BOYD GROUP INCOME FUND

INTERIM REPORT TO UNITHOLDERS

Three Months Ended March 31, 2017

BOYD GROUP INCOME FUND

INTERIM REPORT TO UNITHOLDERS

First Quarter Ended March 31, 2017

To our Unitholders,

When we reported our fourth quarter 2016 results in March, we provided our outlook on the first quarter of 2017. In this report, we confirm that the warm and dry weather conditions had an adverse impact on same-store sales, which grew very modestly at 1.2%, compared to the exceptional 7.4% same-store sales growth in the first quarter of 2016. Additionally, a weaker U.S. dollar in relation to the Canadian dollar in Q1 2017 in comparison to Q1 2016 also negatively impacted sales and earnings.

The weather impact was an industry-wide phenomenon and it is a testament to our scale, geographic diversity and position as a key supplier to insurance companies that we achieved positive growth in the quarter.

Total sales in the quarter were $378.9 million, an 8.2% increase over the first quarter of 2016. This reflects the addition of 65 new locations. Same-store sales added $4.3 million excluding foreign exchange; however, a lower quarter over quarter U.S. dollar foreign exchange rate negatively impacted sales by $12.0 million.

In 2017, we have added ten locations to date. While this is below last year's level of growth on a year to date basis, our corporate development team has a healthy pipeline of targets and we are confident that we will achieve our long-term growth goal.

Adjusted EBITDA[1] for the first quarter of 2017 totalled $32.8 million, or 8.7% of sales, compared with Adjusted EBITDA of $29.5 million, or 8.4% of sales, in the prior year. The 11.2% increase primarily reflects growth in the business and improved gross margin percentage, partially offset by higher operating expenses and foreign exchange impact.

In the first quarter of 2017, the Fund recorded net earnings of $15.0 million, compared with net earnings of $0.3 million in the same quarter last year. Excluding the impact of fair value adjustments as well as acquisition and transaction costs, adjusted net earnings[1] were $13.9 million in the first quarter of 2017 compared to $12.8 million in the first quarter of 2016. This translates into adjusted net earnings of $0.771 per unit, compared to $0.714 in the first quarter of 2016. The increase is the result of growth in the business.

The Fund generated adjusted distributable cash[1] of $15.3 million in the first quarter of 2017, compared to $3.8 million in the same quarter of the previous year, and paid distributions and dividends of $2.4 million, resulting in a payout ratio based on adjusted distributable cash of 15.4%. This compares with a payout ratio of 59.8% a year ago. On a trailing twelve-month basis, the payout ratio based on adjusted distributable cash is 10.6% compared to 16.0% a year ago.

With respect to the balance sheet, the Fund held total debt, net of cash, of $114.1 million at March 31, 2017, compared to $110.8 million at December 31, 2016 and $99.8 million at March 31, 2016. This continues to represent very conservative leverage that gives us the financial flexibility for further growth. Management believes that the Fund's capital resources are sufficient to meet growth, working capital, capital expenditure and distribution requirements.

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[1] EBITDA, Adjusted EBITDA, distributable cash, adjusted distributable cash and adjusted net earnings are not recognized measures under International Financial Reporting Standards ("IFRS"). Management believes that in addition to sales, net earnings and cash flows, the supplemental measures of distributable cash, adjusted distributable cash, adjusted net earnings, EBITDA and Adjusted EBITDA are useful as they provide investors with an indication of earnings from operations and cash available for distribution, both before and after debt management, productive capacity maintenance and non-recurring and other adjustments. Investors should be cautioned, however, that EBITDA, Adjusted EBITDA, distributable cash, adjusted distributable cash and adjusted net earnings should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of the Fund's performance. Boyd's method of calculating these measures may differ from other public issuers and, accordingly, may not be comparable to similar measures used by other issuers. For a detailed explanation of how the Fund's non-GAAP measures are calculated, please refer to the Fund's MD&A filing for the period ended March 31, 2017, which can be accessed via the SEDAR Web site (www.sedar.com).

Despite the adverse impacts of weather and currency in the quarter, our overall results show that the business is robust and has been built to withstand fluctuations in regional market conditions. We remain committed to our goal of doubling our business by 2020, based on 2015 results. The strategy to achieve that growth will continue to focus on acquiring both single and multi-location businesses, developing new stores and growing same-store sales. We currently have approximately $350 million in cash and credit facility available to execute on this growth strategy.

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

Sincerely,

(signed)

Brock Bulbuck
Chief Executive Officer

Management's Discussion & Analysis

OVERVIEW

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

BOYD AUTOBODY & GLASS	42 centers	GERBER COLLISION & GLASS	364 centers			
Manitoba	14	Florida	57	Maryland	10	GLASS AMERICA
British Columbia	13	Illinois	54	Oregon	10	gerber COLLISION & GLASS
Alberta	12	Michigan	47	Louisiana	9	AUTO GLASS SERVICE
Saskatchewan	2	North Carolina	31	Oklahoma	5	AUTO GLASS AUTHORITY Experience the Difference...
Ontario	1	Indiana	24	Pennsylvania	5	AUTO GLASS only.com
		Ohio	22	Utah	5	gerber NATIONAL CLAIM SERVICES
		Georgia	21	Nevada	4	
		Arizona	20	Idaho	1	
		Washington	20	Kansas	1	
		Colorado	17	Kentucky	1	

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

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

The following review of the Fund's operating and financial results for the three months ended March 31, 2017, including material transactions and events up to and including May 11, 2017, should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2017, as well as the annual audited consolidated financial statements, management discussion & analysis ("MD&A") and annual information form ("AIF") of Boyd Group Income Fund for the year ended December 31, 2016 as filed on SEDAR at www.sedar.com.

SIGNIFICANT EVENTS

On January 4, 2017, the Fund announced the appointment of Tim O'Day as President & Chief Operating Officer.

The Fund added new collision locations since January 1, 2017 as follows:

Date	Location	Previously operated as
January 6, 2017	Monroe, NC	Griffin Motors Collision Center
January 13, 2017	Phoenix, AZ (4 locations)	Brighton Collision
March 17, 2017	Portland, OR (2 locations)	True Form
March 31, 2017	Hinesville, GA	n/a start-up
April 19, 2017	Salem, OR	C.E. Miller Auto Body
April 27, 2017	Orem, UT	Adams G3 Collision Repair

OUTLOOK

Boyd continues to execute on its growth strategy. During 2017 the Company has added ten locations. While the pace of acquisition activity thus far lags behind what was achieved in the same period of 2016, management remains confident in its ability to double the size of the business and revenues (on a constant currency basis) during the five-year period ending in 2020, although the extent and timing of acquisition activity is expected to vary from quarter to quarter.

The first quarter of 2017 saw very modest same-store sales growth of 1.2%, primarily due to extremely warm and dry winter weather conditions experienced in many parts of the country that resulted in decreased demand for services in some of our markets. These extremely warm and dry winter weather conditions have had some carryover impact in some of our markets into the second quarter of 2017. While it is still very early in the quarter, and market conditions could therefore change as the quarter continues, thus far in the second quarter, our same-store sales growth is showing a slight improvement over first quarter levels.

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 further well-positioned to take advantage of large acquisition opportunities, should they arise, which could accelerate the time frame to double its size. It is expected that this growth can be achieved while continuing to be disciplined and selective in the identification and assessment of all acquisition opportunities.

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

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

As at May 11, 2017, the business environment of the Company and strategies adopted by management remain unchanged from those described in the Fund's 2016 annual MD&A.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

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

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

Forward-looking Information	Key Assumptions	Most Relevant Risk Factors
The stated objective of generating growth sufficient to double the size of the business over the five-year period ending in 2020	Opportunities continue to be available and are at acceptable and accretive prices Financing options continue to be available at reasonable rates and on acceptable terms and conditions New and existing customer relationships are expected to provide acceptable levels of revenue opportunities Anticipated operating results would be accretive to overall Company results Growth is defined as revenue on a constant currency basis	Acquisition market conditions change and repair shop owner demographic trends change Credit and refinancing conditions prevent or restrict the ability of the Company to continue growth strategies Changes in market conditions and operating environment Significant declines in the number of insurance claims Integration of new stores is not accomplished as planned Increased competition which prevents achievement of acquisition and revenue goals
Boyd remains confident in its business model to increase market share by expanding its presence in both the U.S. and Canada through strategic and accretive acquisitions alongside organic growth from Boyd's existing operations	Continued stability in economic conditions and employment rates Pricing in the industry remains stable The Company's customer and supplier relationships provide it with competitive advantages to increase sales over time Market share growth will more than offset systemic changes in the industry and environment Anticipated operating results would be accretive to overall Company results	Economic conditions deteriorate Loss of one or more key customers or loss of significant volume from any customer Decline in the number of insurance claims Inability of the Company to pass cost increases to customers over time Increased competition which may prevent achievement of revenue goals Changes in market conditions and operating environment Changes in weather conditions
Stated objective to gradually increase distributions over time	Growing profitability of the Company and its subsidiaries The continued and increasing ability of the Company to generate cash available for distribution Balance sheet strength and flexibility is maintained and the distribution level is manageable taking into consideration bank covenants, growth requirements and maintaining a distribution level that is supportable over time No change in the Fund's structure	The Fund is dependent upon the operating results of the Company and its ability to pay interest and dividends to the Fund Economic conditions deteriorate Changes in weather conditions Decline in the number of insurance claims Loss of one or more key customers or loss of significant volume from any customer Changes in government regulation

Forward-looking Information	Key Assumptions	Most Relevant Risk Factors
Over the next year, capital expenditures are expected to exceed historical maintenance capital expenditure levels by $12 to $15 million.	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. The amounts identified are subject to foreign exchange rates fluctuation. No other new capital requirements are identified or required during the period.	Expected actual expenditures could be beyond the $12 to $15 million estimated. The timing of the expenditures could occur on a different timeline. The Fund may identify additional capital expenditure needs that were not originally anticipated.

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.

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. 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:

(thousands of Canadian dollars)	For the three months ended March 31, **2017**	2016
Net earnings	**$ 15,012**	$ 282
Add:		
Finance costs (net of Finance income)	**2,498**	2,414
Income tax expense	**7,417**	6,279
Depreciation of property, plant and equipment	**6,123**	5,436
Amortization of intangible assets	**2,748**	2,383
Standardized EBITDA	**$ 33,798**	$ 16,794
Add (less):		
Fair value adjustments	**(1,198)**	12,253
Acquisition and transaction costs	**186**	443
Adjusted EBITDA	**$ 32,786**	$ 29,490

ADJUSTED NET EARNINGS

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

(thousands of Canadian dollars, except per unit amounts)	For the three months ended March 31, **2017**	2016
Net earnings	**$ 15,012**	$ 282
Add (less):		
Fair value adjustments (non-taxable)	**(1,198)**	12,253
Acquisition and transaction costs (net of tax)	**113**	270
Amortization of acquired brand names (net of tax)	**-**	23
Adjusted net earnings	**$ 13,927**	$ 12,828
Weighted average number of units	**18,065,548**	17,970,470
Adjusted net earnings per unit	**$ 0.771**	$ 0.714

Distributions and Distributable Cash

During the first quarter, 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, 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
		$	0.1290	$	2,330	$	30

(thousands of Canadian dollars, except per unit and per share amounts)							
Record date	**Payment date**		**Distribution per Unit / Dividend per Share**		**Distribution amount**		**Dividend amount**
January 31, 2016	February 25, 2016	$	0.0420	$	757	$	11
February 29, 2016	March 29, 2016		0.0420		757		11
March 31, 2016	April 27, 2016		0.0420		757		11
		$	0.1260	$	2,271	$	33

Maintaining Productive Capacity

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

During 2016 and continuing into 2017, the Company embarked on further transformation of its information technology infrastructure. That program includes upgrading its management information systems as well as hardware, network and security. In 2017, the Company spent $0.7 million on this technology infrastructure. Over the next year, the Company expects that capital expenditures in these areas will be $8 to $10 million in excess of historical maintenance capital expenditure levels. Additionally, in 2017, the Company intends to invest $4 to $5 million in specialized collision repair equipment related to new vehicle technologies. These proactive investments will better position the Company to meet anticipated market needs.

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 2017 and 2016:

Standardized and Adjusted Distributable Cash [1]				
(thousands of Canadian dollars, except per unit and per share amounts)	For the three months ended March 31,			
		2017		2016
Cash flow from operating activities before changes in non-cash working capital items	**$**	**23,938**	$	22,657
Changes in non-cash working capital items		**(4,045)**		(15,350)
Cash flows from operating activities		**19,893**		7,307
Less adjustment for:				
Sustaining expenditures on plant, software and equipment [2]		**(3,805)**		(2,696)
Standardized distributable cash	**$**	**16,088**	$	4,611
Standardized distributable cash per average unit and Class A common share				
Per average unit and Class A common share	**$**	**0.879**	$	0.253
Per diluted unit and Class A common share [5]	**$**	**0.824**	$	0.246
Standardized distributable cash from above	**$**	**16,088**	$	4,611
Add (deduct) adjustments for:				
Acquisition and transaction costs [3]		**186**		443
Proceeds on sale of equipment and software		**163**		153
Principal repayments of finance leases [4]		**(1,104)**		(1,439)
Payment to non-controlling interest [6]		**(35)**		-
Adjusted distributable cash	**$**	**15,298**	$	3,768
Adjusted distributable cash per average unit and Class A common share				
Per average unit and Class A common share	**$**	**0.836**	$	0.207
Per diluted unit and Class A common share [5]	**$**	**0.783**	$	0.201
Distributions and dividends paid				
Unitholders	**$**	**2,330**	$	2,219
Class A common shareholders		**30**		33
Total distributions and dividends paid	**$**	**2,360**	$	2,252
Distributions and dividends paid				
Per unit	**$**	**0.129**	$	0.126
Per Class A common share	**$**	**0.129**	$	0.126
Payout ratio based on standardized distributable cash		**14.7%**		48.8%
Payout ratio based on adjusted distributable cash		**15.4%**		59.8%

[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 2017 the Company acquired a further $0.2 million (2016 - $1.6 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 excluding non-cash other gains.

[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 March 31,		
(thousands of Canadian dollars, except per unit amounts)	**2017**	% change	2016
Sales - Total	**378,915**	8.2	350,356
Same-store sales - Total (excluding foreign exchange)	**350,216**	1.2	345,916
Gross margin %	**45.7**	1.3	45.1
Operating expense %	**37.0**	0.8	36.7
Adjusted EBITDA [1]	**32,786**	11.2	29,490
Acquisition and transaction costs	**186**	(58.0)	443
Depreciation and amortization	**8,871**	13.5	7,819
Fair value adjustments	**(1,198)**	(109.8)	12,253
Finance costs	**2,498**	3.5	2,414
Income tax expense	**7,417**	18.1	6,279
Adjusted net earnings [1]	**13,927**	8.6	12,828
Adjusted net earnings per unit [1]	**0.771**	8.0	0.714
Net earnings	**15,012**	n/a	282
Basic earnings per unit	**0.831**	n/a	0.016
Diluted earnings (loss) per unit	**0.699**	n/a	(0.010)
Standardized distributable cash [1]	**16,088**	n/a	4,611
Adjusted distributable cash [1]	**15,298**	n/a	3,768
Distributions and dividends paid	**2,360**	4.8	2,252

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

1st Quarter Comparison – Three months ended March 31, 2017 vs. 2016

Sales

Sales totaled $378.9 million for the three months ended March 31, 2017, an increase of $28.6 million or 8.2% when compared to 2016. The increase in sales was the result of the following:

- $37.0 million of incremental sales were generated from 65 new locations
- Same-store sales excluding foreign exchange increased $4.3 million or 1.2%. The very modest same-store sales increase in the first quarter of 2017 was due to extremely warm and dry winter weather conditions experienced in many parts of the country that resulted in decreased demand for services in some markets, combined with very strong same-store sales in the comparative period of Q1 2016.
- Sales decreased $12.0 million due to the translation of same-store sales at a lower U.S. dollar exchange rate.
- Sales were affected by the closure of under-performing facilities which decreased sales by $0.7 million.

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

Gross Profit

Gross Profit was $173.1 million or 45.7% of sales for the three months ended March 31, 2017 compared to $158.1 million or 45.1% of sales for the same period in 2016. Gross profit increased as a result of growth in the business and improved gross margin percentage compared to the prior period. The gross margin percentage increase is primarily due to some improved DRP pricing as well as certain cost reductions, but is considered to be within the normal range for period to period fluctuations.

Operating Expenses

Operating Expenses for the three months ended March 31, 2017 increased $11.7 million to $140.3 million from $128.6 million for the same period of 2016. Excluding the impact of foreign currency translation, which decreased operating expenses by approximately $5.1 million, expenses increased $17.3 million from 2016 primarily as a result of new locations. Closed locations lowered operating expenses by a combined $0.5 million.

Operating expenses as a percentage of sales were 37.0% for the three months ended March 31, 2017, which compared to 36.7% for the same period in 2016. The increase in operating expenses as a percentage of sales was primarily due to the impact of higher operating expense ratios associated with recent acquisitions. Soft market conditions and the impact of reduced pricing in the glass business also resulted in increased operating expense ratios during the first quarter of 2017.

Acquisition and Transaction Costs

Acquisition and Transaction Costs for the three months ended March 31, 2017 were $0.2 million compared to $0.4 million recorded for the same period of 2016. The costs relate to various acquisitions, including acquisitions from prior periods, as well as other completed or potential acquisitions.

Adjusted EBITDA

Earnings before interest, income taxes, depreciation and amortization, adjusted for the fair value adjustments related to the exchangeable share liability and unit option liability, convertible debenture conversion features and non-controlling interest put option, as well as acquisition and transaction costs ("Adjusted EBITDA")[2] for the three months ended March 31, 2017 totaled $32.8 million or 8.7% of sales compared to Adjusted EBITDA of $29.5 million or 8.4% of sales in the prior year. The $3.3 million increase was primarily the result of contributions from locations added since the beginning of the first quarter of 2016 along with improvement in gross margins, partially offset by increased operating expenses and foreign exchange impact. Changes in U.S. dollar exchange rates in 2017 decreased Adjusted EBITDA by $1.0 million.

Depreciation and Amortization

Depreciation Expense related to property, plant and equipment totaled $6.1 million or 1.6% of sales for the three months ended March 31, 2017, an increase of $0.7 million when compared to the $5.4 million or 1.6% of sales recorded in the same period of the prior year. The increase was primarily due to the growth in the business.

Amortization of intangible assets for the three months ended March 31, 2017 totaled $2.7 million or 0.7% of sales, an increase of $0.3 million when compared to the $2.4 million or 0.7% 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 Convertible Debenture Conversion Features liability resulted in a non-cash recovery of $0.4 million for the first quarter of 2017, compared to a non-cash expense of $7.0 million in the same period last year. The fair value for the convertible debenture conversion feature is estimated using a Black-Scholes valuation model. The decrease in

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

the liability and the related recovery is primarily the result of the modest decrease in the market value of the Fund's units over the conversion price for the 5.25% Convertible Unsecured Subordinated Debentures.

Fair Value Adjustment to Exchangeable Class A Common Shares liability resulted in a non-cash recovery of $0.2 million during the first quarter of 2017 compared to a non-cash expense of $2.3 million in the prior year. The Class A exchangeable shares of BGHI are exchangeable into units of the Fund. This exchangeable feature results in the shares being presented as financial liabilities of the Fund. The liability represents the value of the Fund attributable to these shareholders. Exchangeable Class A shares are measured at the market price of the units of the Fund as of the statement of financial position date. The decrease in the liability and the related recovery is the result of the modest decrease in the value of the Fund's units.

Fair Value Adjustment to Unit Based Payment Obligation liability was a non-cash expense of $0.6 million for the first quarter of 2017 compared to $3.4 million in the prior year. The cost of cash-settled unit-based transactions is measured at fair value using a Black-Scholes model and expensed over the vesting period with the recognition of a corresponding liability. The increase in the liability and the related expense is primarily the result of further vesting of the liability, partially offset by the modest decrease in the value of the Fund's units.

Fair Value Adjustment to Non-controlling Interest Put Options liability resulted in a non-cash recovery of $1.2 million for the first quarter of 2017 compared to a $0.5 million non-cash recovery in the same period of the prior year. The recovery relates to two separate agreements the Fund entered into on May 31, 2013, in connection with the acquisition of Glass America, which provide the non-controlling interest partners with the right to require the Company to purchase their retained interest according to a valuation formula defined in the agreements. On October 31, 2016, the Fund amended one of the May 31, 2013 agreements. This put option is not exercisable until December 31, 2018 and is exercisable anytime thereafter by the glass-business operating partner. The value of the put options is determined by discounting the estimated future payment obligations at each statement of financial position date. Soft market conditions in 2016 and continuing into 2017 resulted in a reduction in the value of the put options.

Finance Costs

Finance Costs of $2.5 million or 0.7% of sales for the three months ended March 31, 2017 increased from $2.4 million or 0.7% of sales for the prior year. The increase in finance costs primarily resulted from additional seller notes issued on recent acquisitions.

Income Taxes

Current and Deferred Income Tax Expense of $7.4 million for the three months ended March 31, 2017 compares to an expense of $6.3 million for the same period in 2016. Income tax expense is impacted by permanent differences such as mark-to-market adjustments which impacts the tax computed on accounting income.

Net Earnings and Earnings Per Unit

Net Earnings for the three months ended March 31, 2017 was $15.0 million or 4.0% of sales compared to net earnings of $0.3 million or 0.1% of sales last year. The net earnings amount in 2017 was impacted by the fair value adjustment recovery of $1.2 million and transaction costs of $0.1 million (net of tax). Excluding the impact of these adjustments, net earnings would have increased to $13.9 million or 3.7% of sales. This compares to adjusted net earnings of $12.8 million or 3.7% of sales for the same period in 2016 if the same items were adjusted. The increase in the adjusted net earnings for the period is primarily the result of growth in the business.

Basic Earnings Per Unit was $0.831 per unit for the three months ended March 31, 2017 compared to basic earnings per unit of $0.016 in the same period in 2016. Diluted earnings per unit was $0.699 for the three months ended March 31, 2017 compared to a diluted loss per unit of $0.010 in the same period of 2016. The increases in these amounts are primarily attributed to growth in the business along with fair value adjustments during 2017 resulting in a non-cash recovery compared to a more significant non-cash expense in 2016.

Summary of Quarterly Results								
(in thousands of Canadian dollars, except per unit amounts)	**2017 Q1**	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2
Sales	**$ 378,915**	$ 360,449	$ 345,309	$ 331,005	$ 350,356	$ 312,505	$ 301,076	$ 278,726
Adjusted EBITDA [1]	**$ 32,786**	$ 32,646	$ 31,620	$ 30,511	$ 29,490	$ 28,552	$ 26,425	$ 25,505
Net earnings (loss)	**$ 15,012**	$ 8,397	$ 6,474	$ 15,212	$ 282	$ (2,704)	$ (19,479)	$ 8,657
Basic earnings (loss) per unit	**$ 0.831**	$ 0.465	$ 0.358	$ 0.843	$ 0.016	$ (0.161)	$ (1.189)	$ 0.529
Diluted earnings (loss) per unit	**$ 0.699**	$ 0.399	$ 0.158	$ 0.683	$ (0.010)	$ (0.161)	$ (1.189)	$ 0.394
Adjusted net earnings [1][2]	**$ 13,927**	$ 13,116	$ 13,069	$ 13,633	$ 12,828	$ 10,446	$ 10,100	$ 11,079
Adjusted net earnings per unit [1][2]	**$ 0.771**	$ 0.726	$ 0.724	$ 0.756	$ 0.714	$ 0.622	$ 0.617	$ 0.677

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

[2] Adjusted net earnings for 2015 have been revised to reflect the impact of tax on adjustments, consistent with presentation in the current period.

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

LIQUIDITY AND CAPITAL RESOURCES

Cash flow from operations, together with cash on hand and unutilized credit available on existing credit facilities are expected to be sufficient to meet operating requirements, capital expenditures and distributions. At March 31, 2017, the Fund had cash, net of outstanding deposits and cheques, held on deposit in bank accounts totaling $54.7 million (December 31, 2016 - $53.5 million). The net working capital ratio (current assets divided by current liabilities) was 1.05:1 at March 31, 2017 (December 31, 2016 – 1.03:1).

At March 31, 2017, the Fund had total debt outstanding, net of cash, of $114.1 compared to $110.8 million at December 31, 2016, $119.7 million at September 30, 2016, $85.3 million at June 30, 2016 and $99.8 million at March 31, 2016. Debt, net of cash, increased during the first quarter of 2017 as a result of acquisition and development activity.

Total debt, net of cash *(thousands of Canadian dollars)*	**March 31, 2017**	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Revolving credit facility	**$ 39,698**	$ 33,318	$ 32,525	$ 6,220	$ 21,099
Convertible debentures	**51,048**	50,808	50,775	51,303	51,144
Seller notes [1]	**67,167**	68,299	68,645	63,417	64,311
Obligations under finance leases	**10,855**	11,892	12,044	12,221	12,529
Total debt	**$ 168,768**	$ 164,317	$ 163,989	$ 133,161	$ 149,083
Cash	**54,715**	53,515	44,333	47,868	49,274
Total debt, net of cash	**$ 114,053**	$ 110,802	$ 119,656	$ 85,293	$ 99,809

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

Operating Activities

Cash flow generated from operations, before considering working capital changes, was $23.9 million for the first three months of 2017 compared to $22.7 million in 2016. The increase was primarily due to growth in the business.

In the first three months of 2017, changes in working capital items used net cash of $4.0 million compared with the first three months of 2016 which used net cash of $15.4 million. Increases and decreases in accounts receivable, inventory, prepaid expenses, income taxes, accounts payable and accrued liabilities are significantly influenced by timing of collections and expenditures.

Financing Activities

Cash used in financing activities totalled $0.2 million for the three months ended March 31, 2017 compared to cash provided by financing activities of $15.8 million for the prior year. During the first quarter of 2017, cash was provided by draws of the revolving credit facility in the amount of $6.6 million offset by cash used to repay long-term debt associated with seller notes in the amount of $3.2 million. Cash was also used to repay finance leases in the amount of $1.1 million and to pay distributions to unitholders, dividends to Class A common shareholders and payments to non-controlling interests totaling $2.4 million. During the first quarter of 2016, cash was primarily provided by draws of the revolving credit facility in the amount of $21.8 million offset by cash used to repay long-term debt associated with seller notes in the amount of $2.6 million, to repay finance leases in the amount of $1.4 million and to pay distributions to unitholders and dividends to Class A common shareholders totalling $2.3 million.

Debt Financing

The Company has a revolving credit facility of up to $150 million U.S. with an accordion feature which can increase the facility to a maximum of $250 million U.S. The facility is with a syndicate of Canadian and U.S. banks and is secured by the shares and assets of the Company as well as by guarantees of the Fund and BGHI. The interest rate is based on a pricing grid of the Fund's ratio of total funded debt to EBITDA as determined under the credit agreement. The Company can draw the facility in either the U.S. or in Canada, in either U.S. or Canadian dollars. 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 $3.0 million in Canada and $12.0 million in the U.S. At March 31, 2017 the Company has drawn $30.0 million U.S. on the facility.

Under the revolving facility, Boyd is subject to certain financial covenants which must be maintained to avoid acceleration of the termination of the credit agreement. The financial covenants require the Fund to maintain a total debt to EBITDA ratio of less than 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 debt calculations exclude the convertible debentures.

The Company supplements its debt financing by negotiating with sellers in certain acquisitions to provide financing to the Company in the form of term notes. The notes payable to sellers are typically at favourable interest rates and for terms of five to 15 years. This source of financing is another means of supporting the Fund's growth, at a relatively low cost. During the first quarter of 2017, the Fund entered into three new seller notes for an aggregate amount of $2.6 million. The Company repaid seller notes in the first quarter of 2017 totaling approximately $3.2 million (2016 - $2.6 million).

The Fund has traditionally used capital leases to finance a portion of both its maintenance and expansion capital expenditures. The Fund expects to continue to use this source of financing where available at competitive interest rates and terms, although this financing also impacts the total leverage capacity covenants under its debt facility. During the first quarter of 2017, $0.2 million (2016 - $1.6 million) of expenditures for new vehicles were financed through capital leases.

Investing Activities

Cash used in investing activities totalled $18.1 million for the three months ended March 31, 2017, compared to $44.2 million used in the prior year. The investing activity in both periods relates primarily to new location growth that occurred during these periods.

Acquisitions and Development of Businesses

Since the beginning of 2017, the Company has added ten collision locations as follows:

Date	Location	Previously operated as
January 6, 2017	Monroe, NC	Griffin Motors Collision Center
January 13, 2017	Phoenix, AZ (4 locations)	Brighton Collision
March 17, 2017	Portland, OR (2 locations)	True Form
March 31, 2017	Hinesville, GA	n/a start-up
April 19, 2017	Salem, OR	C.E. Miller Auto Body
April 27, 2017	Orem, UT	Adams G3 Collision Repair

The Company completed the acquisition or start-up of 20 locations from the beginning of the first quarter of 2016 until the first quarter reporting date of May 12, 2016.

Capital Expenditures

Although most of Boyd's repair facilities are leased, funds are required to ensure facilities are properly repaired and maintained to ensure the Company's physical appearance communicates Boyd's standard of professional service and quality. The Company's need to maintain its facilities and upgrade or replace equipment, signage, computers, software and courtesy car fleets forms part of the annual cash requirements of the business. The Company manages these expenditures by annually reviewing and determining its capital budget needs and then authorizing major expenditures throughout the year based upon individual business cases. Excluding expenditures related to acquisition and development and those funded through finance leases, the Company spent approximately $3.7 million or 1.0% of sales on sustaining capital expenditures during the first quarter of 2017, compared to $2.5 million or 0.7% of sales during the same period in 2016. During 2016 and continuing in 2017, the Company embarked on further transformation of its information technology infrastructure. That program includes upgrading its management information systems as well as hardware, network and security. In the first quarter of 2017, the Company spent $0.7 million on this technology infrastructure. Excluding these information technology items as well as expenditures related to acquisition and development, the Company spent $3.0 million or 0.8% of sales during 2017.

RELATED PARTY TRANSACTIONS

The Fund has not entered into any new related party transactions beyond the items disclosed in the 2016 annual report.

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 critical accounting estimates are substantially unchanged from those identified in the 2016 annual MD&A.

FUTURE ACCOUNTING STANDARDS

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

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

initial application. The amendments also require application January 1, 2018. The Fund is currently evaluating the impact of adopting IFRS 15 on its financial statements.

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

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

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

BUSINESS RISKS AND UNCERTAINTIES

Risks and uncertainties affecting the business remain substantially unchanged from those identified in the 2016 annual MD&A.

ADDITIONAL INFORMATION

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

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

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

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of **Boyd Group Income Fund** (the "issuer") for the interim period ended **March 31, 2017**.
2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the interim filings.
3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, for the issuer.
5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the period covered by the interim filings

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

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

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

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

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

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

5.3 ***Limitation on scope of design:*** N/A

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2017 and ended on March 31, 2017 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 12, 2017

(signed)

Brock Bulbuck
Chief Executive Officer

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

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

6. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of **Boyd Group Income Fund** (the "issuer") for the interim period ended **March 31, 2017**.
7. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the interim filings.
8. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
9. ***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.
10. ***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 period covered by the interim filings

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

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

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

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

5.3 ***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.

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

5.3 ***Limitation on scope of design:*** N/A

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2017 and ended on March 31, 2017 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 12, 2017

(signed)

Narendra Pathipati
Executive Vice President & Chief Financial Officer

BOYD GROUP INCOME FUND

Interim Condensed Consolidated Financial Statements

Three Months Ended March 31, 2017

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

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

	Note	March 31, 2017	December 31, 2016
Assets			
Current assets:			
Cash		**$ 54,715**	$ 53,515
Accounts receivable		**83,362**	87,822
Inventory		**20,733**	23,517
Prepaid expenses		**20,844**	19,851
		179,654	184,705
Note receivable		**314**	434
Property, plant and equipment	*5*	**164,893**	161,813
Deferred income tax asset		**614**	1,329
Intangible assets	*6*	**158,751**	158,514
Goodwill	*7*	**235,882**	230,701
		$ 740,108	$ 737,496
Liabilities and Equity			
Current liabilities:			
Accounts payable and accrued liabilities		**$ 142,643**	$ 158,794
Income taxes payable		**8,096**	2,810
Distributions payable	*8*	**777**	777
Dividends payable	*8*	**10**	10
Current portion of long-term debt	*9*	**15,195**	12,329
Current portion of obligations under finance leases		**4,080**	4,229
		170,801	178,949
Long-term debt	*9*	**91,670**	89,288
Obligations under finance leases		**6,775**	7,663
Convertible debentures	*11*	**51,048**	50,808
Convertible debenture conversion features	*11*	**27,259**	27,697
Deferred income tax liability		**26,676**	25,478
Exchangeable Class A common shares	*8, 11*	**17,275**	17,471
Unit based payment obligation	*12*	**31,030**	30,402
Non-controlling interest put options	*11*	**27,604**	29,202
		450,138	456,958
Equity			
Accumulated other comprehensive earnings		**62,368**	65,560
Deficit		**(82,603)**	(95,285)
Unitholders' capital		**306,203**	306,261
Contributed surplus		**4,002**	4,002
		289,970	280,538
		$ 740,108	$ 737,496

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

Approved by the Board:

BROCK BULBUCK
Trustee

ALLAN DAVIS
Trustee

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

		Unitholders' Capital			Accumulated Other		
	Note	Units	Amount	Contributed Surplus	Comprehensive Earnings	Deficit	Total Equity
Balances - January 1, 2016		16,788,209	$ 222,331	$ 4,002	$ 75,111	$ (116,517)	$ 184,927
Issue costs (net of tax of $nil)			(75)				(75)
Units issued from treasury in connection with options exercised		200,000	12,432				12,432
Retractions		30,843	2,255				2,255
Conversion and redemption of convertible debentures		1,046,008	69,318				69,318
Other comprehensive loss					(9,551)		(9,551)
Net earnings						30,365	30,365
Comprehensive earnings					(9,551)	30,365	20,814
Distributions to unitholders						(9,133)	(9,133)
Balances - December 31, 2016		18,065,060	$ 306,261	$ 4,002	$ 65,560	$ (95,285)	$ 280,538
Issue costs (net of tax of $nil)			(101)				(101)
Retractions		498	43				43
Other comprehensive loss					(3,192)		(3,192)
Net earnings						15,012	15,012
Comprehensive earnings					(3,192)	15,012	11,820
Distributions to unitholders	8					(2,330)	(2,330)
Balances - March 31, 2017		18,065,558	$ 306,203	$ 4,002	$ 62,368	$ (82,603)	$ 289,970
Balances - January 1, 2016		16,788,209	$ 222,331	$ 4,002	$ 75,111	$ (116,517)	$ 184,927
Issue costs (net of tax of $nil)			(75)				(75)
Units issued from treasury in connection with options exercised		200,000	12,432				12,432
Retractions		9,968	659				659
Conversion and redemption of convertible debentures		1,029,152	68,149				68,149
Other comprehensive loss					(22,048)		(22,048)
Net earnings						282	282
Comprehensive loss					(22,048)	282	(21,766)
Distributions to unitholders	8					(2,271)	(2,271)
Balances - March 31, 2016		18,027,329	$ 303,496	$ 4,002	$ 53,063	$ (118,506)	$ 242,055

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

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

	Note		Three months ended March 31, 2017		2016
Sales	14	$	**378,915**	$	350,356
Cost of sales			**205,809**		192,286
Gross profit			**173,106**		158,070
Operating expenses			**140,320**		128,580
Acquisition and transaction costs			**186**		443
Depreciation of property, plant and equipment	5		**6,123**		5,436
Amortization of intangible assets	6		**2,748**		2,383
Fair value adjustments	10		**(1,198)**		12,253
Finance costs			**2,498**		2,414
			150,677		151,509
Earnings before income taxes			**22,429**		6,561
Income tax expense					
Current			**6,387**		4,223
Deferred			**1,030**		2,056
			7,417		6,279
Net earnings		$	**15,012**	$	282

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

	Note		2017		2016
Basic earnings per unit	16	$	**0.831**	$	0.016
Diluted earnings (loss) per unit	16	$	**0.699**	$	(0.010)
Basic weighted average number of units outstanding	16		**18,065,548**		17,970,470
Diluted weighted average number of units outstanding	16		**19,535,411**		18,472,736

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

		Three months ended March 31, 2017		2016
Net earnings	$	**15,012**	$	282
Other comprehensive loss				
Items that may be reclassified subsequently to Interim Condensed Consolidated Statements of Earnings				
Change in unrealized earnings on translating financial statements of foreign operations		**(3,192)**		(22,048)
Other comprehensive loss		**(3,192)**		(22,048)
Comprehensive earnings (loss)	$	**11,820**	$	(21,766)

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

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

		Three months ended March 31,	
	Note	**2017**	2016
Cash flows from operating activities			
Net earnings		**$ 15,012**	$ 282
Items not affecting cash			
Fair value adjustments	*10*	**(1,198)**	12,253
Deferred income taxes		**1,030**	2,056
Amortization of discount on convertible debt		**240**	228
Amortization of deferred finance costs	*9*	**18**	18
Amortization of intangible assets	*6*	**2,748**	2,383
Depreciation of property, plant and equipment	*5*	**6,123**	5,436
Gain on disposal of equipment and software	*5*	**(65)**	(32)
Interest accrued on Exchangeable Class A common shares		**30**	33
		23,938	22,657
Changes in non-cash working capital items		**(4,045)**	(15,350)
		19,893	7,307
Cash flows (used in) provided by financing activities			
Fund units issued from treasury in connection with options exercised		**-**	382
Issue costs		**(101)**	(75)
Increase in obligations under long-term debt	*9*	**6,555**	21,823
Repayment of long-term debt	*9*	**(3,191)**	(2,626)
Repayment of obligations under finance leases		**(1,104)**	(1,439)
Dividends paid on Exchangeable Class A common shares		**(30)**	(33)
Distributions paid to unitholders		**(2,330)**	(2,219)
Payment to non-controlling interests	*11*	**(35)**	-
		(236)	15,813
Cash flows used in investing activities			
Proceeds on sale of equipment and software	*5*	**163**	153
Equipment purchases and facility improvements		**(3,681)**	(2,546)
Acquisition and development of businesses (net of cash acquired)		**(14,570)**	(41,683)
Software purchases and licensing		**(124)**	(150)
Senior managers unit loan program		**119**	35
		(18,093)	(44,191)
Effect of foreign exchange rate changes on cash		**(364)**	(2,581)
Net increase (decrease) in cash position		**1,200**	(23,652)
Cash, beginning of year		**53,515**	72,926
Cash, end of year		**$ 54,715**	$ 49,274
Income taxes paid		$ 1,020	$ 1,213
Interest paid		$ 1,517	$ 1,956

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, as well as in 20 U.S. states under the trade name Gerber Collision & Glass. The Company uses newly acquired brand names during a transition period until acquired locations have been rebranded. The Company is also a major retail auto glass operator in the U.S. with locations across 31 U.S. states under the trade names Gerber Collision & Glass, Glass America, Auto Glass Service, Auto Glass Authority and Autoglassonly.com. The Company also operates 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 and convertible debentures of the Fund are listed on the Toronto Stock Exchange and trade under the symbols "BYD.UN" and "BYD.DB.A". The head office and principal address of the Fund are located at 3570 Portage Avenue, Winnipeg, Manitoba, Canada, R3K 0Z8.

The policies applied in these interim condensed consolidated financial statements are based on International Financial Reporting Standards ("IFRS") issued and outstanding as of May 11, 2017, the date the Board of Trustees approved the statements. Any subsequent changes to IFRS that are given effect in the Fund's annual consolidated financial statements for the year ending December 31, 2017 could result in restatement of these interim condensed consolidated financial statements.

2. BASIS OF PRESENTATION AND SUMMARY OF ACCOUNTING POLICIES

These interim condensed consolidated financial statements for the three months ended March 31, 2017 have been prepared in accordance with IAS 34, "Interim financial reporting" using the same accounting policies and methods of computation followed in the consolidated financial statements for the year ended December 31, 2016. During the three months ended March 31, 2017, the Fund did not adopt any changes in accounting policies that resulted in a material impact to the financial statements of the Fund. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2016, which have been prepared in accordance with IFRS.

3. 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 15, *Revenue from Contracts with Customers*, was issued by the International Accounting Standards Board ("IASB") on May 28, 2014 and will replace current guidance found in IAS 11, *Construction Contracts* and IAS 18, *Revenue*. IFRS 15 outlines a single comprehensive model to use in accounting for revenue arising from contracts with customers. On July 22, 2015, the IASB announced a deferral in the effective date for this standard. The standard is effective for reporting periods beginning on or after January 1, 2018 with early application permitted. A choice of retrospective application or a modified transition approach is provided. On April 12, 2016, the IASB issued clarifying amendments to IFRS 15, *Revenue from Contracts with Customers*. The amendments clarify how to identify a performance obligation in a contract, determine whether a company is a principal or an agent and determine whether the revenue from granting a licence should be recognized at a point in time or over time. The amendments also include additional relief to reduce cost and complexity on initial application. The amendments also require application January 1, 2018. The Fund is currently evaluating the impact of adopting IFRS 15 on its financial statements.

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

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

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

4. ACQUISITIONS

The Fund completed three acquisitions that added seven locations during the three months ended March 31, 2017 as follows:

Acquisition Date	Location
January 6, 2017	Monroe, North Carolina
January 13, 2017	Phoenix, Arizona (4 locations)
March 17, 2017	Portland, Oregon (2 locations)

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

Acquisitions in 2017		Total acquisitions
Identifiable net assets acquired at fair value:		
Other currents assets	$	135
Property, plant and equipment		2,677
Identified intangible assets		
Customer relationships		2,972
Non-compete agreements		174
Identifiable net assets acquired	$	5,958
Goodwill		7,031
Total purchase consideration	$	12,989
Consideration provided		
Cash paid or payable	$	10,352
Sellers notes		2,637
Total consideration provided	$	12,989

The preliminary purchase prices for the 2017 acquisitions as disclosed above may be revised as additional information becomes available. Further adjustments may be recorded in future periods as purchase price adjustments are finalized.

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

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

Goodwill recognized during 2017 is expected to be deductible for tax purposes.

5. PROPERTY, PLANT AND EQUIPMENT

As at		**March 31, 2017**		December 31, 2016
Balance, beginning of year	**$**	**161,813**	$	133,043
Acquired through business combination		**2,677**		20,979
Additions		**7,937**		34,501
Proceeds on disposal		**(163)**		(936)
Gain on disposal		**65**		574
Depreciation		**(6,123)**		(23,392)
Foreign exchange		**(1,313)**		(2,956)
Balance, end of period	**$**	**164,893**	$	161,813

6. INTANGIBLE ASSETS

As at		**March 31, 2017**		December 31, 2016
Balance, beginning of year	**$**	**158,514**	$	143,679
Acquired through business combination		**3,146**		27,971
Additions		**124**		1,369
Amortization		**(2,748)**		(10,698)
Purchase price allocation adjustments within the measurement period		**1,109**		-
Foreign exchange		**(1,394)**		(3,807)
Balance, end of period	**$**	**158,751**	$	158,514

The purchase price allocation adjustments represent balance sheet reclassifications between intangible assets, deferred income taxes and goodwill within the measurement period for certain 2016 acquisitions.

7. GOODWILL

As at		**March 31, 2017**		December 31, 2016
Balance, beginning of year	**$**	**230,701**	$	183,623
Acquired through business combination		**7,031**		51,319
Deferred tax liability on purchase price allocation adjustment		**1,107**		-
Purchase price allocation adjustments within the measurement period		**(1,109)**		-
Foreign exchange		**(1,848)**		(4,241)
Balance, end of period	**$**	**235,882**	$	230,701

The purchase price allocation adjustments represent balance sheet reclassifications between intangible assets, deferred income taxes and goodwill within the measurement period for certain 2016 acquisitions.

8. DISTRIBUTIONS AND DIVIDENDS

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

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

Record date	Payment date	Distribution per Unit / Dividend per Share	Distribution amount	Dividend amount
January 31, 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
		$ 0.1290	$ 2,330	$ 30

Record date	Payment date	Distribution per Unit / Dividend per Share	Distribution amount	Dividend amount
January 31, 2016	February 25, 2016	$ 0.0420	$ 757	$ 11
February 29, 2016	March 29, 2016	0.0420	757	11
March 31, 2016	April 27, 2016	0.0420	757	11
		$ 0.1260	$ 2,271	$ 33

At March 31, 2017, there were 203,695 (December 31, 2016 – 204,193) exchangeable Class A shares outstanding with a carrying value of $17,275 (December 31, 2016 - $17,471).

During the first quarter of 2017, a fair value adjustment recovery in the amount of $153 (2016 – expense of $2,307) was recorded to earnings related to these exchangeable Class A shares.

Further distributions and dividends were declared for the month of April 2017 in the amount of $0.043 per unit/share.

9. LONG-TERM DEBT

As at	**March 31, 2017**	December 31, 2016
Balance, beginning of year	**$ 101,617**	$ 66,547
Consideration on acquisition	**2,637**	13,706
Net draw	**6,555**	54,332
Repayment	**(3,191)**	(31,147)
Amortization of deferred finance costs	**(18)**	(18)
Foreign exchange	**(735)**	(1,803)
Balance, end of period	**$ 106,865**	$ 101,617

10. FAIR VALUE ADJUSTMENTS

	For the period ended March 31, **2017**	2016
Convertible debenture conversion feature	**$ (438)**	$ 6,985
Exchangeable Class A common shares	**(153)**	2,307
Unit based payment obligation	**628**	3,424
Non-controlling interest put options	**(1,235)**	(463)
Total fair value adjustments	**$ (1,198)**	$ 12,253

11. FINANCIAL INSTRUMENTS

Carrying value and estimated fair value of financial instruments

	Classification	Fair value hierarchy	**March 31, 2017** Carrying amount	**March 31, 2017** Fair value	December 31, 2016 Carrying amount	December 31, 2016 Fair value
Financial assets						
Cash	FVTPL (1)	1	**54,715**	54,715	53,515	53,515
Financial liabilities						
2014 convertible debenture	Other financial liabilities	2	**51,048**	80,463	50,808	84,698
2014 convertible debenture conversion feature	FVTPL (1)	2	**27,259**	27,259	27,697	27,697
Exchangeable Class A common shares	FVTPL (1)	1	**17,275**	17,275	17,471	17,471
Non-controlling interest put options	FVTPL (1)	3	**27,604**	27,604	29,202	29,202

(1) Fair Value Through Profit or Loss

For the Fund's current financial assets and liabilities, including accounts receivable, notes receivable and accounts payable and accrued liabilities, distributions payable and dividends payable, which are short term in nature and subject to normal trade terms, the carrying values approximate their fair value. As there is no ready secondary market for the Fund's long-term debt, the fair value has been estimated using the discounted cash flow method. The fair value using the discounted cash flow method is approximately equal to carrying value. The fair value for the non-controlling interest put option is based on the estimated cash payment or receipt necessary to settle the contract at the Statement of Financial Position date. Cash payments or receipts are based on discounted cash flows using current market rates and prices and adjusted for credit risk. The fair value of the exchangeable Class A shares is estimated using the market price of the units of Fund as of the statement of financial position date. The fair value for the 2014 convertible debenture conversion feature is estimated using a Black-Scholes valuation model with the following assumptions used: stock price $84.81, dividend yield 0.73%, expected volatility 25.36%, risk free interest rate of 1.12%, term of five years. The fair value for the Fund's debentures will change based on the movement in bond rates and changes in the Fund's credit rating.

Collateral

The Company's syndicated loan facility is collateralized by a General Security Agreement. The carrying amount of the financial assets pledged as collateral for this facility at March 31, 2017 was approximately $138,077 (December 31, 2016 - $141,337).

Non-controlling interest put option

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

On May 31, 2013, in connection with the acquisition of Glass America, the Fund entered into an agreement that provides a member of its U.S. management team the opportunity to participate in the future growth of the Fund's U.S. glass business. Within the agreement was a put option held by the non-controlling shareholder that provided the shareholder an option to put the business back to the Fund according to a valuation formula defined in the agreement. On October 31, 2016, the Fund amended this May 31, 2013 agreement. The put option held by the non-controlling shareholder continues to provide the shareholder an option to put the business back to the Fund according to a valuation formula defined in the agreement; however, the put option is not exercisable until December 31, 2018 and is exercisable anytime thereafter by the glass-business operating partner. 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 partner. All fair value changes in the estimated liability are recorded in earnings.

The liability recognized in connection with both put options has been calculated using formulas defined in the agreements. The formula for the Glass America put is based on a multiple of EBITDA for the trailing twelve months. The formula for the U.S. management team member put is based on multiples of estimated future earnings of the Glass America business and estimated future exercise dates. The estimated future payment obligation is then discounted to its present value at each statement of financial position date. The significant unobservable inputs include the put being exercised in two years at a probability weighted estimated EBITDA level as at December 31, 2018 of approximately $9,500 USD using a discount rate of 9%. An increase in the EBITDA level or a reduction in the discount rate would increase the put liability.

During the first quarter of 2017, the Fund made $35 (2016 - $nil) in payments to the Glass America non-controlling interest.

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

As at	**March 31, 2017**	December 31, 2016
Glass-business operating partner non-controlling interest put option	**$ 8,815**	$ 7,998
Glass America non-controlling interest put option	**18,789**	21,204
	$ 27,604	$ 29,202

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

	March 31, 2017		December 31, 2016	
	Glass-business operating partner	**Glass America non-controlling interest**	Glass-business operating partner	Glass America non-controlling interest
Balance, beginning of year	**$ 7,998**	**$ 21,204**	$ 10,850	$ 23,888
Fair value adjustments	**892**	**(2,127)**	(2,480)	(1,789)
Payment to non-controlling interests	**-**	**(35)**	-	(156)
Foreign exchange	**(75)**	**(253)**	(372)	(739)
Balance, end of period	**$ 8,815**	**$ 18,789**	$ 7,998	$ 21,204

During the first quarter of 2017, a fair value adjustment recovery in the amount of $1,235 (2016 – $463) was recorded to earnings related to these non-controlling interest put options.

12. 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**	**March 31, 2017 Fair Value**	December 31, 2016 Fair Value
January 2, 2008	150,000	$ 2.70	January 2, 2018	**$ 11,527**	$ 11,301
January 2, 2009	150,000	$ 3.14	January 2, 2019	**10,347**	10,138
January 2, 2010	150,000	$ 5.41	January 2, 2020	**9,156**	8,963
				$ 31,030	$ 30,402

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 $84.81, dividend yield 0.73% and expected volatility 25.36% (determined as a weighted standard deviation of the unit price over the past four years). The risk free interest rate assumptions used in the valuation model are as follows: January 2, 2008 issuance – 0.57%, January 2, 2009 issuance – 0.70%, January 2, 2010 issuance - 0.83%.

During the first quarter of 2017, a fair value adjustment expense in the amount of $628 (2016 – $3,424) was recorded to earnings related to these unit based payment obligations.

13. SEASONALITY

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

14. 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.

Revenues	For the period ended March 31, **2017**	2016
Canada	**$ 24,366**	$ 22,198
United States	**354,549**	328,158
	$ 378,915	$ 350,356

Reportable Assets As at	**March 31, 2017**	December 31, 2016
Canada	**$ 19,269**	$ 19,369
United States	**540,257**	531,659
	$ 559,526	$ 551,028

15. 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 and January 1, 2017, Performance Cash Units were granted to certain executive officers for the 2016 and 2017 grant years. Performance Cash Units are tied to unit value from date of grant to the date of payment and will vest and be paid out in cash over a three-year period, subject to the terms of the plan. Performance Cash Units represent the right to receive payments linked to the Fund's unit value, conditional, in whole or in part, upon the achievement of one or more objective performance goals. The distribution rate declared by the Fund on issued and outstanding units of the Fund is also applied to the Performance Cash Units. The distribution amount on the Performance Cash Units is converted into additional Performance Cash Units based on the market value of the Fund's units at the time of the distribution. These additional Performance Cash Units vest at the same time as the Performance Cash Units that the distribution rate was applied on.

The 2016 and 2017 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

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

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

16. EARNINGS (LOSS) PER UNIT

	For the period ended March 31, **2017**	2016
Net earnings	**$ 15,012**	$ 282
Add (less):		
2014 convertible debentures	**7**	-
Exchangeable class A shares	**(123)**	-
Non-controlling interest put options	**(1,235)**	(463)
Net earnings (loss) - diluted basis	**$ 13,661**	$ (181)
Basic weighted average number of units	**18,065,548**	17,970,470
Add:		
2014 convertible debentures	**919,625**	-
Exchangeable class A shares	**229,136**	-
Non-controlling interest put options	**321,102**	502,266
Average number of units outstanding - diluted basis	**19,535,411**	18,472,736
Basic earnings per unit	**$ 0.831**	$ 0.016
Diluted earnings (loss) per unit	**$ 0.699**	$ (0.010)

Unit options are instruments that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings (loss) per share because they are anti-dilutive for the periods presented.