GTU Portfolio Trust

Interim Financial Statements (Unaudited)

June 30, 2014

The Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure, can be obtained at your request, and at no cost, by calling us at 866 998 8298; by writing to us at Harvest Portfolios Group, 710 Dorval Drive, Suite 209, Oakville, Ontario, L6K 3V7; by visiting our website at www.harvestportfolios.com; or on SEDAR at www.sedar.com.

GTU Portfolio Trust

STATEMENTS OF FINANCIAL POSITION (Unaudited) As at December 31,		June 30, 2014		December 31, 2013		January 1, 2013
Assets						
Current assets						
Investments (cost: June 30, 2014 - $18,549,285; December 31, 2013 - $17,736,905; January 1, 2013 - $22,852,137)	$	22,006,354	$	21,004,032	$	22,812,484
Dividends receivable		335,241		228,169		193,275
		22,341,595		**21,232,201**		**23,005,759**
Liabilities						
Current liabilities						
Borrowings (Note 8)		3,502,957		4,136,595		5,095,256
Payable for investments purchased		261,689		-		-
Redemptions payable		145,000		130,000		165,000
Interest payable (Note 8)		16,018		7,954		9,593
	$	**3,925,664**	$	**4,274,549**	$	**5,269,849**
Net assets attributable to holders of redeemable units	$	**18,415,931**	$	**16,957,652**	$	**17,735,910**
Net assets attributable to holders of redeemable units						
Net assets attributable to holders of redeemable units	$	**15,912,176**	$	**16,777,176**	$	**19,739,200**
Retained earnings (deficit)		**2,503,755**		**180,476**		**(2,003,290)**
Net assets attributable to holders of redeemable units	$	**18,415,931**	$	**16,957,652**	$	**17,735,910**
Number of units outstanding (Note 4)		**1,107,029**		**1,160,480**		**1,557,639**
Net assets attributable to holders of redeemable units per unit	$	**16.64**	$	**14.61**	$	**11.39**

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

STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)				
For the six-month period ended June 30,		**2014**		**2013**
Income				
Net gain (loss) on investments				
Dividends	$	847,205	$	745,293
Interest for distribution purposes		34		6
Net realized gain (loss) on sale of investments		1,542,140		(404,508)
Net change in unrealized appreciation (depreciation) of investments		189,942		1,330,207
Net gain (loss) on investments		2,579,321		1,670,998
Net realized gain (loss) on foreign exchange		33,436		8,508
Net change in unrealized appreciation (depreciation) of foreign exchange		(7,472)		8,418
Total income (net)		**2,605,285**		**1,687,924**
Expenses (Note 5)				
Management fees		101,825		103,255
Withholding taxes		72,232		75,752
Audit fees		8,441		502
Custodian fees and bank charges		18,493		15,907
Interest expense (Note 8)		59,608		52,799
Filing fees		5,255		7,347
Legal fees		-		1,039
Transaction costs (Note 7)		16,152		2,462
Total expenses		**282,006**		**259,063**
Increase (decrease) in net assets attributable to holders of redeemable units		**2,323,279**		**1,428,861**
Increase (decrease) in net assets attributable to holders of redeemable units per unit	**$**	**2.04**	**$**	**0.94**

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STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (Unaudited)				
For the six-month period ended June 30,		**2014**		**2013**
Net assets attributable to holders of redeemable units beginning of period	**$**	**16,957,652**	**$**	**17,735,910**
Increase (decrease) in net assets attributable to holders of redeemable units		2,323,279		1,428,861
Unitholder's transactions				
Redemption of redeemable units		(865,000)		(1,010,000)
Net unitholders' transactions	**$**	**(865,000)**	**$**	**(1,010,000)**
Distributions to holders of redeemable units				
Net investment income		-		-
Capital gains		-		-
Return of capital		-		-
Total distributions to unitholders	**$**	**-**	**$**	**-**
Net assets attributable to holders of redeemable units end of period	**$**	**18,415,931**	**$**	**18,154,771**

Retained Earnings (deficit), beginning of period	**$**	**180,476**	**$**	**(2,003,290)**
Increase (decrease) in net assets attributable to holders of redeemable units		**2,323,279**		**1,428,861**
Distributions to holders of redeemable units		**-**		**-**
Retained Earnings (deficit), end of period	**$**	**2,503,755**	**$**	**(574,429)**

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

STATEMENTS OF CASH FLOWS (Unaudited) For the six-month period ended June 30,		2014		2013
Operating activities				
Increase (decrease) in net assets attributable to holders of redeemable units	$	2,323,279	$	1,428,861
Add (deduct) items not affecting cash:				
Realized (gain) loss on sale of investments		(1,542,140)		404,508
Change in unrealized (appreciation) depreciation of investments		(189,942)		(1,330,207)
Proceeds from sale of investments		5,733,532		1,714,692
Purchases of investments		(4,742,083)		-
Net change in non-cash assets and liabilities		(99,008)		(78,622)
Net cash flow used in operating activities	**$**	**1,483,638**	**$**	**2,139,232**
Financing Activities				
Redemption of redeemable units		(850,000)		(1,005,000)
Drawdown (repayment) on borrowings		(633,638)		(1,134,232)
Net cash flow provided by financing activities		**(1,483,638)**		**(2,139,232)**
Net change in borrowings during the period		**-**		**-**
Cash, at beginning of the period		**-**		**-**
Cash, at end of the period	**$**	**-**	**$**	**-**
Supplemental disclosure of cash flow information				
Interest received during the period*	**$**	**34**	**$**	**6**
Interest paid during the year *		**52,799**		**60,803**
Dividends received, net of withholding taxes*		**667,921**		**593,152**

*included in operating activities

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

SCHEDULE OF INVESTMENTS
(Unaudited)
As at June 30, 2014

Number of shares	Security	Average Cost ($)	Carrying Value ($)	% of Net Assets
	EQUITIES			
	Banking and Other Financial Issuers			
7,000	Bank of America Corporation	117,939	114,599	0.6
27,500	Catlin Group Limited	222,337	267,951	1.5
6,990	JPMorgan Chase & Co.	364,629	429,004	2.3
5,000	Morgan Stanley	170,089	172,182	0.9
26,000	Regions Financial Corporation	243,385	294,109	1.6
12,000	UBS AG	258,044	234,506	1.3
		1,376,423	1,512,351	8.2
	Consumer Discretionary Issuers			
5,000	Adidas AG	559,386	539,371	2.9
350	Amazon.com, Inc.	116,851	121,079	0.7
28,000	British Sky Broadcasting Group PLC	337,234	460,994	2.5
8,400	Cogeco Cable Inc.	413,699	496,356	2.7
6,400	DIRECTV	505,410	579,510	3.1
6,000	eBay Inc.	343,430	319,928	1.7
11,000	Luxottica Group SPA	608,540	678,089	3.7
50,000	Mediaset SPA	260,605	259,586	1.4
250	Netflix, Inc.	96,737	117,326	0.6
12,500	ProSiebenSat.1 Media AG Registered	637,871	593,093	3.2
4,000	SAP AG ADR	362,014	328,066	1.8
21,000	Vivendi Universal SA	498,382	547,275	3.0
		4,740,159	5,040,673	27.3
	Consumer Staples Issuers			
3,000	Anheuser-Busch InBev NV	304,820	367,067	2.0
		304,820	367,067	2.0
	Industrial Issuers			
9,800	CRH PLC	241,682	267,901	1.5
		241,682	267,901	1.5
	Information Technology Issuers			
8,200	Intel Corporation	199,873	269,888	1.5
		199,873	269,888	1.5
	Telecommunication Services Issuers			
17,300	AT&T Inc.	488,720	651,582	3.5
5,000	Citrix Systems, Inc.	338,465	333,126	1.8
7,000	Comcast Corporation Cl. A	349,601	400,241	2.2
21,300	Deutsche Telekom AG	328,100	397,605	2.2
210,000	Telecom Corporation of New Zealand Limited	306,025	524,863	2.9
216,000	Telecom Italia SPA	323,083	291,378	1.6
24,400	Telefonica SA	601,718	445,508	2.4
45,600	Teliasonera AB	351,779	354,618	1.9

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

SCHEDULE OF INVESTMENTS (continued)
(Unaudited)
As at June 30, 2014

Number of shares	Security	Average Cost ($)	Carrying Value ($)	% of Net Assets
	Telecommunication Services Issuers (continued)			
9,400	TELUS Corporation	342,608	373,838	2.0
15,198	Verizon Communications Inc.	606,982	792,324	4.3
66,327	Vodafone Group PLC	335,691	235,556	1.3
		4,372,772	4,800,639	26.1
	Utilities Issuers			
13,900	Ameren Corp.	375,354	605,252	3.3
48,000	Drax Group PLC	289,302	559,924	3.0
6,000	Duke Energy Corporation	315,831	474,141	2.6
15,500	E.ON AG	456,011	340,875	1.8
116,000	Electricidade de Portugal SA	433,655	619,834	3.4
16,400	Endesa, SA	490,783	675,654	3.7
14,100	Fortum OYJ	251,720	403,235	2.2
22,200	Gas Natural SDG SA	407,699	746,738	4.1
10,200	GDF Suez	392,805	299,065	1.6
51,300	Iberdrola SA	433,923	417,683	2.3
38,500	National Grid PLC	357,053	588,991	3.2
15,200	PPL Corp.	365,875	575,241	3.1
12,000	Quebecor Inc. Cl. B	320,034	309,840	1.7
13,720	RWE AG	685,819	627,569	3.4
18,200	SSE PLC	352,065	519,408	2.8
87,000	Terna SPA	400,765	488,728	2.6
45,500	United Utilities Group PLC	420,146	730,884	4.0
24,980	Veolia Environnement	305,795	506,918	2.7
12,500	Verbund AG	258,921	257,855	1.4
		7,313,556	9,747,835	52.9
Total equity investments		**18,549,285**	**22,006,354**	**119.5**
Other assets less liabilities			**(3,590,423)**	**(19.5)**
Net assets attributable to holders of redeemable units			**18,415,931**	**100.0**

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

1. ORGANIZATION

GTU Portfolio Trust (the "Fund") is an investment trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust dated February 25, 2011, being the inception date. There was no significant activity in the Fund from the date of inception, February 25, 2011 to commencement of operations on March 23, 2011. The Fund commenced operations on March 23, 2011 with issuance of 2,419,430 units at $12.00 per unit, for total proceeds of $29,033,160. On April 11, 2011, 84,053 additional units were purchased at $12.21 for additional gross proceeds of $1,026,040, for total proceeds of $30,059,200. The address of the Fund's registered office is 710 Dorval Drive, Oakville, Ontario.

The Fund has been established to provide investors with exposure to an actively managed portfolio comprised primarily of equity securities of Global Telecom Issuers and Global Utilities Issuers.

2. BASIS OF PRESENTATION AND ADOPTION OF IFRS

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting and IFRS 1, First-time Adoption of International Financial Reporting Standards. The Fund adopted this basis of accounting in 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Fund prepared its financial statements in accordance with Canadian generally accepted accounting principles as defined in the Part V of the CICA Handbook ("Canadian GAAP"). The Fund has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position at January 1, 2013 and throughout all periods presented, as if these policies had always been in effect. The impact of the transition to IFRS on the Fund's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Fund's financial statements for the year ended December 31, 2013 prepared under Canadian GAAP is disclosed below.

The policies applied in these interim financial statements are based on IFRS issued and outstanding as of August 15, 2014, which is the date on which the interim financial statements were authorized for issue by Harvest Portfolios Group Inc. (the "Manager"). Any subsequent changes to IFRS that are given effect in the Fund's annual financial statements for the year ending December 31, 2014 could result in restatement of these interim financial statements, including the transition adjustments recognized on transition to IFRS.

The effect of the Fund's transition to IFRS is summarized as follows:

Classification of redeemable units
Under Canadian GAAP, the Fund accounted for its redeemable units as equity. Under IFRS, IAS 32 requires that units or shares of an entity which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as a financial liability unless certain criteria are met. The Fund only has one series of units and one unitholder and does not have a limited life. The Fund's units meet the criteria in IAS 32 for classification as equity and therefore, continue to be classified as equity on transition to IFRS.

Revaluation of investments at fair value through profit and loss
Under Canadian GAAP, the Fund measured the fair values of its investments in accordance with Section 3855, Financial Instruments – Recognition and Measurement, which required the use of bid prices for long positions and ask prices for short positions; to the extent such prices are available. Under IFRS, the Fund measures the fair values of its investment using the guidance in IFRS 13, Fair Value Measurement, which requires that if an asset or liability has a bid price and an ask price, then its fair value is to be based on a price within the bid-ask spread that is most representative of fair value. It also allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurements within a bid-ask spread.

Reconciliation of equity and comprehensive income as previously reported under Canadian GAAP to IFRS.

Equity	December 31, 2013	June 30, 2013	January 1, 2013
Equity as reported under Canadian GAAP	$16,942,450	$18,142,560	$17,694,996
Revaluation of investments at FVTPL	$15,202	$12,211	$40,914
Net assets attributable to holders of redeemable units	**$16,957,652**	**$18,154,771**	**$17,735,910**

Comprehensive income	December 31, 2013	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$4,297,454	$1,457,564
Revaluation of investments at FVTPL	($25,713)	($28,703)
Increase (decrease) in net assets attributable to holders of redeemable units	**$4,271,741**	**$1,428,861**

Reclassification adjustments
In addition to the measurement adjustments noted above, the Fund reclassified certain amounts upon transition in order to conform to its financial statement presentation under IFRS.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments
The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments not measured at fair value through profit or loss (FVTPL). Transaction costs on financial assets and liabilities at FVTPL are expensed as incurred. Regular way purchases and sales of financial assets are recognized at their trade date. The Fund's investments and derivative assets and liabilities are measured at fair value through profit or loss (FVTPL), including investments which have been designated at FVTPL. Derivative assets and liabilities are classified as held-for-trading (HFT). The Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate. The Fund's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its net asset value (NAV) for transactions with unitholders.

Fair value of investments
Investments that are traded in an active market are valued at their closing prices through recognized public stock exchanges or through recognized investment dealers on the valuation date. The Fund uses the last traded market price that falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on specific facts and circumstances. Investments held include equities, bonds and other debt instruments.

Investments held that are not traded in an active market are valued using valuation techniques, on such basis and in such a manner established by the Manager. The value of any security for which, in the opinion of the Manager, the published market quotations are not readily available shall be the fair value as determined by the Manager. The fair values of certain securities may be determined using valuation models that are based, in part, on assumptions that are not supported by observable market inputs. These methods and procedures may include, but are not limited to, performing comparisons with prices of comparable or similar securities, obtaining valuation related information from issuers and/or other analytical data relating to the investment and using other available indication of value. These values are independently assessed internally to ensure that they are reasonable. However, because of the inherent uncertainty of valuation, the estimated fair values for the aforementioned securities and interests may be materially different from the values that would be used had a ready market for the security existed. The fair values of such securities are affected by the perceived credit risks of the issuer, predictability of cash flows and length of time to maturity.

Cash
Cash is comprised of cash on deposit.

Investment transactions and income recognition
The interest for distribution purposes shown on the Statements of Comprehensive Income represents the coupon interest received by the fund accounted for on an accrual basis. The fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis. Net realized gain (loss) on investments and net change in unrealized appreciation (depreciation) on investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds. Dividend income is accounted for on the ex-dividend date.

Distributions received from income trusts are recorded as income, capital gains or a return of capital, based on the best information available to the Manager. Due to the nature of these investments, actual allocations could vary from this information. Distributions from investment trusts treated as a return of capital reduce the average cost of the underlying investment trust. Distributions received from mutual funds are recognized in the same form in which they are received from the underlying funds.

Foreign currency translation
The Fund's functional and presentation currency is Canadian dollars. Purchases and sales of investments denominated in foreign currencies and foreign currency dividend and interest income are translated into Canadian dollars at the rate of exchange prevailing at the time of the transactions. Realized and unrealized foreign currency gains or (losses) on investments are included in the Statements of Comprehensive Income in "Net realized gain (loss) on sale of investments" and "Net change in unrealized appreciation (depreciation) of investments", respectively. Realized and unrealized foreign currency gains or losses on assets, liabilities, and income, other than investments denominated in foreign currencies, are included in the Statements of Comprehensive Income in "Net realized gain (loss) on foreign exchange" and "Net change in unrealized appreciation (depreciation) of foreign exchange", respectively. Foreign currency assets and liabilities in the Statement of Financial Position are translated into Canadian dollars on the statement date.

Securities valuation
The net asset value (NAV) on a particular date will be equal to the aggregate value of the assets of the Fund less the aggregate value of the liabilities of the Fund, expressed in Canadian dollars at the applicable exchange rate on such date. The NAV and NAV per unit will be calculated on each Thursday during the year (or, if a Thursday is not a Business Day, the Business Day following such Thursday) and on the last Business Day of each month, and any other time as may be determined by the Manager from time to time. "Business Day" means any day on which the TSX is open for trading.

Increase (decrease) in net assets attributable to holders of redeemable units per unit
"Increase (decrease) in net assets attributable to holders of redeemable units per unit" in the Statement of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable units, divided by the weighted average units outstanding for the financial period.

Income taxes
The Trust is a financial institution for purposes of the "specific debt obligation" and "mark-to-market" rules contained in the Income Tax Act (Canada) at any time if more than 50% of the fair market value of all interests in the Trust are held at that time by one or more such financial institutions. The Trust will be subject to tax in each taxation year under Part I of the Income Tax Act (Canada) on the amount of its income for the year, including net realized and unrealized gains, if any, less the portion thereof that it deducts in respect of the amount paid or payable to unitholders in the period. As all income is distributed the Fund does not record income taxes. Since the Fund does not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the statement of financial position as a deferred income tax asset. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Non-capital losses may be applied against future taxable income. The Trust may also be subject to "minimum tax" under the Tax Act. At the Trust's last taxation year end, there were no losses available to be carried forward for income tax purposes.

The Fund may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense.

Critical accounting estimates and judgments
The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

a) Fair value measurement of derivatives and securities not quoted in an active market

The Fund may hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Refer to Note 6 for further information about the fair value measurement of the Fund's financial instruments.

b) Classification and measurement of investment and application of the fair value option

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments about whether or not the business of the Fund is to invest on a total return basis for the purpose of applying the fair value option for financial assets under IAS 39, Financial Instruments – Recognition and Measurement (IAS 39). The most significant judgments made include the determination that certain investments are held-for trading and that the fair value option can be applied to those which are not.

Accounting standards issued but not yet adopted

IFRS 9, Financial Instruments

The final version of IFRS 9, Financial Instruments, was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments – Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however, is available for early adoption. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Fund is in the process of assessing the impact of IFRS 9 and has not yet determined when it will adopt the new standard.

4. REDEEMABLE UNITS

The authorized capital of the Fund consists of an unlimited number of transferable, units of one class, each of which represents an equal, undivided interest in the net assets of the Fund. Except as provided in the Declaration of Trust, all units have equal rights and privileges. Each whole unit is entitled to one vote at all meetings of the unitholder and is entitled to participate equally in any and all distributions made by the Fund.

Redemptions

Units may be redeemed for a redemption price per Unit (the "Redemption Amount") equal to the Net Asset value per Unit as at any Business Day (each a "Redemption Date"). Units surrendered for redemption by a Unitholder on or before 4:00 p.m. (Toronto time) on any Redemption Date will be redeemed as at such Redemption Date and the Unitholder will receive payment in respect of any Units surrendered for redemption on the second Business Day after the Redemption Date, subject to the Manager's right to suspend redemptions in certain circumstances.

The following units were redeemed and/or cancelled during the year:

	Total units outstanding
Total outstanding as at January 1, 2013	**1,557,639**
Redeemable units redeemed	(82,927)
Total outstanding as at June 30, 2013	**1,474,712**
Total outstanding as at January 1, 2014	**1,160,480**
Redeemable units redeemed	(53,451)
Total outstanding as at June 30, 2014	**1,107,029**

The weighted average number of units outstanding during the six-month period ended June 30, 2014 was 1,137,183 units (2013 – 1,522,470 units).

Distributions
All distributions will be paid in redeemable units. Immediately after any distribution in redeemable units, the number of outstanding redeemable units will be consolidated such that the unitholder will hold the same number of redeemable units as it held before the distribution.

5. EXPENSES

Management fees
Harvest Portfolios Group Inc. is the Manager of the Fund and is responsible for managing or arranging for managing the Fund's overall business and operations and provides key management personnel to the Fund. The Manager has retained Avenue Investment Management Inc. ("Avenue" or the "Investment Manager") to provide investment management services to the Fund and pays Avenue a fee for its portfolio advisory service, from the management fee received from the Fund, calculated on the basis of the Fund's net assets. The Manager is entitled to a fee of 1.00% of the average NAV, plus applicable taxes, payable monthly.

Operating expenses
The Fund is responsible for all expenses relating to the operation and the carrying on of its business, including legal fees and audit fees, interest, taxes and administrative costs relating to the redemption of securities as well as the cost of financial and other reports and compliance with applicable laws, regulations and policies.

6. FINANCIAL RISK MANAGEMENT

Investment activities of the Fund expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, other price risk and currency risk). The Manager seeks to minimize these risks by employing experienced portfolio managers that will manage the security portfolios of the Fund on a daily basis according to market events and the investment objectives of the Fund. To assist in managing risk, the Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations.

Other price risk
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The value of securities in the Fund's portfolio may be affected by the stock market conditions rather than each company's performance. Developments in the market are affected by general economic and financial conditions. Political, social and environmental factors can also affect the value of any investment.

The Investment Manager of the Fund has attempted to moderate this risk through the careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk of loss resulting from financial instruments is equivalent to their fair value.

As at June 30, 2014 119.5% (December 31, 2013 - 123.9%; January 1, 2013 – 128.7%) of the GTU Trust's net assets attributable to holders of redeemable units were traded on public stock exchanges. If equity prices on these exchanges had increased or decreased by 5%, as at period end, with all other factors remaining constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately $1,100,318 (December 31, 2013 - $1,050,200; January 1, 2013 - $1,140,624).

In practice, the actual trading results may differ and the difference could be material.

Currency risk
Currency risk is the risk that the value of investments denominated in currencies other than the functional currency of the Fund will fluctuate as a result of changes in foreign exchange rates. When a Fund, buys an investment priced in a foreign currency and the exchange rate between the Canadian dollar and the foreign currency changes unfavorably, it could reduce the value of the Fund's investment.

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The table below summarizes the Fund`s exposure to currency risk as at June 30, 2014, December 31, 2013 and January 1, 2013. Amounts shown are based on the carrying value of the monetary assets (including derivatives and the underlying principal (notional) amount of the forward currency contracts (if any)).

As at June 30, 2014		
Currency	**Currency exposure ($)***	**As a % of net assets**
Euro	9,383,676	51.0
U.S. dollar	7,299,557	39.6
Pound sterling	3,644,404	19.8
New Zealand Dollar	524,863	2.9
Swedish Krona	354,618	1.9
Swiss Franc	238,109	1.3
Totals	**21,445,227**	**116.5**

As at December 31, 2013		
Currency	**Currency exposure ($)***	**As a % of net assets**
Euro	8,331,873	49.1
U.S. dollar	5,317,919	31.4
Pound sterling	4,744,251	28.0
New Zealand Dollar	816,622	4.8
Australian Dollar	774,920	4.6
Swedish Krona	403,964	2.4
Swiss Franc	242,570	1.4
Totals	**20,632,119**	**121.7**

As at January 1, 2013		
Currency	**Currency exposure ($)***	**As a % of net assets**
Euro	7,957,221	44.9
U.S. dollar	5,929,001	33.4
Pound sterling	3,896,371	22.0
New Zealand Dollar	1,375,814	7.8
Australian Dollar	1,233,257	7.0
Swedish Krona	394,504	2.2
Totals	**20,786,168**	**117.3**

*Amounts are in Canadian dollars

As at June 30, 2014, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, with all other variables held constant, the Fund's net assets attributable to holders of redeemable units would have increased or decreased, respectively, by approximately $1,072,261 (December 31, 2013 - $1,031,606; January 1, 2013 - $1,039,308) or 5.8% (December 31, 2013 - 6.1%; January 1, 2013 – 5.8%). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair value of financial instruments. A fund that invests in fixed income securities, such as bonds and money market instruments, is sensitive to changes in interest rates. The Fund does not hold any bonds or money market instruments, therefore, the Fund's exposure to interest rate risk is insignificant.

A Fund that has an interest-bearing liability is exposed to risks associated with the effects of fluctuations in interest rates on its cash flows. As at June 30, 2014, the Fund had a bank overdraft of $3,502,957 (December 31, 2013 - $4,136,595; January 1, 2013 - $5,095,256). If interest rates were to change by 1.0%, the interest expense in the GTU Trust could increase (decrease) by $35,030 (2013 - $41,366).

Liquidity risk
Liquidity risk is defined as the risk that a fund may not be able to settle or meet its obligations on time or at a reasonable price. The Fund is exposed to liquidity risk through the Forward Agreement. The Fund primarily invests in securities that are actively traded in public markets and can be readily disposed of to raise liquidity.

As at June 30, 2014, December 31, 2013 and January 1, 2013, all of the Fund's financial liabilities, except for the borrowings, had maturities of less than three months. The borrowing is a revolving margin that is due on demand with no fixed repayment terms.

Credit risk
Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund.

All transactions executed by the Fund in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Fund has exposure to credit risk through its prime brokerage relationship with a Canadian chartered bank (the "Prime Broker"). At June 30, 2014, the Prime Broker had a credit rating of A+ from Standard & Poor`s.

Fair value of financial instruments

The Fund classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

> **Level 1**: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
> **Level 2**: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
> **Level 3**: Inputs for the asset or liability that are not based on observable market data.

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

The table below summarizes the fair value of the Fund's financial instruments using the following fair value hierarchy:

Securities classification:

Investments at fair value as at June 30, 2014				
Equities	**Level 1 ($)**	**Level 2 ($)**	**Level 3 ($)**	**Totals ($)**
Common stock	22,006,354	-	-	22,006,354
Total investment in securities	**22,006,354**	**-**	**-**	**22,006,354**

Investments at fair value as at December 31, 2013				
Equities	**Level 1 ($)**	**Level 2 ($)**	**Level 3 ($)**	**Totals ($)**
Common stock	21,004,032	-	-	21,004,032
Total investment in securities	**21,004,032**	**-**	**-**	**21,004,032**

Investments at fair value as at January 1, 2013				
Equities	**Level 1 ($)**	**Level 2 ($)**	**Level 3 ($)**	**Totals ($)**
Common stock	22,812,484	-	-	22,812,484
Total investment in securities	**22,812,484**	**-**	**-**	**22,812,484**

There were no Level 3 securities held by the Fund as at June 30, 2014, December 31, 2013 and January 1, 2013, and there were no significant transfers between Level 1 and Level 2 for the six-month period ended June 30, 2014 or the year ended December 31, 2013.

Concentration Risk
Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the GTU Trust's concentration risk by geography and segment.

Geography:

As at	June 30, 2014		December 31, 2013		January 1, 2013	
Country of Issue	**$***	**% of net assets**	**$***	**% of net assets**	**$***	**% of net assets**
Canada	(3,029,296)	(16.5)	(3,630,028)	(21.7)	(2,997,483)	(17.3)
United States of America	7,299,557	39.6	5,317,919	31.4	5,929,001	33.4
New Zealand	524,863	2.9	816,622	4.8	1,375,814	7.8
Europe	9,383,676	51.0	8,331,873	49.1	7,957,221	44.9
United Kingdom	3,644,404	19.8	4,744,251	28.0	3,896,371	22.0
Sweden	354,618	1.9	403,964	2.4	394,504	2.2
Switzerland	238,109	1.3	242,570	1.4	-	-
Australia	-	-	774,920	4.6	1,233,257	7.0
Totals	**18,415,931**	**100.0**	**17,002,092**	**100.0**	**17,788,685**	**100.0**

*Stated in Canadian dollars

Market Segment (percentage of net assets attributable to holders of redeemable units):

	June 30, 2014	December 31, 2013	January 1, 2013
Banking and Other Financial Issuers	8.2	9.5	-
Consumer Discretionary Issuers	27.3	13.8	9.0
Consumer Staples Issuers	2.0	3.3	-
Industrial Issuers	1.5	3.5	-
Information Technology Issuers	1.5	1.3	-
Other Public Issuers	2.7	-	-
Telecommunication Services Issuers	26.1	36.8	57.8
Utilities Issuers	52.9	55.6	61.9

7. SOFT DOLLAR COMMISSIONS

Brokerage commissions paid to certain brokers may, in addition to paying for the cost of brokerage services in respect of security transactions, also provide for the cost of investment research services provided to the investment manager. The value of such research services included in commissions paid to brokers for the periods ended June 30, 2014 and 2013 amounted to $NIL.

8. BORROWINGS

The Fund established a revolving margin with its Prime Broker, a Canadian chartered bank. Interest charged is included in "Interest expense" on the Statements of Comprehensive Income. The Fund has the facility in place to borrow up to 33.3% of the Fund's NAV. The overdraft function is to borrow for the purpose of making investments in accordance with its investment objectives and restrictions, and to pledge its assets to secure the borrowings. The borrowing is a revolving margin that is due on demand with no fixed repayment terms.

The amount drawn on the margin was $3,502,957 (December 31, 2013 - $4,136,595; January 1, 2013 - $5,095,256) or 19% (December 31, 2013 - 24.4%; January 1, 2013 - 28.8%) of net assets attributable to holders of redeemable units at June 30, 2014. For the period ended June 30, 2014 the Fund recorded interest expense of $59,608 (2013 - $52,799). The amount of borrowings ranged between $3,502,957 and $4,136,595 during the period (2013 between $3,961,024 and $5,095,256) and represented 19% to 24.4% of the Fund's net assets attributable to holders of redeemable units during the period ended June 30, 2013 (2013 – 21.8% to 28.1%).

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