Global Advantaged Telecom & Utilities Income Fund

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.

Global Advantaged Telecom & Utilities Income Fund

STATEMENTS OF FINANCIAL POSITION (Unaudited) As at	June 30, 2014	December 31, 2013	January 1, 2013
Assets			
Current assets			
Investments (cost: June 30, 2014 - $11,578,478; December 31, 2013 - $12,377,220; January 1, 2013 - $17,688,258)	$ 11,658,341	$ 9,959,562	$ 12,900,998
Forward agreement at fair value (Note 5)	6,757,590	6,998,090	4,834,912
Cash	14,859	32,170	25,711
Receivable for investments sold	145,000	130,000	165,015
	18,575,790	**17,119,822**	**17,926,636**
Liabilities			
Current liabilities			
Distributions payable	100,325	100,325	120,977
Counterparty fee payable (Note 5)	468	418	537
Forward fee payable (Note 5)	16,439	16,987	16,437
	117,232	**117,730**	**137,951**
Net assets attributable to holders of redeemable units	**$ 18,458,558**	**$ 17,002,092**	**$ 17,788,685**
Number of units outstanding (Note 4)	**1,672,091**	**1,672,091**	**2,016,291**
Net assets attributable to holders of redeemable units per unit	**$ 11.04**	**$ 10.17**	**$ 8.82**

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

Global Advantaged Telecom & Utilities Income Fund

STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)		
For the six-month period ended June 30,	**2014**	**2013**
Income		
Net gain (loss) on investments		
Securities lending (Note 9)	$ 5,479	$ 8,468
Net gain (loss) on investments	5,479	8,468
Net gain (loss) on derivatives		
Net realized gain (loss) on common share portfolio and forward agreement	66,265	(948,579)
Forward fee (Note 5)	(99,179)	(99,179)
Change in unrealized appreciation (depreciation) on common share portfolio and forward agreement	2,257,021	2,377,449
Net gain (loss) on derivatives	2,224,107	1,329,691
Total income (net)	**2,229,586**	**1,338,159**
Expenses (Note 6)		
Management fees	25,472	25,763
Service fees	39,712	39,876
Unitholder reporting costs	53,933	57,249
Counterparty fees (Note 5)	8,218	11,455
Audit fees	2,846	4,298
Transfer agency fees	3,405	6,176
Custodian fees and bank charges	8,425	11,095
Independent review committee fees	2,487	2,627
Filing fees	20,282	21,137
Legal fees	6,387	4,005
Total expenses	**171,167**	**183,681**
Increase (decrease) in net assets attributable to holders of redeemable units	**$ 2,058,419**	**$ 1,154,478**
Increase (decrease) in net assets attributable to holders of redeemable units per unit	**$ 1.23**	**$ 0.57**

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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	**$ 17,002,092**	**$ 17,788,685**
Increase (decrease) in net assets attributable to holders of redeemable units	2,058,419	1,154,478
Redeemable unit transactions		
Cancellation of redeemable units	-	(6,289)
Net unitholders' transactions	**-**	**(6,289)**
Distributions to holders of redeemable units		
Net investment income	-	-
Capital gains	-	-
Return of capital	(601,953)	(725,697)
Total distributions to unitholders	**(601,953)**	**(725,697)**
Net assets attributable to holders of redeemable units end of period	**$ 18,458,558**	**$ 18,211,177**

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Global Advantaged Telecom & Utilities Income Fund

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	$	2,058,419	$	1,154,478
Add (deduct) items not affecting cash:				
Net realized (gain) loss on common share portfolio and forward agreement		(66,265)		948,579
Change in unrealized (appreciation) depreciation on common share portfolio and forward agreement		(2,257,021)		(2,377,449)
Proceeds from sale of investments		1,926,973		2,815,454
Purchases of investments		(1,076,965)		(1,810,444)
Net change in non-cash assets and liabilities		(499)		(78)
Net cash flow provided by (used in) operating activities	**$**	**584,642**	**$**	**730,540**
Financing activities				
Redemption and cancellation of redeemable units		-		(6,289)
Distributions paid to holders of redeemable units		(601,953)		(725,739)
Net cash flow provided by (used in) financing activities		**(601,953)**		**(732,028)**
Net increase (decrease) in cash during the period		**(17,311)**		**(1,488)**
Cash, beginning of the period		32,170		25,711
Cash, end of the period	**$**	**14,859**	**$**	**24,223**
Supplemental disclosure of cash flow information				
Interest received during the period*	$	-	$	-
Interest paid during the period*		-		-
Dividends received, net of withholding taxes*		-		-

*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			
	Energy Issuers			
73,146	Athabasca Oil Corporation	861,584	560,298	3.0
116,115	Bankers Petroleum Ltd.	988,139	791,904	4.3
138,213	BlackPearl Resources Inc.	988,223	312,361	1.7
52,510	Crew Energy Inc.	986,663	580,236	3.2
21,419	MEG Energy Corporation	1,088,299	832,985	4.5
		4,912,908	3,077,784	16.7
	Information Technology Issuers			
13,246	Catamaran Corporation	639,914	624,152	3.4
92,424	Celestica Inc. Sub. Voting	987,089	1,240,330	6.7
49,637	CGI Group Inc. Cl. A Sub. Voting	987,280	1,877,271	10.2
		2,614,283	3,741,753	20.3
	Industrial Issuers			
44,941	ATS Automation Tooling Systems, Inc.	444,017	701,529	3.8
		444,017	701,529	3.8
	Materials Issuers			
185,863	B2Gold Corporation	589,186	578,034	3.1
73,681	Canfor Corporation	986,588	1,721,188	9.3
125,894	Detour Gold Corporation	2,031,496	1,838,053	10.0
		3,607,270	4,137,275	22.4
Total COMMON SHARE PORTFOLIO (pledged to the Counterparty under the Forward Agreement)		**11,578,478**	**11,658,341**	**63.2**
Unrealized appreciation on forward agreement			**6,757,590**	**36.6**
Other assets less liabilities			**42,627**	**0.2**
Net assets attributable to holders of redeemable units			**18,458,558**	**100.0**

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

Global Advantaged Telecom & Utilities Income Fund

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

Number of shares	Security	Average Cost ($)	Carrying Value ($)	% of Net Assets
Investments held in GTU Portfolio Trust under the Forward Agreement				
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.

Global Advantaged Telecom & Utilities Income Fund

NOTES TO THE FINANCIAL STATEMENTS
(Unaudited)

June 30, 2014

1. ORGANIZATION

Global Advantaged Telecom & Utilities Fund (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. On March 23, 2011, the Fund completed an initial public offering of 2,600,000 units at $12.00 per unit for gross proceeds of $31,200,000. On April 6, 2011; an over-allotment option was exercised for an additional 123,662 units at a price of $12.00 per unit for gross proceeds of $1,483,944. The address of the Fund's registered office is 710 Dorval Drive, Oakville, Ontario.

The Fund's investment objectives are to provide unitholders with tax-advantaged monthly distributions and capital appreciation. As part of the investment strategy, the Fund provides exposure, through a forward agreement (the "Forward Agreement"), to the return, in Canadian dollars, of the underlying performance of the GTU Portfolio Trust (the "GTU Trust"). The GTU Trust portfolio is 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. In addition to the annual redemption at 100% of NAV, the Fund's units are redeemable at 95% of their market price monthly. As a result, the Fund's units contain multiple contractual obligations and are presented as financial liabilities on transition to IFRS as they do not meet the criteria for classification as equity.

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	$16,986,890	$18,198,966	$17,747,771
Revaluation of investments at FVTPL	$15,202	$12,211	$40,914
Net assets attributable to holders of redeemable units	**$17,002,092**	**$18,211,177**	**$17,788,685**

Comprehensive income	December 31, 2013	June 30, 2013
Comprehensive income as reported under Canadian GAAP	$3,749,917	$1,183,181
Revaluation of investments at FVTPL	($25,713)	($28,703)
Increase (decrease) in net assets attributable to holders of redeemable units	**$3,724,204**	**$1,154,478**

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.

The Forward Agreement is recorded at fair value with unrealized gains or losses recorded as unrealized appreciation (depreciation) during the term of the Forward Agreement. Realized gains or losses relating to the Forward Agreement will be recorded upon partial or final settlement of the Forward Agreement.

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. 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 Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). For tax purposes, the Fund has a December 31 year end. All of the Fund's net income for tax purposes and sufficient net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Fund. As a result, 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. As at the last taxation year end, the Fund had non-capital losses of $2,589,146 and net capital losses of $1,173,564 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.

As the Manager is a resident of Ontario, the expenses paid by the Fund include HST of 13%. HST is calculated using the residency of unitholders in the Fund as at specific times, rather than the physical location of the Manager. A blended rate refund is filed with the Canada Revenue Agency on behalf of the Fund, in arrears, using each province's HST rate or GST rate in the case of non-participating provinces.

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 holds 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 7 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 recognised 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 unitholders and is entitled to participate equally in any and all distributions made by the Fund. The units trade on the TSX under the symbol HGI.UN. As at June 30, 2014 the closing price for the units was $10.80 per unit (2013 - $9.62 per unit).

The Fund entered into a normal course issuer bid program for the period from May 28, 2012 to May 27, 2013, which allowed the Fund to purchase up to 260,854 listed trust units of the Fund for cancellation by way of a normal course issuer bid through the facilities of the TSX. During the period ended June 30, 2014, $Nil (2013 – 700) trust units were purchased for cancellation for a total of $Nil (2013 - $6,289). The normal course issuer bid program was not renewed after it expired.

Redemptions

Units may be surrendered prior to 5:00 p.m. (Toronto time) on the 10th business day before the last business day of the applicable month by the holders for monthly redemption. Upon receipt by the Fund of the redemption notice the holder of a unit shall be entitled to receive a price per unit equal to the lesser of:

(a) 95% of the "market price" of the units on the principal market on which the units are quoted for trading during the 20 trading day period ending immediately before the monthly redemption date; and

(b) 100% of the "closing market price" on the principal market on which the units are quoted for trading on the monthly redemption date.

In accordance with the Fund prospectus, in addition to the monthly redemption rights, on an annual basis, commencing in August 2012, units may be surrendered for redemption at the Fund's NAV per unit, subject to the required redemption notice period, for the first business day of August and the unitholder will receive payment on or before the 15th business day of the following month. On August 31, 2013, 343,500 units were surrendered for redemption for total proceeds of $3,135,640.

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

	Trust units outstanding
Total outstanding as at January 1, 2013	**2,016,291**
Cancellation of redeemable units	(700)
Total outstanding as at June 30, 2013	**2,015,591**
Total outstanding as at January 1, 2014	**1,672,091**
Redeemable units redeemed	-
Cancellation of redeemable units	-
Total outstanding as at June 30, 2014	**1,672,091**

The weighted average number of units outstanding during the six-month period ended June 30, 2014 was 1,672,091 units (2013 – 2,015,891 units).

Issue costs

Certain offering expenses such as costs of creating the Fund, the cost of printing and preparing the prospectus, legal expenses of the Fund and other out-of pocket expenses incurred by the agents together with the agent's fees payable by the Fund are included in the carrying amount of the Fund's obligation for net assets attributable to holders of redeemable units.

Distributions

The Fund intends to make monthly cash distributions to unitholders of record on the last business day of each month and pay such cash distributions on or before the 15th day of the following month. The Fund will annually determine and announce the indicative distribution amount for the following year based upon the prevailing market conditions. The distribution amount paid was $601,953 or $0.06 per unit per month for the period ended June 30, 2014 (2013 – $725,697 or $0.06 per unit per month).

5. FORWARD AGREEMENT

The Fund obtains exposure to the Common Share Portfolio through the forward agreement (the "Forward Agreement"). The Fund invested the net proceeds of the offering in a portfolio of common shares (the "Common Share Portfolio") that are acceptable to the Counterparty. The Fund entered into a Forward Agreement, the terms of which were negotiated by the Manager on behalf of the Fund, with a Canadian chartered bank (the "Counterparty"). Under the terms of the Forward Agreement, the Counterparty agrees to pay to the Fund on the scheduled settlement date of the Forward Agreement (the "Forward Settlement Date"), as the purchase price for the Common Share Portfolio, an amount based on the value of the Portfolio. The Forward Agreement is scheduled to terminate on March 23, 2016.

The Counterparty may hedge its obligations under the Forward Agreement by purchasing units of the Portfolio Trust. However, there is no obligation on the Counterparty to acquire units of the Portfolio Trust or to otherwise hedge its obligations. The Notional Portfolio will be managed in accordance with the investment strategy described in this prospectus for the Fund and the Portfolio Trust. The Fund will partially settle the Forward Agreement from time to time in order to fund the payment of monthly distributions, any redemption amounts and the expenses of the Fund.

The Fund pays to the Counterparty, a fee under the Forward Agreement of approximately 0.50% per annum, with a minimum annual fee of $200,000, of the net assets of the GTU Trust calculated daily and payable monthly in arrears. The Fund also pays the Counterparty a fee of 0.25% per annum for prime brokerage services including a revolving margin utilized in the GTU Trust. These fees are over and above the interest charged to the GTU Trust. The GTU Trust has the facility in place to borrow up to 25 percent of its total assets or 33 1/3% of the NAV of the GTU Trust, and pays interest on such borrowings.

For the period ended June 30, 2014, the Fund recorded counterparty fees of $8,218 (2013 - $11,455). Interest charged is included in "Counterparty fees" on the Statement of Comprehensive Income.

The amount drawn on the margin was $3,502,957 or 19.0% of the net assets attributable to holders of redeemable units of GTU Trust at June 30, 2014 (December 31, 2013 - $4,136,595 or 24.4%; January 1, 2013 - $5,095,256 or 28.7%).

The Counterparty has an approved credit rating within the meaning of National Instrument 81-102 – Mutual Funds of the Canadian Securities Administrators.

6. EXPENSES

Management and service 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 GTU Trust and pays Avenue a fee for its portfolio advisory service, from the management fee received from the GTU Trust, calculated on the basis of the GTU Trust's net assets.

The Fund pays its manager, Harvest, a management fee from the Fund and GTU Trust equal in the aggregate to 1.25% per annum of the applicable average NAV, (0.25% from the Fund and 1.0% from the GTU Trust), calculated and payable monthly in arrears, plus applicable taxes.

The management fees charged to the Fund and GTU Trust on a combined basis during the period ended June 30, 2014 were $127,297 (2013 - $129,018) inclusive of taxes. The Manager is responsible for payment of the sub-advisory fees out of these management fees.

The Fund also pays service fees to registered dealers at the rate on 0.40% of the daily NAV plus HST of the Fund. Service fees are accrued daily and paid monthly to the manager, who in turn pays the dealers.

Operating expenses
The Fund is responsible for operating expenses relating to the carrying on of its business, including custodial services, interest, taxes, legal, audit fees, transfer agency services relating to the issue and redemption of units, and the cost of financial and other reports, costs and expenses for the Fund's Independent Review Committee ("IRC"), including fees and expenses of the IRC members and compliance with applicable laws, regulations and policies. The Manager pays for such expenses on behalf of the Fund, except for certain expenses such as counterparty and forward fees which are paid directly by the Fund, and is then reimbursed by the Fund.

Other expenses
The Manager will be reimbursed by the Fund for all reasonable costs, expenses and liabilities incurred by the Manager for performance of services on behalf of the Fund in connection with the discharge by the Manager of its duties hereunder. Such costs and expenses may include, without limitation: mailing and printing expenses for reports to Unitholders and other Unitholder communications; a reasonable allocation of salaries, benefits and consulting fees; independent directors of the Manager and other administrative expenses and costs incurred in connection with the Fund's continuous public filing and other obligations. These expenses were $52,295 for the period ended June 30, 2014 (2013 - $55,327) and are included in the unitholder reporting costs in the Statements of Comprehensive Income.

7. 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 Fund is exposed to other price risk through the common share portfolio and Forward Agreement held by the Fund. The Investment Manager of the GTU Trust 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. Although the Fund holds a common share portfolio that is pledged to the Counterparty under the Forward Agreement, the other price risk exposure is minimal due to the Forward Agreement.

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 - $1,050,202; January 1, 2013 - $1,140,624).

As at June 30, 2014 100% (December 31, 2013 - 100.0%; January 1, 2013 – 100.0%) of the common share portfolio investments 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 $582,917 (December 31, 2013 - $497,978; January 1, 2013 - $645,050).

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.

Global Advantaged Telecom & Utilities Income Fund

The Fund is exposed to currency risk through the Forward Agreement. 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)) and reported in Canadian dollars.

GTU Trust:

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**

*Amounts are in Canadian dollars

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. Interest rate risk arises when the Fund invests in interest-bearing financial instruments. The Fund does not hold any bonds or money market instruments; therefore, the Fund has no significant exposure to interest rate risk.

However, the Fund is exposed to interest rate risk through the Forward Agreement. The GTU Trust has an interest bearing liability and so the Fund is exposed to risks associated with the effects of fluctuations in interest rates on its cash flows. As at June 30, 2014, GTU Trust 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 (December 31, 2013 - $41,366; January 1, 2013 - $50,953).

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 redemptions as described in Note 4. Therefore in order to maintain sufficient liquidity, the Fund and GTU Trust primarily invest 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 had maturities of less than three months.

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. The Fund minimizes the concentration of credit risk by trading with a large number of brokers and counterparties on recognized and reputable exchanges. The Fund has exposure to credit risk with the Counterparty in the full amount of the Forward Agreement value. At June 30, 2014, the Counterparty to the Forward Agreement had a credit rating of A+ from Standard & Poor`s. The maximum credit risk of default is the carrying amount of the investments underlying the Forward Agreement, as presented in the Schedule of Investments.

The Fund participates in a securities lending program wherein certain major brokers/dealers and institutions ("approved borrowers") borrow securities from the Fund. Loans are required at all times to be secured by collateral to at least 102% of the current market value of the loaned securities measured each business day. In the event of default or bankruptcy by an approved borrower, realization and/or retention of the collateral may be subject to legal proceedings. In the event that an approved borrower fails to return loaned securities and the value of the collateral being maintained by the lending agent is insufficient to cover replacing the loaned securities, the lending agent has agreed to indemnify the Funds for the difference between market value of the loaned securities and the value of the collateral held against such loaned securities, provided that the collateral insufficiency is not the result of collateral investment losses. However, such indemnity may not continue to be available at all times. In the event of a borrower default, the Fund could experience a delay in recovering the loaned securities or only recover cash or a security of equivalent value. The Fund could lose money if they do not recover the loaned securities and/or the value of the collateral decreases, including the value of investments made with cash collateral (Note 9).

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:

Global Advantaged Telecom & Utilities Income Fund

Securities classification:

Investments at fair value as at June 30, 2014				
	Level 1 ($)	**Level 2 ($)**	**Level 3 ($)**	**Total ($)**
Common shares	11,658,341	-	-	11,658,341
Total investments at fair value	**11,658,341**	**-**	**-**	**11,658,341**
Forward Agreement at fair value	**-**	**6,757,590**	**-**	**6,757,590**

Investments at fair value as at December 31, 2013				
	Level 1 ($)	**Level 2 ($)**	**Level 3 ($)**	**Total ($)**
Common shares	9,959,562	-	-	9,959,562
Total investments at fair value	**9,959,562**	**-**	**-**	**9,959,562**
Forward Agreement at fair value	**-**	**6,998,090**	**-**	**6,998,090**

Investments at fair value as at January 1, 2013				
	Level 1 ($)	**Level 2 ($)**	**Level 3 ($)**	**Total ($)**
Common shares	12,900,998	-	-	12,900,998
Total investments at fair value	**12,900,998**	**-**	**-**	**12,900,998**
Forward Agreement at fair value	**-**	**4,834,912**	**-**	**4,834,912**

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.

The fair value of the Forward Agreement is based on the fair value of the net assets attributable to holders of redeemable units of the GTU Trust less the fair value of the Common Share Portfolio of the Fund pledged to the counterparty under the Forward Agreement. The fair value of both the GTU Trust and the Common Share Portfolio have been determined as described in Note 3.

As explained in Note 5, the Fund is exposed to the performance of the portfolio held by GTU Trust through the Forward Agreement, and therefore, the following illustrates the classification of the GTU Trust's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

GTU Trust - Securities Classification:
All securities held by the GTU Trust as at June 30, 2014, December 31, 2013 and January 1, 2013, were Level 1 securities.

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 Fund's and the GTU Trust's concentration risk by geography and segment.

<u>Fund:</u>
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	18,458,558	100	17,002,092	100	17,788,685	100
Totals	**18,458,558**	**100**	**17,002,092**	**100**	**17,788,685**	**100**

Global Advantaged Telecom & Utilities Income Fund

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

	June 30, 2014	December 31, 2013	January 1, 2013
EQUITIES			
Energy Issuers	16.7	14.0	20.1
Information Technology Issuers	20.3	21.3	21.6
Industrial Issuers	3.8	3.8	-
Materials Issuers	22.4	19.3	30.6

GTU Trust:
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	-
Telecommunication Services Issuers	26.1	36.8	57.8
Utilities Issuers	52.9	55.4	61.9

8. 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.

9. SECURITIES LENDING

The Funds may enter into securities lending transactions, as permitted by Canadian securities regulatory authorities. The collateral and securities on loan continue to be displayed in the Schedule of Investment Portfolio. Pursuant to the Agreement with the lending agent, loans of securities are required at all times to be secured by collateral equal to no less than 102% of the market value of the loaned securities measured each business day.

Collateral held to secure loans may be cash, qualified securities and securities that are immediately convertible into, or exchangeable for, securities of the same issuer, class or type, and the same term, if applicable, as the securities that are being loaned by the Fund, and in at least the same number as those loaned by the Funds. Income from securities lending is included in the Statements of Comprehensive Income and recognized when earned.

As at June 30, 2014, the Fund had $11,704,661 (December 31, 2013 - $10,263,452; January 1, 2013 - $Nil) loaned securities with collateral amounting to $12,184,615 (December 31, 2013 - $10,507,309; January 1, 2013 - $Nil). The lending agent lends securities and maintains collateral on a settlement date basis. There were securities traded on the last three business days in the amount of $46,320 (December 31, 2013 - $319,092) that settled subsequent to June 30, 2014 and the collateral amount would be adjusted accordingly.

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Fund may invest and the risks detailed from time to time in the Fund's simplified prospectus or offering memorandum. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the Fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, the Fund does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

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