable assurance that the Fund's assets are safeguarded and that reliable financial information is produced.

The Board of Trustees is responsible for ensuring that management fulfills its responsibilities for financial reporting, disclosure control and internal control. The Board exercises these responsibilities through its Audit Committee, all members of which are not involved in the daily activities of the Fund. The Audit Committee meets with management and, as necessary, with the independent auditors, Deloitte LLP, to satisfy itself that management's responsibilities are properly discharged and to review and report to the Board on the consolidated financial statements.

In accordance with Canadian generally accepted auditing standards, the independent auditors conduct an examination each year in order to express a professional opinion on the consolidated financial statements.

(signed)

Brock Bulbuck
Chief Executive Officer

(signed)

Narendra Pathipati
Executive Vice President & Chief Financial Officer

Winnipeg, Manitoba
March 20, 2019

Deloitte LLP
360 Main Street
Suite 2300
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Canada

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Independent Auditor's Report

To the Unitholders of Boyd Group Income Fund

Opinion

We have audited the consolidated financial statements of Boyd Group Income Fund and its subsidiaries (the "Fund"), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, and the consolidated statements of earnings, comprehensive earnings, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis and the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Fund to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Michael Boucher.

Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 20, 2019

BOYD GROUP INCOME FUND
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at December 31,
(thousands of Canadian dollars)

	Note	**2018**	2017
Assets			
Current assets:			
Cash		**$ 64,476**	$ 47,831
Accounts receivable	*15*	**105,088**	104,545
Income taxes recoverable		**3,064**	6,662
Inventory	*6*	**41,804**	27,011
Prepaid expenses		**30,292**	25,294
		244,724	211,343
Property, plant and equipment	*7*	**253,103**	196,099
Deferred income tax asset	*8*	**-**	106
Intangible assets	*9*	**295,789**	251,902
Goodwill	*10*	**439,867**	351,943
		$ 1,233,483	$ 1,011,393
Liabilities and Equity			
Current liabilities:			
Accounts payable and accrued liabilities		**$ 267,991**	$ 195,837
Distributions and dividends payable	*11*	**902**	869
Current portion of long-term debt	*12*	**16,390**	15,134
Current portion of obligations under finance leases	*13*	**3,846**	3,652
Non-controlling interest call liability	*15*	**13,651**	-
		302,780	215,492
Long-term debt	*12*	**271,769**	242,842
Obligations under finance leases	*13*	**4,561**	5,269
Deferred income tax liability	*8*	**39,882**	26,302
Exchangeable Class A common shares	*11, 15*	**21,549**	20,218
Unit based payment obligation	*16*	**14,936**	40,185
Non-controlling interest put option and call liability	*15*	**6,905**	21,242
		662,382	571,550
Equity			
Accumulated other comprehensive earnings	*19*	**77,637**	38,810
Retained earnings (deficit)		**14,038**	(46,432)
Unitholders' capital	*20*	**475,424**	443,463
Contributed surplus	*21*	**4,002**	4,002
		571,101	439,843
		$ 1,233,483	$ 1,011,393

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

Approved by the Board:

BROCK BULBUCK
Trustee

ALLAN DAVIS
Trustee

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

	Note	Unitholders' Capital		Contributed	Accumulated Other	Retained	
					Comprehensive	Earnings	
		Units	Amount	Surplus	Earnings	(Deficit)	Total Equity
Balances - January 1, 2017		18,065,060	$ 306,261	$ 4,002	$ 65,560	$ (95,285)	$ 280,538
Issue costs (net of tax of $nil)			(192)				(192)
Units issued in connection with acquisition		537,872	51,716				51,716
Retractions	15	3,798	355				355
Conversion and redemption of convertible debentures		907,134	85,323				85,323
Other comprehensive loss					(26,750)		(26,750)
Net earnings						58,435	58,435
Comprehensive earnings					(26,750)	58,435	31,685
Distributions to unitholders	11					(9,582)	(9,582)
Balances - December 31, 2017		19,513,864	$ 443,463	$ 4,002	$ 38,810	$ (46,432)	$ 439,843
Issue costs (net of tax of $nil)			(101)				(101)
Units issued from treasury in connection with options exercised	16	300,000	31,020				31,020
Retractions	15	9,611	1,042				1,042
Other comprehensive earnings					38,827		38,827
Net earnings						77,639	77,639
Comprehensive earnings					38,827	77,639	116,466
Adjustment on adoption of IFRS 15 (net of tax of $1,804)	2					(6,731)	(6,731)
Distributions to unitholders	11					(10,438)	(10,438)
Balances - December 31, 2018		19,823,475	$ 475,424	$ 4,002	$ 77,637	$ 14,038	$ 571,101

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

BOYD GROUP INCOME FUND
CONSOLIDATED STATEMENTS OF EARNINGS
For the years ended December 31,
(thousands of Canadian dollars, except unit and per unit amounts)

	Note		**2018**		2017
Sales	*24*	**$**	**1,864,613**	$	1,569,448
Cost of sales			**1,022,162**		851,075
Gross profit			**842,451**		718,373
Operating expenses			**669,068**		572,738
Acquisition and transaction costs			**4,298**		2,149
Depreciation of property, plant and equipment	*7*		**34,067**		28,057
Amortization of intangible assets	*9*		**17,674**		13,608
Fair value adjustments	*14*		**4,787**		8,167
Finance costs			**10,283**		16,505
			740,177		641,224
Earnings before income taxes			**102,274**		77,149
Income tax expense					
Current	*8*		**12,143**		16,130
Deferred	*8*		**12,492**		2,584
			24,635		18,714
Net earnings		**$**	**77,639**	$	58,435

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

Basic earnings per unit	*29*	**$**	**3.944**	$	3.160
Diluted earnings per unit	*29*	**$**	**3.785**	$	2.808
Basic weighted average number of units outstanding	*29*		**19,684,337**		18,489,781
Diluted weighted average number of units outstanding	*29*		**19,856,163**		18,714,443

BOYD GROUP INCOME FUND
CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS
For the years ended December 31,
(thousands of Canadian dollars)

			2018		2017
Net earnings		**$**	**77,639**	$	58,435
Other comprehensive earnings (loss)					
Items that may be reclassified subsequently to Consolidated Statements of Earnings					
Change in unrealized earnings on translating financial statements of foreign operations	*19*		**38,827**		(26,750)
Other comprehensive earnings (loss)			**38,827**		(26,750)
Comprehensive earnings		**$**	**116,466**	$	31,685

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

BOYD GROUP INCOME FUND
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31,
(thousands of Canadian dollars)

	Note		2018		2017
Cash flows from operating activities					
Net earnings		**$**	**77,639**	$	58,435
Items not affecting cash					
Fair value adjustments	*14*		**4,787**		8,167
Deferred income taxes			**12,492**		2,584
Amortization of discount on convertible debt			**-**		5,657
Amortization of intangible assets	*9*		**17,674**		13,608
Depreciation of property, plant and equipment	*7*		**34,067**		28,057
Other			**(167)**		98
			146,492		116,606
Changes in non-cash working capital items	*30*		**34,023**		3,066
			180,515		119,672
Cash flows (used in) from financing activities					
Fund units issued from treasury in connection with options exercised	*16, 31*		**876**		-
Issue costs	*31*		**(101)**		(192)
Increase in obligations under long-term debt	*12, 31*		**67,799**		209,053
Repayment of long-term debt	*12, 31*		**(66,079)**		(53,212)
Repayment of obligations under finance leases	*31*		**(3,906)**		(4,349)
Dividends and distributions paid	*31*		**(10,522)**		(9,618)
Payment to non-controlling interests	*31*		**-**		(221)
Payment of financing costs			**-**		(859)
			(11,933)		140,602
Cash flows used in investing activities					
Proceeds on sale of equipment and software	*7*		**565**		750
Equipment purchases and facility improvements			**(25,742)**		(23,133)
Acquisition and development of businesses (net of cash acquired)			**(129,948)**		(240,155)
Software purchases and licensing	*9*		**(909)**		(416)
			(156,034)		(262,954)
Effect of foreign exchange rate changes on cash			**4,097**		(3,004)
Net increase (decrease) in cash position			**16,645**		(5,684)
Cash, beginning of year			**47,831**		53,515
Cash, end of year		**$**	**64,476**	$	47,831
Income taxes paid		**$**	**8,258**	$	25,568
Interest paid		**$**	**10,181**	$	10,865

The accompanying notes are an integral part of these 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 and Assured Automotive, as well as in 25 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 34 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"), which offers glass, emergency roadside and first notice of loss services with approximately 5,500 glass provider locations and 4,600 Emergency Roadside Services provider locations throughout the U.S.

The units of the Fund are listed on the Toronto Stock Exchange and trade under the symbol "BYD.UN". The head office and principal address of the Fund are located at 1745 Ellice Avenue, Winnipeg, Manitoba, Canada, R3H 1A6.

The consolidated financial statements for the year ended December 31, 2018 (including comparatives) were approved and authorized for issue by the Board of Trustees on March 20, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

The consolidated financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements are presented in thousands of Canadian dollars, except unit, share and per unit/share amounts.

b) Revenue recognition

The Fund has adopted IFRS 15 *Revenue from Contracts with Customers* on January 1, 2018 using the modified retrospective approach, which recognizes the cumulative effect of initial application as an adjustment to the opening balance of retained earnings (deficit) at January 1, 2018 without restatement of comparatives. Beginning January 1, 2018, the Fund recognizes revenue upon completion and delivery of the repair to the customer, which has been determined to be the performance obligation that is distinct and the point at which control of the asset passes to the customer. Revenue is measured at the fair value of the consideration received. Previously, revenue was recognized to the extent that it was probable that the economic benefits would flow to the Fund, the sales price was fixed or determinable and collectability was reasonably assured. As a result, revenue that met the revenue recognition criteria under the prevailing IAS 18 was recognized in the year ended December 31, 2017. The same revenue; however, would not have met the recognition criteria under IFRS 15. As such, the impact on the consolidated financial statements as at January 1, 2018 is a decrease to opening retained earnings (deficit) of $6,731.

c*) Inventory*

Inventory is valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

d) Property, plant and equipment

Property, plant and equipment assets are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is calculated using the declining balance and straight line rates as disclosed in the property, plant and equipment note. Leasehold improvements are amortized on the straight line basis over the period of estimated benefit.

An item of property, plant and equipment is reclassified as held for sale or derecognized upon disposal, or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statement of earnings.

The Fund conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for property, plant and equipment and any changes arising from the assessment are applied by the Fund prospectively.

e) Consolidation

The financial statements of the Fund consolidate the accounts of the Fund and its subsidiaries. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

Subsidiaries are those entities which the Fund controls by having the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Fund controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Fund and are de-consolidated from the date that control ceases.

f) Business combinations, goodwill and other intangible assets

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method of accounting. The cost of the acquisition is measured at the aggregate of the fair values (at the acquisition date) of assets transferred, liabilities incurred or assumed, and equity instruments issued by the Fund in exchange for control of the acquired company. Acquisition costs are expensed as incurred. The acquired company's identifiable assets (including previously unrecognized intangible assets), liabilities and contingent liabilities are recognized at their fair values at the acquisition date.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Fund's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is carried at cost less accumulated impairment losses.

Intangible assets are recognized only when it is probable that the expected future economic benefits attributable to the assets will accrue to the Fund and the cost can be reliably measured. Intangible assets acquired in a business combination are recorded at fair value. Intangible assets that do not have indefinite lives are amortized over their useful lives using an amortization method which reflects the economic benefit of the intangible asset. Customer relationships are amortized on a straight-line basis over the expected period of benefit of 20 years. Contractual rights, which consist of non-compete agreements, zoned property rights and favourable lease agreements, are amortized on a straight-line basis over the term of the contract. Computer software is amortized on a straight-line basis over periods of three and five years. Brand names which the Company continues to use in the conduct of its business are considered indefinite life because their value is not expected to degrade over time. To the extent the Company decides to discontinue the use of a certain brand, an estimate of the remaining useful life is made and the intangible asset is amortized over the remaining period.

g) Impairment of non-financial assets

Property, plant and equipment and definite life intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating unit or "CGU"). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Goodwill and indefinite lived intangible assets are reviewed for impairment annually or at any time if an indicator of impairment exists. As well, newly acquired goodwill is reviewed for impairment at the end of the year in which it was acquired.

Goodwill acquired through a business combination is allocated to each CGU, or group of CGUs, that are expected to benefit from the related business combination. A group of CGUs represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, which is not higher than an operating segment. Impairment losses on goodwill are not reversed.

The Fund evaluates impairment losses, other than goodwill impairment, for potential reversals when events or circumstances warrant such consideration.

h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

i) Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in the consolidated statement of earnings except to the extent that it relates to items recognized directly in equity, in which case the income tax is recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Fund and it is probable that the temporary difference will not reverse in the foreseeable future.

j) Unitholders' capital

Under IAS 32, a financial instrument that gives the holder the right to put the instrument back to the issuer for cash or another financial asset (a 'puttable instrument') is a financial liability, except for those instruments that meet the exceptions to be classified as equity instruments. The trust units of the Fund meet the puttable equity exceptions and therefore are classified as equity.

The Fund's declaration of trust allows a unitholder to tender their units for cash redemption. This cash redemption right is restricted, at the Fund's option, to an aggregate cash amount of $25 per month. Historically, the Fund has not been asked to redeem units for cash.

k) Unit-Based compensation

The Fund issues unit-based awards to certain employees in the form of unit options. The unit options are financial liabilities since the units are ultimately puttable back to the Fund in exchange for cash. The cost of cash-settled unit-based transactions are measured at fair value using a Black-Scholes model and expensed over the vesting period with the recognition of a corresponding liability. The liability is re-measured at each reporting date with changes in fair value recognized in earnings.

l) Earnings per unit

Basic earnings per unit (EPU) is calculated by dividing the net earnings for the period attributable to equity owners of the Fund by the weighted average number of units outstanding during the period.

Diluted EPU is calculated by adjusting the weighted average number of units outstanding and corresponding earnings impact for dilutive instruments. The Fund's dilutive instruments comprise unit options, exchangeable shares, convertible debentures and non-controlling interest put options and call liability. The number of shares included with respect to unit options is computed using the treasury stock method. The exchangeable Class A shares are evaluated as to whether or not they are dilutive based on the effect on earnings per unit of eliminating the liability adjustment for the period and increasing the weighted average number of units outstanding for the units that would be exchanged for the Class A shares. The dilutive impact of the convertible debentures and non-controlling interest put options and call liability is calculated using the "if converted" method.

m) Foreign currency translation

Items included in the financial statements of each subsidiary are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Canadian dollars, which is the Fund's functional currency. The financial statements of entities that have a functional currency different from that of the Fund are translated into Canadian dollars. Assets and liabilities are translated into Canadian dollars at the closing rate of exchange prevailing at the statement of financial position dates and income and expense items are translated at the average exchange rate during the period (as this is considered a reasonable approximation to actual rates). The adjustment arising from the translation of these accounts is recognized in other comprehensive earnings (loss) as cumulative translation adjustments.

When an entity disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive earnings (loss) related to the foreign operation are recognized in earnings. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive earnings (loss) related to the subsidiary are reallocated between controlling and non-controlling interests.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in earnings.

n) Financial instruments

The Fund has adopted IFRS 9 *Financial Instruments* on January 1, 2018 using the modified retrospective approach. 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 adoption of IFRS 9 has resulted in changes to the classification of the Fund's financial assets but has not changed the classification of the Fund's financial liabilities. The carrying values of the Fund's financial instruments were not impacted by the adoption of IFRS 9.

All financial assets previously classified as loans and receivables are now classified as amortized cost. All financial liabilities previously classified as other financial liabilities are now classified as amortized cost. There were no changes to the category of financial liabilities classified as fair value through profit or loss ("FVPL").

At the date of adoption, the application of IFRS 9 had no material impact on the Fund's consolidated financial statements.

Recognition
Financial assets and liabilities are recognized when the Fund becomes a party to the contractual provisions of the instrument.

Classification
Effective January 1, 2018, the Fund classifies its financial assets and liabilities in the following categories depending on the Fund's business model for managing the financial assets and the contractual terms of the cash flows:

- Those to be measured subsequently at fair value, either through profit or loss or through OCI, and
- Those to be measured at amortized cost.

Cash and accounts receivable are classified as amortized cost. After their initial fair value measurement, they are measured at amortized cost using the effective interest method, as reduced by appropriate allowances for estimated lifetime expected credit losses.

Accounts payable and accrued liabilities, dividends and distributions payable, and long-term debt are classified as amortized cost and are net of any related financing fees or issue costs. After their initial fair value measurement, they are measured at amortized cost using the effective interest method.

Derivative contracts including the non-controlling interest put option and call liability are classified as financial assets or financial liabilities at FVPL with mark-to-market adjustments being recorded to net earnings at each period end.

As a result of the Fund's units being redeemable for cash, the exchangeable Class A shares of the Fund's subsidiary BGHI, are presented as financial liabilities and classified as financial assets or financial liabilities at FVPL. Exchangeable Class A shares are measured at the market price of the units of Fund as of the statement of financial position date.

Measurement
At initial recognition, the Fund measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

For those financial instruments where fair value is recognized in the Consolidated Statement of Financial Position the methods and assumptions used to develop fair value measurements have been classified into one of the three levels of the fair value hierarchy for financial instruments:

- Level 1 includes quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 includes inputs that are observable other than quoted prices included in Level 1
- Level 3 includes inputs that are not based on observable market data

o) Non-controlling interests

The Company accounts for transactions where a non-controlling interest exists, and where a put option has been granted to third parties under IFRS 10 whereby the non-controlling interest is initially recognized at fair value and then immediately derecognized upon the issuance and recognition of the put option. Differences between the put option liability recognized at fair value and the amount of any non-controlling interest derecognized is recognized directly in equity.

When there is no allocation of profit or loss to non-controlling partners, no non-controlling interest is recognized in the Consolidated Statement of Financial Position. Distributions to non-controlling partners are recognized as an expense when paid or payable based on the distribution formula of the agreement.

p) Pensions and other post-retirement benefits

The Company contributes to defined contribution pension plans of employees. Contributions are recognized within operating expenses at an amount equal to contributions payable for the period. Any outstanding contributions are recognized as liabilities within accrued liabilities.

q) Provisions

Provisions are recognized when the Fund has a present legal or constructive obligation that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is significant. The increase in the provision due to the passage of time is recognized as a finance cost.

r) Segment reporting

The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the joint responsibility of the Chief Executive Officer of the Fund, the Chief Operating Officer and President of the Fund and the Executive Vice President and Chief Financial Officer of the Fund.

The Fund's primary line of business is automotive collision and glass repair and related services, with the majority of revenues relating to this group of similar services. This line of business operates in Canada and the U.S. and both regions exhibit similar long-term economic characteristics. In this circumstance, IFRS requires the Company to provide specific geographical disclosure. For the years reported, the Company's revenues were derived within Canada or the U.S. and all property, plant and equipment, goodwill and intangible assets are located within these two geographic areas.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

The Fund makes estimates, including the assumptions applied therein, concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of Goodwill and Intangible Assets

When testing goodwill and intangibles for impairment, the Fund uses the recorded historical cash flows of the CGU or group of CGU's to which the assets relate for the most recent two years, and an estimate or forecast of cash flows for the next year to establish an estimate of the Fund's future cash flows. An estimate of the recoverable amount is then calculated as the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The methods used to value intangible assets and goodwill require critical estimates to be made regarding the future cash flows and useful lives of the intangible assets. Goodwill and intangible asset impairments, when recognized, are recorded as a separate charge to earnings, and could materially impact the operating results of the Fund for any particular accounting period.

Impairment of Other Long-lived Assets

The Fund assesses the recoverability of its long-lived assets, other than goodwill and intangibles, after considering the potential impairment indicated by such factors as business and market trends, the Fund's ability to transfer the assets, future prospects, current market value and other economic factors. In performing its review of recoverability, management estimates the future cash flows expected to result from the use of the assets and their potential disposition. If the discounted sum of the expected future cash flows is less than the carrying value of the assets generating those cash flows, an impairment loss would be recognized based on the excess of the carrying amounts of the assets over their estimated recoverable value. The underlying estimates for cash flows include estimates for future sales, gross margin rates and operating expenses. Changes which may impact these estimates include, but are not limited to, business risks and uncertainties and economic conditions. To the extent that management's estimates are not realized, future assessments could result in impairment charges that may have a material impact on the Fund's consolidated financial statements.

Fair Value of Financial Instruments

The Fund has applied discounted cash flow methods to establish the fair value of certain financial liabilities recorded on the Consolidated Statement of Financial Position, as well as disclosed in the notes to the consolidated financial statements. The Fund also establishes mark-to-market valuations for derivative instruments, which are assumed to represent the current fair value of these instruments. These valuations rely on assumptions regarding interest and exchange rates as well as other economic indicators, which at the time of establishing the fair value for disclosure, have a high degree of uncertainty. Unrealized gains or losses on these derivative financial instruments may not be realized as markets change.

Income Taxes

The Fund is subject to income tax in several jurisdictions and estimates are used to determine the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Fund recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. Uncertain tax liabilities may be recognized when, despite the Fund's belief that its tax return positions are supportable, the Fund believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. The Fund believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

Critical judgments in applying the entity's accounting policies

Leases

In applying the classification of leases in IAS 17, management considers its premise leases as well as certain equipment and vehicle leases as operating lease arrangements. In some cases, the lease transaction is not conclusive, and management uses judgment in determining whether the lease is a finance lease arrangement that transfers substantially all the risks and rewards incidental to ownership or an operating lease where substantially all the risks and rewards incidental to ownership are not transferred.

4. ACCOUNTING STANDARDS AND AMENDMENTS ISSUED BUT NOT YET ADOPTED

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

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 onto the statement of financial position through recognition of right-of-use assets and lease liabilities. IFRS 16 establishes principles for recognition, measurement, presentation and disclosure of leases.

The Fund is continuing to evaluate the impact of adopting IFRS 16 on its financial statements, but expects this standard will have a significant impact on its consolidated statement of financial position, through recognition of right-of-use assets and lease liabilities, estimated at approximately $450 million and $490 million respectively. Implementation of the new standard will result in a decrease in lease expenses, which are classified as operating expenses, and increases to depreciation expense and finance costs as a result of the depreciation of the right-of-use assets and accretion expense on the lease liability.

The Fund will apply the standard effective January 1, 2019 and plans to transition using the modified retrospective approach without restatement of prior reporting periods. The Fund expects to apply the recognition exemption for short-term leases. Other practical expedients available under the guidance are still being evaluated.

Since many of the Fund's leases are denominated in U.S. dollars, there will be additional volatility in foreign exchange amounts recognized due to the revaluation to the rate of exchange in effect at the date of the statement of financial position.

5. ACQUISITIONS

The Fund completed 28 acquisitions that added 69 locations during the year ended December 31, 2018 as follows:

Acquisition Date	Location
January 19, 2018	Collier County, FL (2 locations)
January 31, 2018	Sudbury, ON (4 locations)
February 20, 2018	Falcon, CO
February 23, 2018	Dallas, TX (3 locations)
April 17, 2018	Seattle, WA (3 locations)
May 18, 2018	Alexandria, LA
May 25, 2018	Atlanta, GA (2 locations)
May 28, 2018	Bradford, ON
June 8, 2018	Chicago, IL
June 27, 2018	Elk Grove Village, IL
July 3, 2018	Aurora, ON
July 6, 2018	Brunswick, OH
July 9, 2018	Nanaimo, BC
July 10, 2018	Elkhart, IN
August 3, 2018	Bessemer & Birmingham, AL
August 3, 2018	Kenosha, WI
September 21, 2018	Dundas, ON
October 10, 2018	Kennewick, WA
October 10, 2018	Springfield, IL
October 12, 2018	Saskatoon, SK (2 locations)
October 15, 2018	Turtle Creek, PA
October 15, 2018	Brownsburg & Greenwood, IN
November 1, 2018	Kansas City, MO (5 locations)
November 30, 2018	West Hawksbury, ON
November 30, 2018	Wisconsin and Northern Illinois (18 locations)
December 11, 2018	Albany, OR
December 14, 2018	Western & Central Regions, TX (9 locations)
December 19, 2018	Jacksonville, NC

On May 29, 2017, the Company entered into a definitive agreement to acquire the assets and business of Assured Automotive Inc. and related entities ("Assured"), a multi-location collision repair company operating 68 locations in the province of Ontario, including 30 intake centers co-located at automotive dealerships. The acquisition of the assets and business of Assured closed on July 4, 2017, effective July 1, 2017.

The Fund also completed 16 acquisitions that added 33 locations during the year ended December 31, 2017 as follows:

Acquisition Date	Location
January 6, 2017	Monroe, NC
January 13, 2017	Phoenix, AZ (4 locations)
March 17, 2017	Portland, OR (2 locations)
April 19, 2017	Salem, OR
April 27, 2017	Orem, UT
June 14, 2017	Greensboro, GA
June 27, 2017	Spokane, WA
August 4, 2017	Calgary, AB (4 locations)
September 1, 2017	Westerville, OH
September 8, 2017	Lafayette, LA
September 20, 2017	Issaquah, WA
October 18, 2017	Toronto, ON
October 27, 2017	Nashville, TN (9 locations)
December 5, 2017	Tumwater, WA
December 12, 2017	Glenwood Springs, CO
December 15, 2017	Cleveland, OH (3 locations)

The Fund has accounted for the 2018 acquisitions using the acquisition method as follows:

Acquisitions in 2018	Total acquisitions
Identifiable net assets acquired at fair value:	
Cash	$ 416
Other currents assets	3,464
Property, plant and equipment	34,876
Identified intangible assets	
Customer relationships	43,935
Non-compete agreements	1,408
Liabilities assumed	(1,499)
Deferred income tax liability	(595)
Identifiable net assets acquired	$ 82,005
Goodwill	65,381
Total purchase consideration	$ 147,386
Consideration provided	
Cash paid or payable	$ 118,426
Contingent consideration	8,887
Sellers notes	20,073
Total consideration provided	$ 147,386

The Fund has accounted for the 2017 acquisitions using the acquisition method as follows:

Acquisitions in 2017	Assured	Other acquisitions	Total acquisitions
Identifiable net assets acquired at fair value:			
Other currents assets	$ 16,915	$ 1,933	$ 18,848
Property, plant and equipment	12,083	19,753	31,836
Identified intangible assets			
Customer relationships	65,000	27,773	92,773
Brand name	14,000	-	14,000
Non-compete agreements	8,000	1,362	9,362
Liabilities assumed	(18,766)	(520)	(19,286)
Identifiable net assets acquired	$ 97,232	$ 50,301	$ 147,533
Goodwill	104,731	31,751	136,482
Total purchase consideration	$ 201,963	$ 82,052	$ 284,015
Consideration provided			
Cash paid or payable	$ 150,247	$ 75,411	$ 225,658
Units issued	51,716	-	51,716
Sellers notes	-	6,641	6,641
Total consideration provided	$ 201,963	$ 82,052	$ 284,015

The preliminary purchase prices for the 2018 acquisitions 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 2018 is expected to be deductible for tax purposes, except for the goodwill related to the January 31, 2018 acquisition in Sudbury. Goodwill recognized on this transaction totaled $2,658.

On November 1, 2018, the Company acquired the assets of A&B Body Shop, Inc. The contingent consideration recorded is based on the business meeting predetermined earnings targets during the period from January 1, 2019 to December 31, 2021. A maximum payment of $3,284 in 2021 would be required if the business meets or exceeds the target. The present value of the contingent consideration of $2,492 has been determined using a cost of borrowing discount rate.

On December 14, 2018, the Company acquired the assets of Paceline Collision Centers. The contingent consideration recorded is based on the business meeting predetermined earnings targets during the period from January 1, 2019 to December 31, 2021. A maximum payment of $6,690 in 2021 would be required if the business meets or exceeds the target. The present value of the contingent consideration of $6,395 has been determined using a cost of borrowing discount rate.

Funding for the Assured transaction was a combination of cash and the issuance of 537,872 units to the sellers at a unit price of $96.15. The value of the 537,872 units issued as consideration increased from $88.31 as priced per the Asset Purchase and Sale Agreement prior to the public announcement of the acquisition to $96.15 at the time of closing.

The results of operations reflect the revenues and expenses of acquired operations from the date of acquisition. Revenue contributed by acquisitions since being acquired were $60,933. Net losses incurred by acquisitions since being acquired were $962. If 2018 acquisitions had been acquired on January 1, 2018, the Fund's net earnings for the year ended December 31, 2018 would have been $83,089 (unaudited).

6. INVENTORY

As at	**December 31, 2018**	December 31, 2017
Parts and materials	**$ 15,533**	$ 12,846
Work in process	**26,271**	14,165
	$ 41,804	$ 27,011

Included in cost of sales for the year ended December 31, 2018 are parts and material costs of $581,337 (2017 – $479,460) and labour costs of $304,968 (2017 – $259,940) with the balance of cost of sales primarily made up of sublet charges.

7. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Shop Equipment	Office Equipment	Computer Hardware	Signage	Vehicles	Leasehold Improvements	Total
Depreciation rates		5%	15%	20%	30%	15%	30%	10 to 25 years straight line	
As at January 1, 2017									
Cost	$ 4,704	$ 8,704	$ 114,915	$ 11,456	$ 11,264	$ 10,635	$ 20,756	$ 90,134	$ 272,568
Accumulated depreciation	-	(834)	(50,919)	(5,301)	(7,360)	(3,979)	(11,751)	(30,611)	(110,755)
Net book value	$ 4,704	$ 7,870	$ 63,996	$ 6,155	$ 3,904	$ 6,656	$ 9,005	$ 59,523	$ 161,813
For the year ended December 31, 2017									
Additions	2,650	11,574	26,078	2,508	6,440	1,490	2,520	20,152	73,412
Proceeds on disposal	-	-	(39)	-	(23)	(10)	(399)	(279)	(750)
Gain (loss) on disposal	-	-	(16)	-	3	(2)	284	-	269
Depreciation	-	(505)	(11,167)	(1,440)	(1,665)	(1,074)	(2,979)	(9,227)	(28,057)
Foreign exchange	(339)	(717)	(3,928)	(363)	(338)	(381)	(530)	(3,992)	(10,588)
Net book value	$ 7,015	$ 18,222	$ 74,924	$ 6,860	$ 8,321	$ 6,679	$ 7,901	$ 66,177	$ 196,099
As at December 31, 2017									
Cost	$ 7,015	$ 19,510	$ 133,477	$ 13,275	$ 16,812	$ 11,370	$ 20,686	$ 103,186	$ 325,331
Accumulated depreciation	-	(1,288)	(58,553)	(6,415)	(8,491)	(4,691)	(12,785)	(37,009)	(129,232)
Net book value	$ 7,015	$ 18,222	$ 74,924	$ 6,860	$ 8,321	$ 6,679	$ 7,901	$ 66,177	$ 196,099
For the year ended December 31, 2018									
Additions	4,020	7,607	31,265	1,547	4,630	1,041	3,655	22,581	76,346
Proceeds on disposal	-	-	-	-	-	-	(468)	(97)	(565)
Gain (loss) on disposal	-	-	(22)	(1)	-	-	234	(1)	210
Depreciation	-	(863)	(13,684)	(1,500)	(2,941)	(1,108)	(2,964)	(11,007)	(34,067)
Foreign exchange	754	1,739	5,373	450	597	536	681	4,950	15,080
Net book value	$ 11,789	$ 26,705	$ 97,856	$ 7,356	$ 10,607	$ 7,148	$ 9,039	$ 82,603	$ 253,103
As at December 31, 2018									
Cost	$ 11,789	$ 29,016	$ 175,704	$ 15,801	$ 23,009	$ 13,284	$ 24,625	$ 133,876	$ 427,104
Accumulated depreciation	-	(2,311)	(77,848)	(8,445)	(12,402)	(6,136)	(15,586)	(51,273)	(174,001)
Net book value	$ 11,789	$ 26,705	$ 97,856	$ 7,356	$ 10,607	$ 7,148	$ 9,039	$ 82,603	$ 253,103

8. INCOME TAXES

The Fund is a "specified investment flow-through" ("SIFT") and until December 31, 2010 was exempt from tax on its income to the extent that its income was distributed to unitholders. This exemption did not apply to the Company or its subsidiaries, which are corporations that are subject to income tax. Fund distributions that are sourced from U.S. business earnings are not subject to the SIFT tax.

The Fund accounts for deferred income tax assets and liabilities in respect of accounting and tax basis differences. Deferred income tax assets and liabilities which relate to the same jurisdiction are netted on the Consolidated Statement of Financial Position.

a) The reconciliation between income tax expense and the accounting earnings multiplied by the combined basic Canadian and U.S. federal, provincial and state tax rates is as follows:

	For the years ended December 31,			
		2018		2017
Earnings before income taxes	**$**	**102,274**	$	77,149
Earnings subject to tax in the hands of unitholders not the Fund		**(10,438)**		(9,582)
Income subject to income taxes	**$**	**91,836**	$	67,567
Combined basic Canadian and U.S. federal, provincial and state tax rates		**25.42%**		37.87%
Income tax expense at combined statutory tax rates	**$**	**23,345**	$	25,588
Adjustments for the tax effect of:				
Non-deductible depreciation		**-**		(92)
Other non-deductible expenses		**383**		430
Amortization of permanent goodwill deductions		**-**		-
Allocation to non-controlling interest		**(692)**		(286)
Changes in deferred tax assets and liabilities resulting from changes in substantively enacted tax rates		**-**		(13,571)
Dividends treated as interest		**1,142**		961
Non-deductible fair value adjustments		**1,330**		1,470
Effective rate adjustment		**45**		3,211
Items affecting equity - issue costs		**(27)**		1,022
Other		**(891)**		(19)
Income tax expense	**$**	**24,635**	$	18,714

U.S. tax reform resulted in a one-time income tax recovery in 2017 of $13,571, which is included in changes in deferred tax assets and liabilities resulting from changes in substantively enacted rates.

The structure of the Fund is such that a portion of the Fund's earnings continue to be subject to tax in the hands of the unitholders, not the Fund. This permits the Company to reduce its tax obligation. As a result during the year, the Company benefitted from an interest deduction in the amount of $8,301 (2017 - $10,240). This amount was received by the Fund who then is permitted to reduce its taxable income for the distributions declared in the year.

b) Deferred income taxes consist of the following:

As at	**December 31, 2018**	December 31, 2017
Intangible assets	**$ -**	$ (1,052)
Non-capital losses carried forward	**-**	1,196
Property, plant and equipment	**-**	(401)
Issue costs	**-**	193
Other	**-**	170
Deferred income tax asset	**$ -**	$ 106

During 2018, the overall deferred income tax asset position in Canada became an overall deferred income tax liability position in Canada and has been included below.

As at	**December 31, 2018**	December 31, 2017
Intangible assets	**$ (30,029)**	$ (20,152)
Accrued liabilities	**8,557**	7,187
Property, plant and equipment	**(21,826)**	(15,597)
Acquisition costs	**3,097**	2,115
Other	**319**	145
Deferred income tax liability	**$ (39,882)**	$ (26,302)

c) The movement in deferred income tax assets and liabilities during the year is as follows:

Deferred income tax asset as at	**December 31, 2018**	December 31, 2017
Balance, beginning of year	**$ 106**	$ 1,329
Deferred income tax expense	**(106)**	(1,223)
Balance, end of year	**$ -**	$ 106

Deferred income tax liability as at	**December 31, 2018**	December 31, 2017
Balance, beginning of year	**$ (26,302)**	$ (25,478)
Acquired through business combination	**(595)**	(1,107)
Deferred income tax expense	**(12,386)**	(1,361)
Foreign exchange	**(599)**	1,644
Balance, end of year	**$ (39,882)**	$ (26,302)

d) Deferred income tax assets are recognized to the extent it is probable that sufficient future taxable income will be available to allow a deferred income tax asset to be realized. At December 31, 2018, the Fund has recognized all of its deferred income tax assets with the exception of $7,510 (2017 - $7,510) in capital losses available in Canada. At December 31, 2018, the Fund has non-capital losses in Canada of $1,583 (2017 - $4,432) and net operating losses in the U.S. of $nil (2017 - $nil).

The losses expire as follows:

Year of expiry	
2033	362
2034	1,221

9. INTANGIBLE ASSETS

	Customer Relationships	Brand Name	Computer Software	Non-compete Agreements	Zoned Property Rights	Favourable Lease Agreements	Total
As at January 1, 2017							
Cost	$ 170,710	$ 15,523	$ 4,640	$ 9,457	$ 54	$ 8,465	$ 208,849
Accumulated amortization	(33,210)	(6,655)	(3,137)	(6,715)	(54)	(564)	(50,335)
Net book value	$ 137,500	$ 8,868	$ 1,503	$ 2,742	$ -	$ 7,901	$ 158,514
For the year ended December 31, 2017							
Acquired through business combinations	92,773	14,000	-	9,362	-	-	116,135
Additions	-	-	416	-	-	-	416
Purchase price allocation adjustments	1,071	-	-	38	-	-	1,109
Amortization	(10,344)	(5)	(765)	(1,949)	-	(545)	(13,608)
Foreign exchange	(9,392)	(582)	(28)	(161)	-	(501)	(10,664)
Net book value	$ 211,608	$ 22,281	$ 1,126	$ 10,032	$ -	$ 6,855	$ 251,902
As at December 31, 2017							
Cost	$ 252,696	$ 28,503	$ 5,055	$ 18,257	$ 54	$ 7,909	$ 312,474
Accumulated amortization	(41,088)	(6,222)	(3,929)	(8,225)	(54)	(1,054)	(60,572)
Net book value	$ 211,608	$ 22,281	$ 1,126	$ 10,032	$ -	$ 6,855	$ 251,902
For the year ended December 31, 2018							
Acquired through business combinations	43,935	-	-	1,408	-	-	$ 45,343
Additions	-	-	909	-	-	-	909
Amortization	(13,639)	-	(765)	(2,724)	-	(546)	(17,674)
Foreign exchange	13,689	723	58	267	-	572	15,309
Net book value	$ 255,593	$ 23,004	$ 1,328	$ 8,983	$ -	$ 6,881	$ 295,789
As at December 31, 2018							
Cost	$ 314,260	$ 29,772	$ 6,763	$ 20,585	$ 54	$ 8,601	$ 380,035
Accumulated amortization	(58,667)	(6,768)	(5,435)	(11,602)	(54)	(1,720)	(84,246)
Net book value	$ 255,593	$ 23,004	$ 1,328	$ 8,983	$ -	$ 6,881	$ 295,789

10. GOODWILL

As at		**December 31, 2018**		December 31, 2017
Balance, beginning of year	**$**	**351,943**	$	230,701
Acquired through business combination		**65,381**		136,482
Purchase price allocation adjustments within the measurement period		**-**		73
Foreign exchange		**22,543**		(15,313)
Balance, end of year	**$**	**439,867**	$	351,943

The Fund has used the value in use method to evaluate the carrying amount of goodwill. The key assumptions used in the assessment include an estimate of current cash flow, taxes, a growth rate of 2% and capital maintenance expenditures. These assumptions are based on past experience. A discount rate of 10% has been applied to the expected cash flow, after adjusting the cash flow for an estimate of the taxes and capital maintenance expenditures.

The purchase price allocation adjustments represent additional consideration which resulted in the recognition of additional goodwill in 2017 as well as balance sheet reclassifications between property, plant and equipment and goodwill within the measurement period for certain 2017 acquisitions.

11. 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, 2018	February 26, 2018	$	0.0440	$	865	$	10
February 28, 2018	March 27, 2018		0.0440		865		10
March 31, 2018	April 26, 2018		0.0440		866		9
April 30, 2018	May 29, 2018		0.0440		865		10
May 31, 2018	June 27, 2018		0.0440		865		10
June 30, 2018	July 27, 2018		0.0440		866		9
July 31, 2018	August 29, 2018		0.0440		865		10
August 31, 2018	September 26, 2018		0.0440		866		10
September 30, 2018	October 29, 2018		0.0440		866		9
October 31, 2018	November 28, 2018		0.0440		865		9
November 30, 2018	December 21, 2018		0.0450		892		10
December 31, 2018	January 29, 2019		0.0450		892		10
		$	0.5300	$	10,438	$	116

Record date	Payment date	Distribution per Unit / Dividend per Share	Distribution amount	Dividend amount
January 31, 2017	February 24, 2017	$ 0.0430	$ 776	$ 10
February 28, 2017	March 29, 2017	0.0430	777	10
March 31, 2017	April 26, 2017	0.0430	777	10
April 30, 2017	May 29, 2017	0.0430	777	10
May 31, 2017	June 28, 2017	0.0430	777	10
June 30, 2017	July 27, 2017	0.0430	777	10
July 31, 2017	August 29, 2017	0.0430	800	10
August 31, 2017	September 27, 2017	0.0430	801	10
September 30, 2017	October 27, 2017	0.0430	801	10
October 31, 2017	November 28, 2017	0.0430	801	10
November 30, 2017	December 20, 2017	0.0440	859	10
December 31, 2017	January 29, 2018	0.0440	859	10
		$ 0.5180	$ 9,582	$ 120

At December 31, 2018, there were 190,784 (December 31, 2017 – 200,395) exchangeable Class A shares outstanding with a carrying value of $21,549 (December 31, 2017 - $20,218).

During 2018, a fair value adjustment expense in the amount of $2,372 (2017 – $3,102) was recorded against earnings related to these exchangeable Class A shares.

Further distributions and dividends were declared for the months of January, February and March 2019 in the amount of $0.045 per unit/share. The total amount of distributions and dividends declared after the reporting date was $2,678 and $29, respectively.

12. LONG-TERM DEBT

On May 26, 2017, the Company entered into a second amended and restated credit agreement for a term of five years, increasing the revolving credit facility to $300,000 U.S., with an accordion feature which can increase the facility to a maximum of $450,000 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. The Company can make draws 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 $5,000 U.S. in Canada and $20,000 U.S. 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 3.50 up to March 31, 2018 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 and the senior debt to EBITDA ratio may be increased to less than 4.00 up to March 31, 2018 and less than 3.75 thereafter. The debt calculations exclude the convertible debentures. At December 31, 2018, the Company has drawn $61,300 U.S. (December 31, 2017 - $40,000 U.S.) and $139,000 Canadian (December 31, 2017 - $150,800) on the revolving credit facility.

Deferred financing costs of $356 were incurred during 2015 to complete the amended and restated credit agreement. These fees were amortized to finance costs on a straight line basis over the five year term of the amended and restated credit agreement until May 26, 2017 when the second amended and restated credit agreement was signed. At that time,

the unamortized deferred financing costs of $226 were recorded as finance costs. Financing costs of $859 incurred during 2017 to complete the second amended and restated credit agreement have been deferred. These fees are amortized to finance costs on a straight line basis over the five year term of the second amended and restated credit agreement. The unamortized deferred financing costs of $587 have been netted against the debt drawn as at December 31, 2018.

As at December 31, 2018, the Company was in compliance with all financial covenants.

Seller notes payable of $66,120 (of which $65,422, or $47,971 U.S., are U.S. denominated) on the financing of certain acquisitions are unsecured, at interest rates ranging from 1% to 8%. The notes are repayable from January 2019 to January 2027 in the same currency as the related note.

Long-term debt is comprised of the following:

As at	December 31, 2018	December 31, 2017
Revolving credit facility (net of financing costs)	$ 222,039	$ 200,222
Seller notes	66,120	57,754
	$ 288,159	$ 257,976
Current portion	16,390	15,134
	$ 271,769	$ 242,842

The following is the continuity of long-term debt:

As at	December 31, 2018	December 31, 2017
Balance, beginning of year	$ 257,976	$ 101,617
Consideration on acquisition	20,073	6,641
Draws	67,799	209,053
Repayments	(66,079)	(53,212)
Deferred financing costs	-	(859)
Amortization of deferred finance costs	172	350
Foreign exchange	8,218	(5,614)
Balance, end of year	$ 288,159	$ 257,976

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

Principal Payments	December 31, 2018	December 31, 2017
Less than 1 year	$ 16,390	$ 15,134
1 to 5 years	256,674	227,060
Greater than 5 years	15,095	15,782
	$ 288,159	$ 257,976

Included in finance costs for the year ended December 31, 2018 is interest on long-term debt of $9,700 (2017 - $7,454).

13. OBLIGATIONS UNDER FINANCE LEASES

As at	**December 31, 2018**	December 31, 2017
Equipment leases, at interest rates ranging from 4.65% to 9.09%, due January 2019 to June 2020 (2017 - 4.65% to 9.09%, due January 2018 to June 2020), secured by equipment with a net book value of $2,757 (2017 - $4,264)	**$ 1,345**	$ 2,599
Vehicle leases, at interest rates ranging from 5.50% to 9.69%, due January 2019 to August 2021 (2017 - 5.50% to 13.67%, due January 2018 to August 2021), secured by vehicles with a net book value of $7,625 (2017 - $6,447)	**7,698**	7,043
	$ 9,043	$ 9,642
Amounts representing interest	**636**	721
	$ 8,407	$ 8,921
Current portion	**3,846**	3,652
	$ 4,561	$ 5,269

Included in finance costs is interest related to finance leases of $532 (2017 - $782).

Minimum lease payments required as at December 31, 2018 are as follows:

	Principal and Interest Payments	Amounts Representing Interest	Principal Payments
Less than 1 year	$ 4,185	339	$ 3,846
1 to 5 years	4,858	297	$ 4,561
	$ 9,043	636	$ 8,407

14. FAIR VALUE ADJUSTMENTS

	For the years ended December 31, 2018	2017
Convertible debenture conversion feature	**$ -**	$ 1,161
Exchangeable Class A common shares	**2,372**	3,102
Unit based payment obligation	**4,896**	9,783
Non-controlling interest put option and call liability	**(2,481)**	(5,879)
Total fair value adjustments	**$ 4,787**	$ 8,167

15. FINANCIAL INSTRUMENTS

Carrying value and estimated fair value of financial instruments

	Classification	Fair value hierarchy	**December 31, 2018** Carrying amount	**December 31, 2018** Fair value	December 31, 2017 Carrying amount	December 31, 2017 Fair value
Financial assets						
Cash	Amortized cost	n/a	**64,476**	64,476	47,831	47,831
Accounts receivable	Amortized cost	n/a	**105,088**	105,088	104,545	104,545
Financial liabilities						
Accounts payable and accrued liabilities	Amortized cost	n/a	**267,991**	267,991	195,837	195,837
Distributions and dividends payable	Amortized cost	n/a	**902**	902	869	869
Long-term debt	Amortized cost	n/a	**288,159**	288,159	257,976	257,976
Exchangeable Class A common shares	FVPL (1)	1	**21,549**	21,549	20,218	20,218
Non-controlling interest put options and call liability	FVPL (1)	3	**20,556**	20,556	21,242	21,242

(1) Fair Value Through Profit or Loss

For the Fund's current financial assets and liabilities, including accounts receivable, accounts payable and accrued liabilities, and distributions 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 and call liability 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.

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 December 31, 2018 was approximately $169,564 (December 31, 2017 - $152,376).

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 2018 or 2017.

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 December 31, 2018 and December 31, 2017, promissory notes denominated in Canadian dollars are as follows:

Promissory notes As at	**December 31, 2018**	December 31, 2017
Promissory note at 5.0% due September 29, 2027	$ 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 September 29, 2017, the $108,000 note was renewed for a term of 10 years at an interest rate of 5.0%. On October 16, 2017, $83,500 of the $108,000 note due September 29, 2027 was assigned by the Fund to The Boyd Group Inc. This assignment was related to the conversion and redemption of the Fund's 2014 convertible debentures and was made in exchange for The Boyd Group Inc. issuing 83,500 Class IV shares to the Fund.

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

Credit risk

The carrying amount of financial assets represents the maximum credit exposure. Cash is in the form of deposits on demand with major financial institutions that have strong long-term credit ratings. The Fund is subject to risk of non-payment of accounts receivable; however, the Fund's receivables are largely collected from the insurers of its customers. Accordingly, the Fund's accounts receivable comprises mostly amounts due from national and international insurance companies or provincial crown corporations.

Aging of accounts receivable As at	**December 31, 2018**	December 31, 2017
Neither impaired nor past due	**$ 102,980**	$ 101,437
Past due:		
Over 90 days	**3,587**	4,616
	$ 106,567	$ 106,053
Allowance for doubtful accounts	**(1,479)**	(1,508)
Accounts receivable	**$ 105,088**	$ 104,545

The Fund uses an allowance account to record an estimate of potential impairment for accounts receivables. The Fund has not identified specific accounts it believes to be impaired.

Allowance for doubtful accounts As at	**December 31, 2018**	December 31, 2017
Balance, beginning of year	**$ 1,508**	$ 999
Increase (decrease) in allowance (net of recoveries and amounts written off)	**(29)**	509
Balance, end of year	**$ 1,479**	$ 1,508

Liquidity risk

The following table details the Fund's remaining contractual maturities for its financial liabilities.

	Total	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	After 5 years
Accounts payable and accrued liabilities	$ 267,991	$ 267,991	$ -	$ -	$ -	$ -	$ -
Long-term debt	288,159	16,390	13,672	10,828	5,446	226,728	15,095
Obligations under finance leases	8,407	3,846	2,080	2,379	13	13	76
Operating lease obligation	535,533	93,820	85,726	75,882	63,278	47,137	169,690
	$ 1,100,090	$ 382,047	$ 101,478	$ 89,089	$ 68,737	$ 273,878	$ 184,861

Obligations of the Fund are generally satisfied through future operating cash flows and the collection of accounts receivable.

Market Risk and Sensitivity Analysis

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Components of market risk to which the Fund is exposed are interest rate risk and foreign exchange rate risk as discussed above.

The Fund has used a sensitivity analysis technique that measures the estimated change to net earnings and equity of a 1% (100 basis points) difference in market interest rates. The sensitivity analysis assumes that changes in market interest rates only affect interest income or expense of variable financial instruments not covered by hedging instruments. For the year ended December 31, 2018 it is estimated that the impact of a 1% increase to market rates would result in a $2,051 decrease (2017 – $965 decrease) to net earnings as well as comprehensive earnings.

The currency risk sensitivity analysis is based on a 5% strengthening or weakening of the Canadian Dollar against the U.S. Dollar and assumes that all other variables remain constant. Under this assumption, net earnings for the year ended December 31, 2018 as well as comprehensive earnings would have changed by $nil due to no foreign exchange contracts being in place at the end of 2018 and 2017.

Exchangeable Class A Common Shares

The Class A common shares of BGHI are exchangeable into units of the Fund. To facilitate the exchange, BGHI issues one Class B common share to the Fund for each Class A common share that has been retracted. The Fund in turn issues a trust unit to the Class A common shareholder. The exchangeable feature results in the Class A common shares of BGHI being presented as financial liabilities of the Fund. Exchangeable Class A shares are measured at the market price of the units of the Fund as at the statement of financial position date. Exchanges are recorded at carrying value. At December 31, 2018 there were 190,784 (2017 – 200,395) shares outstanding with a carrying value of $21,549 (2017 – $20,218). Total retractions for the year were 9,611 (2017 – 3,798) for $1,042 (2017 – $355).

Non-controlling interest put option and call liability

On May 31, 2013, the Fund entered into a contribution agreement whereby Glass America Inc. contributed its auto-glass business to Gerber Glass in exchange for membership representing a 30% ownership interest in a new combined Glass America LLC. The GA Company Agreement contained a put option as well as a call option, which provided the non-controlling interest with the right to require Gerber Glass to purchase their retained interest and Gerber Glass with the right to require the non-controlling interest to sell their retained interest respectively, according to a valuation formula defined in the GA Company Agreement. On September 29, 2017, Gerber Glass exercised its call option to acquire the 30% interest in the Glass America entity. On January 31, 2019, the call option transaction was completed, and Gerber Glass LLC acquired the 30% non-controlling interest in Glass America LLC.

On May 31, 2013, in connection with the acquisition of Glass America, the Fund amended and restated the limited liability company agreement of Gerber Glass LLC (the "Gerber Glass Company Agreement") which 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 member that provided the member an option to put the business back to the Fund according to a valuation formula defined in the agreement. On October 31, 2016, the Fund amended the Gerber Glass Company Agreement. The put option held by the non-controlling member continues to provide the member an option to put the business back to the Fund according to a valuation formula defined in the Gerber Glass Company Agreement; however, the put option is not exercisable until December 31, 2018 and is exercisable anytime thereafter by the glass-business operating member. The put option may be exercised before December 31, 2018 upon the occurrence of certain unusual events such as a change of control or resignation of the operating member. All fair value changes in the estimated liability are recorded in earnings.

The liability recognized in connection with both the put option and the call liability have been calculated using formulas defined in the applicable limited liability company agreements. The formula for the Glass America call is based on a multiple of EBITDA for the trailing twelve months ended August 31, 2017. The formula for the U.S. management team member put option is based on a multiple of EBITDA for the trailing twelve months ended December 31, 2018.

During 2018, the Fund made $nil (2017 - $221) in payments to the Glass America non-controlling interest.

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

As at	**December 31, 2018**	December 31, 2017
Glass-business operating partner non-controlling interest put option	**$ 6,905**	$ 7,075
Glass America non-controlling interest call liability	**13,651**	14,167
	$ 20,556	$ 21,242

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

	December 31, 2018		December 31, 2017	
	Glass-business operating partner	**Glass America non-controlling interest**	Glass-business operating partner	Glass America non-controlling interest
Balance, beginning of year	**$ 7,075**	**$ 14,167**	$ 7,998	$ 21,204
Fair value adjustments	**(753)**	**(1,728)**	(381)	(5,498)
Payment to non-controlling interests	**-**	**-**	-	(221)
Foreign exchange	**583**	**1,212**	(542)	(1,318)
Balance, end of year	**$ 6,905**	**$ 13,651**	$ 7,075	$ 14,167

During 2018, a fair value adjustment recovery in the amount of $2,481 (2017 – $5,879) was recorded to earnings related to the non-controlling interest put option and call liability.

The exercise price for the call option regarding the Glass America non-controlling interest was calculated in accordance with the terms of the GA Company Agreement. The Glass America non-controlling interest member did not agree with the calculation of the exercise price, including certain material changes, and the matter was been submitted to binding arbitration in accordance with the terms of the GA Company Agreement. On January 31, 2019, the call option transaction was completed, and Gerber Glass LLC acquired the 30% non-controlling interest in Glass America LLC.

16. 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**	**December 31, 2018 Fair Value**	December 31, 2017 Fair Value
January 2, 2008	150,000	$ 2.70	January 2, 2018	**$ -**	$ 14,729
January 2, 2009	150,000	$ 3.14	January 2, 2019	**-**	13,465
January 2, 2010	150,000	$ 5.41	January 2, 2020	**14,936**	11,991
				$ 14,936	$ 40,185

On November 26, 2018, the Fund completed the settlement of the unit options issued on January 2, 2009. As a result of the settlement, 150,000 units were issued at an exercise price of $3.14. The fair value of the unit options at settlement was $15,416.

On January 2, 2018, the Fund completed the settlement of the unit options issued on January 2, 2008. As a result of the settlement, 150,000 units were issued at an exercise price of $2.70. The fair value of the unit options at settlement was $14,729.

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 $112.95, dividend yield 0.52% and expected volatility 23.75% (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 - N/A, January 2, 2009 issuance – N/A, January 2, 2010 issuance – 1.92%.

During 2018, a fair value adjustment expense in the amount of $4,896 (2017 – $9,783) was recorded to earnings related to these unit based payment obligations.

17. LEASE COMMITMENTS

The Fund has various operating lease commitments, primarily in respect of leased premises. The aggregate amount of future minimum lease payments associated with these leases is $535,533 (2017 - $535,715). The minimum amounts payable over the next five years are as follows:

Less than 1 year	$	93,820
1 to 5 years		272,023
Greater than 5 years		169,690
	$	535,533

Included in operating expenses for the year ended December 31, 2018 are operating lease expenses, primarily in respect of leased premises of $91,260 (2017 – $78,556).

18. CONTINGENCIES

The Fund has two U.S. denominated letters of credit for $225 U.S. (2017 –$225 U.S.).

19. ACCUMULATED OTHER COMPREHENSIVE EARNINGS

		December 31, 2018		December 31, 2017
Balance, beginning of year	**$**	**38,810**	$	65,560
Unrealized gain (loss) on translating financial statements of foreign operations		**38,827**		(26,750)
Balance, end of year	**$**	**77,637**	$	38,810

There is no tax impact of translating the financial statements of the foreign operation.

20. 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.

During 2017, at the request of the holder, the Fund converted $1,542 principal amount of the 2014 Debentures into 25,112 units of the Fund. The fair value of the 2014 Debentures at the time of conversion was $2,334.

On July 4, 2017, the Company acquired the assets and business of Assured. Funding for the Assured transaction included the issuance of 537,872 units of the Fund to the sellers at a unit price of $96.15.

On November 2, 2017, the Fund completed the early redemption and cancellation of its 2014 Debentures due October 31, 2021. Subsequent to the initial announcement of the early redemption, $52,376 principal amount of the 2014 Debentures were converted into 853,027 units of the Fund. The remaining $2,547 in 2014 Debentures were redeemed and cancelled by issuing 28,995 units.

21. CONTRIBUTED SURPLUS

Units purchased under the Fund's Normal Course Issuer Bid for a value below their carrying amount represent a contribution to the benefit of the remaining unitholders and the difference is credited to contributed surplus. The Fund purchased units for cancellation under Normal Course Issuer Bids in 2009, 2008, and 2007.

22. CAPITAL STRUCTURE

The Fund's and Company's objective when managing capital is to maintain a flexible capital structure which optimizes the cost of capital at acceptable risk. The Fund includes in its definition of capital: equity, long-term debt, convertible debentures, convertible debenture conversion features, exchangeable Class A shares, non-controlling interest put options and call liability, unit based payment obligations, obligations under finance leases, net of cash.

The Fund and Company manage the capital structure and make adjustments to it by taking into account changing economic conditions, operating performance and growth opportunities. In order to maintain or adjust the capital structure, the Fund or Company may adjust the amount of distributions and dividends it pays, purchase units for cancellation pursuant to a normal course issuer bid, issue new units, exchange Class A shares, issue new debt or replace existing debt with different characteristics, issue convertible debentures, issue unit options, expand the revolver, increase or decrease its obligations under finance lease, pursue alternative structuring of acquisitions, trigger call options on certain acquisition obligations, or settle certain acquisition obligations using a greater amount of cash or units.

The Company monitors capital on a number of bases, including a fixed charge coverage ratio, total debt to Adjusted EBITDA ratios, return on invested capital, a debt to capital ratio, a current ratio, its adjusted distributable cash payout ratio, diluted earnings per unit and distributions per unit. The fixed charge coverage ratio is the ratio of Adjusted EBITDA, adding back rental expense, less unfunded capital expenditures, less income tax expense, less dividends and distributions to debt, rental expense and capital lease payments. Total debt to Adjusted EBITDA is calculated as the Company's total debt and capital leases but excluding convertible debentures divided by Adjusted EBITDA. Return on invested capital is the ratio of Adjusted EBITDA to average invested capital. Adjusted EBITDA is a non-GAAP measure, whose nearest GAAP measure is Cash Flow from Operations. The distributable cash payout ratio is calculated by dividing the distributions paid during the period by adjusted distributable cash. Adjusted distributable cash is a non-GAAP measure, whose nearest GAAP measure is Cash Flow from Operations.

The Fund's strategy has been to maintain a strong statement of financial position including its cash position and financial flexibility while maintaining consistent distributions in order to capitalize on growth opportunities. In addition, the Fund believes that, from time to time, the market price of the units may not fully reflect the underlying value of the units and that at such times the purchase of units would be in the best interest of the Fund. Such purchases increase the proportionate ownership interest of all remaining unitholders.

The Company grows, in part, through the acquisition or start-up of collision and glass repair and replacement businesses, or other businesses. Sources of capital that the Company has been successful at accessing in the past include public and private equity placements, convertible debt offerings, the use of equity securities to directly pay for a portion of acquisitions, capital available through strategic alliances with trading partners, capital lease financing, seller financing and both senior and subordinate debt facilities or by deferring possible future purchase price payments using contingent consideration and call or put options.

23. RELATED PARTY TRANSACTIONS

To broaden and deepen management ownership in the Fund, the Company established the Senior Managers Unit Loan Program ("Unit Loan Program") in December 2012, which facilitated the one-time purchase of 121,607 of trust units held by Brock Bulbuck, President and Chief Executive Officer, and Tim O'Day, President and Chief Operating Officer US Operations, to existing Boyd trustees and senior managers. Only senior managers were eligible to receive loan support, and only up to 75% of each senior manager's unit purchase. The loans bear interest at a fixed rate of 3% per annum with interest payable monthly. For the first five years of the loan, ending December 2017, 2% of the original loan amount was forgiven and applied as a reduction of the loan principal. This forgiveness is conditional on the employee being employed by the Company and the employee not being in default of the loan. Participants are required to make monthly payments equal to .25% of the original principal amount. Beginning March 31, 2013 participants are required to make additional minimum repayments of principal equal to the lesser of 12.5% of their annual pre-tax bonus or 12.5% of the original loan amount. Participants are required to repay the loan in full on the earlier of termination of employment, the sale of the units, or ten years from the date of loan issuance. The loan can be repaid at any time without penalty; however, the 2% future annual forgiveness would be forfeited. Units purchased are held by the Company as security for repayment of the loan. Pursuant to the conditions of the senior manager unit loan program, loan repayments by senior managers amounted to $63 for 2018 (2017 - $223). At December 31, 2018, the carrying value of loans made under the Unit Loan Program was $22 (2017 - $85). Subsequent to year-end, all loans made under the Unit Loan Program were fully repaid.

In certain circumstances the Company has entered into property lease arrangements where an employee of the Company is the landlord. In most cases, the Company assumes these property lease arrangements initially in connection with an acquisition. The property leases for these locations do not contain any significant non-standard terms and conditions that would not normally exist in an arm's length relationship, and the Fund has determined that the terms and conditions of the leases are representative of fair market rent values.

The following are the lease expense amounts for facilities under lease with related parties:

Landlord	Affiliated Person(s)	Location	Lease Expires	**December 31, 2018**	December 31, 2017
Kard Properties Ltd.	Desmond D'Silva	Richmond Hill, ON	2035	**$ 188**	$ 92
Kard Properties Ltd.	Desmond D'Silva	Ottawa, ON	2035	**257**	127
Kard Properties Ltd.	Desmond D'Silva	Ajax, ON	2036	**87**	42
Kard Properties Ltd.	Desmond D'Silva	Mississauga, ON	2032	**50**	25
Kard Properties Ltd.	Desmond D'Silva	Oakville, ON	2035	**188**	92
D'Silva Real Estate Holdings Inc.	Desmond D'Silva	Barrie, ON	2032	**420**	180
Gerber Building No. 1 Ptnrp	Eddie Cheskis, & Tim O'Day	South Elgin, IL	2023	**122**	120
Kard Properties Ltd.	Desmond D'Silva	Missisauga, ON	2035	**105**	52
Kard Properties Ltd.	Desmond D'Silva	Hamilton,ON	2036	**62**	31
Kard Properties Ltd.	Desmond D'Silva	Missisauga, ON	2035	**50**	24
Kard Properties Ltd.	Desmond D'Silva	Missisauga, ON	2035	**309**	153
Kard Properties Ltd.	Desmond D'Silva	Missisauga, ON	2036	**100**	50
Kard Properties Ltd.	Desmond D'Silva	Scarborough, ON	2036	**87**	44
Kard Properties Ltd.	Desmond D'Silva	Toronto, ON	2023	**50**	25
Kard Properties Ltd.	Desmond D'Silva	Brampton, ON	2036	**100**	49
Kard Properties Ltd.	Desmond D'Silva	Hamilton, ON	2035	**103**	51
Kard Properties Ltd.	Desmond D'Silva	Woodstock, ON	2037	**67**	33
Kard Properties Ltd.	Desmond D'Silva	Etobicoke, ON	2037	**213**	105
Kard Properties Ltd.	Desmond D'Silva	Milton, ON	2035	**113**	56
Kard Properties Ltd.	Desmond D'Silva	Brantford, ON	2020	**83**	-
Kard Properties Ltd.	Desmond D'Silva	Ottawa, ON	2036	**212**	104

The Fund’s subsidiary, The Boyd Group Inc., has declared dividends totaling $57 (2017 - $56), through BGHI to 4612094 Manitoba Inc., an entity controlled by a senior officer of the Fund. At December 31, 2018, 4612094 Manitoba Inc. owned 107,329 Class A common shares and 30,000,000 voting common shares of BGHI, representing approximately 30% of the total voting shares of BGHI.

24. 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 years ended December 31,	
Revenues	**2018**	2017
Canada	**$ 289,482**	$ 178,968
United States	**1,575,131**	1,390,480
	$ 1,864,613	$ 1,569,448

Reportable Assets As at	**December 31, 2018**	December 31, 2017
Canada	**$ 239,504**	$ 231,928
United States	**749,255**	568,016
	$ 988,759	$ 799,944

The Fund's revenues are largely derived from the insurers of its customers, who are generally automobile owners. In three Canadian provinces where the Fund operates, government-owned insurance companies have, by legislation, either exclusive or semi-exclusive rights to provide insurance to the Fund's customers. Sales generated in these three markets represent approximately 2% (2017 – 4%) of the Fund's total sales. Although the Fund's services in these markets are predominately paid for by these government-owned insurance companies, the Fund's customers (automobile owners) have freedom of choice of repair provider. In markets where non-government owned insurance companies are predominant, formal relationships with insurance companies such as Direct Repair Programs ("DRPs") play an important role in generating sales volumes for the Fund. Although automobile owners still have the freedom of choice of repair provider, that choice can be influenced by the insurance companies with DRPs. Of the top five non-government owned insurance companies that the Fund deals with, which in aggregate account for approximately 40% (2017 – 44%) of total sales, one insurance company represents approximately 13% (2017 – 14%) of the Fund's total sales, while a second insurance company represents approximately 11% (2017 – 13%).

25. COMPENSATION OF KEY MANAGEMENT

Compensation awarded to key management included:

	For the years ended December 31,	
	2018	2017
Salaries and short-term employee benefits	**$ 5,234**	$ 4,654
Post-employment benefits	**95**	90
Long-term incentive plan	**2,872**	2,266
Unit options	**4,896**	9,783
	$ 13,097	$ 16,793

Key management includes the Fund's Trustees as well as the most senior officers of the Fund and Subsidiary Companies.

26. 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

On January 1, 2016, January 1, 2017 and January 1, 2018, Performance Cash Units were granted to certain executive officers for the 2016, 2017 and 2018 grant years. Performance Cash Units are tied to unit value from date of grant to the date of vesting and will 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 2016, 2017 and 2018 Awards 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

A Directors Deferred Share Unit Plan ("DSUP") 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.

27. EMPLOYEE EXPENSES

	For the years ended December 31,	
	2018	2017
Salaries and short-term employee benefits	**$ 701,476**	$ 596,309
Post-employment benefits	**95**	90
Long-term incentive plan	**4,150**	3,139
Unit options	**4,896**	9,783
	$ 710,617	$ 609,321

28. DEFINED CONTRIBUTION PENSION PLANS

The Fund has defined contribution pension plans for certain employees. The Fund matches U.S. employee contributions at rates up to 6.0% of the employees' salary. The expense and payments for the year were $1,639 (2017 - $1,248). The Fund has established a Retirement Defined Contribution Arrangement Trust Agreement for the CEO which qualifies as retirement compensation arrangement as defined in the Income Tax Act (Canada), RSC 1985, c.1 (5th Supplement), as amended. The agreement specifies that quarterly contributions are to be made until the end of 2024. During 2018, $95 (2017 - $90) was paid related to these arrangements.

29. EARNINGS PER UNIT

	For the years ended December 31, 2018	2017
Net earnings	$ **77,639**	$ 58,435
Less:		
Non-controlling interest put options and call liability	**(2,481)**	(5,879)
Net earnings - diluted basis	$ **75,158**	$ 52,556
Basic weighted average number of units	**19,684,337**	18,489,781
Add:		
Non-controlling interest put options and call liability	**171,826**	224,662
Average number of units outstanding - diluted basis	**19,856,163**	18,714,443
Basic earnings per unit	$ **3.944**	$ 3.160
Diluted earnings per unit	$ **3.785**	$ 2.808

Exchangeable class A shares and unit options are instruments that could potentially dilute basic earnings per unit in the future, but were not included in the calculation of diluted earnings per unit because they are anti-dilutive for the periods presented.

30. CHANGES IN NON-CASH OPERATING WORKING CAPITAL ITEMS

	For the years ended December 31, 2018	2017
Accounts receivable	$ **(11,294)**	$ (7,702)
Inventory	**(972)**	(674)
Prepaid expenses	**(2,814)**	(5,480)
Accounts payable	**45,238**	26,586
Income taxes, net	**3,865**	(9,664)
	$ **34,023**	$ 3,066

31. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

As at			Non-cash changes				
	December 31, 2017	Cash Flows	Acquisition	Other items	Fair value changes	Foreign exchange	**December 31, 2018**
Fund units issued from treasury in connection with options exercised	$ -	$ 876	$ -	$ -	$ -	$ -	**$ -**
Long-term debt	257,976	1,720	20,073	172	-	8,218	**288,159**
Obligations under finance leases	8,921	(3,906)	-	2,784	-	608	**8,407**
Dividends and distributions	869	(10,522)	-	10,555	-	-	**902**
Non-controlling interest put options and call liability	21,242	-	-		(2,481)	1,795	**20,556**
Issue costs	-	(101)	-	-	-	-	**-**
	$ 289,008	(11,933)	20,073	13,511	(2,481)	10,621	**$ 318,024**

As at			Non-cash changes				
	December 31, 2016	Cash Flows	Acquisition	Other items	Fair value changes	Foreign exchange	**December 31, 2017**
Long-term debt	$ 101,617	$ 154,982	$ 6,641	$ 350	$ -	$ (5,614)	**$ 257,976**
Obligations under finance leases	11,892	(4,349)	-	1,951	-	(573)	**8,921**
Dividends and distributions	787	(9,618)	-	9,700	-	-	**869**
Non-controlling interest put options and call liability	29,202	(221)	-	-	(5,879)	(1,860)	**21,242**
Issue costs	-	(192)	-	-	-	-	**-**
	$ 143,498	140,602	6,641	12,001	(5,879)	(8,047)	**$ 289,008**

BOARD OF TRUSTEES

The Boyd Group Income Fund Board of Trustees consists of eight members – two that are officers of the Fund and six that are independent Trustees. The Chairman of the Board is Allan Davis. The Boyd Group Income Fund Board of Trustees has established three standing committees: The Corporate Governance and Nomination Committee, The Audit Committee, and the Executive Compensation Committee.

The Corporate Governance and Nomination Committee is chaired by Sally Savoia and includes Robert Gross, Allan Davis and Violet (Vi) A.M. Konkle. The Audit Committee is chaired by David Brown and includes Allan Davis, Gene Dunn and Violet (Vi) A.M. Konkle. The Executive Compensation Committee is chaired by Gene Dunn and includes David Brown, Robert Gross and Sally Savoia.

David Brown is currently President and CEO of Richardson Capital and Managing Director of RBM Capital Limited. Previously, he was Corporate Secretary of James Richardson & Sons, Limited, and a partner in the independent law and accounting firm of Gray & Brown. In addition to serving on the Board of Trustees of the Fund, he also serves as a Director of GMP Capital, Inc., Richardson Financial Group and Pollard Banknote Limited. He graduated from the University of Manitoba law school, and is a Chartered Professional Accountant and member of the Manitoba Bar Association.

Brock Bulbuck is the CEO of the Fund. Since joining Boyd in 1993, he has played a leading role in the development and growth of the business. He is a Chartered Professional Accountant and is responsible for the affairs of the Fund, including strategy, operations and performance In addition to serving on the Board of Trustees of the Fund, he also serves as a Director on the Board of The North West Company and as a Director of the Pan Am Clinic Foundation. He is also a former Chair of the Winnipeg Football Club Board of Directors and a former Governor of the Canadian Football League.

Allan Davis is the Independent Chairman of the Fund's Board of Trustees. He is also President and Director of AFD Investments Inc., a Winnipeg based management consulting firm. In addition to serving on the Board of Trustees, he is also a member of the Exchange Income Corporation Board of Directors. He is a Chartered Professional Accountant and holds a Bachelor of Commerce (Honours) degree from the University of Manitoba.

Gene Dunn is the Chairman of Monarch Industries Ltd. of Winnipeg, a leading Canadian manufacturing company, where he previously served as President and CEO. He is Past Chairman of the Board of Governors for Balmoral Hall School for Girls and Past Chairman of the Winnipeg Blue Bombers Football Club. Mr. Dunn is also the Past Chairman of the Board of Governors of the Canadian Football League.

Robert Gross is the past Executive Chairman of Monro, Inc., the largest chain of company-operated automotive undercar repair and tire service facilities in the United States. He served as CEO of Monro from 1999 until October 2012 and as Executive Chairman from October 2012 to August 2017. Prior to his time at Monro, he served as Chairman and CEO at Tops Appliance City, Inc. and before that as President and COO at Eye Care Centers of America, Inc., a Sears, Roebuck & Co. company.

Violet (Vi) A.M. Konkle is the past President and Chief Executive Officer of The Brick Ltd. Prior to joining The Brick in 2010 as President, Business Support, she held a number of positions with Walmart Canada, including Chief Operating Officer and Chief Customer Officer. Ms. Konkle also held a number of senior executive positions with Loblaw Companies Ltd., including Executive Vice President, Atlantic Wholesale Division. Ms. Konkle is a director of The North West Company Inc. (a TSX listed public company) as well as being on the board of three privately held companies including Bailey Metal Products, Elswood Investment Corporation and Longo's Brothers Fruit Markets Inc. Ms. Konkle also acts as an Advisor to the Board of Abarta, a Pittsburgh-based privately held company. She is a past director of Dare Foods, The Brick Ltd., Trans Global Insurance, the Canadian Chamber of Commerce and the National Board of Habitat for Humanity.

Tim O'Day is Boyd's President and COO of the Fund. He joined Gerber Collision & Glass in February 1998. With Boyd Group's acquisition of Gerber in 2004, he was appointed COO for Boyd's U.S Operations. In 2008, he was appointed President and COO for U.S. Operations. Earlier in his career, he was with Midas International, where he was elevated to Vice President–Western Division, responsible for a territory that encompassed 500 Midas locations. Mr. O'Day also serves on the I-Car Board as Chairman and served on the Board of the Collision Repair Education Foundation until March 2016 for a period of six years.

Sally Savoia is a former Vice President and Chief Human Resource Officer for Praxair Inc. and since her retirement in 2014, has served as an independent corporate consultant. Ms. Savoia's human resources experience includes executive compensation design and implementation, executive level succession planning, global talent management, leadership development, diversity and inclusion efforts and global benefits design.

CORPORATE DIRECTORY

COMPANY OFFICERS & PRIMARY SUBSIDIARY COMPANY OFFICERS

Brock Bulbuck
Chief Executive Officer

Tim O'Day
President & Chief Operating Officer

Narendra (Pat) Pathipati
Executive Vice President,
Chief Financial Officer &
Secretary-Treasurer

Stephen Boyd
Vice President,
Corporate Development

Jeff Murray
Vice President,
Finance

Gary Bunce *
Senior Vice President,
Sales
US Operations

Kevin Burnett *
Chief Operating Officer,
U.S. Collision

Eddie Cheskis *
Chief Executive Officer,
Glass America and Gerber National
Claim Services

Vince Claudio *
Senior Vice President,
U.S. Collision

Eric Danberg *
President,
Boyd Autobody & Glass

Susie Frausto*
Vice President,
Marketing

Kim Morin *
Vice President & Chief Human
Resources Officer

Srikanth Venkataraman*
Vice President,
Information Services

Desmond D'Silva*
Chief Executive Officer,
Assured Automotive

Tony Canade*
President,
Assured Automotive

* *Officers of subsidiary companies only*

CORPORATE OFFICE

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Winnipeg, Manitoba, Canada	Fax: (204) 895-1283
R3H 1H9	Website: www.boydgroup.com

For location information, please visit us at ***www.boydgroup.com***

UNITHOLDER INFORMATION

BOYD GROUP INCOME FUND UNITS AND EXCHANGE LISTING

Units of the Fund are listed on the Toronto Stock Exchange under the symbol BYD.UN

Registrar, Transfer Agents and Distribution Agents	Legal Counsel	Auditors
Computershare Trust Company 8th Floor, 100 University Avenue Toronto, Ontario M5J 2Y1	Thompson Dorfman Sweatman 2200 – 201 Portage Avenue Winnipeg, Manitoba R3B 3L3	Deloitte LLP 2200 – 360 Main Street Winnipeg, Manitoba R3C 3Z3
Bank Syndicate Lead Member	**Additional Bank Syndicate Members**	
Toronto-Dominion Bank TD North Tower 77 King Street West, 25th Floor Toronto, Ontario M5K 1A2	Bank of America N.A., Canada Branch The Bank of Nova Scotia National Bank of Canada	

Annual General Meeting

Wednesday, May 15, 2019
Hilton Winnipeg Airport Suites Hotel
1800 Wellington Avenue
Winnipeg, Manitoba
R3H 1B2
1:00 p.m. (CT)