



Global Advantaged Telecom & Utilities Income Fund

**Condensed Interim Financial Statements
(Unaudited)**

June 30, 2015

The accompanying unaudited condensed interim financial statements have not been reviewed by the external auditors of the Fund.



Global Advantaged Telecom & Utilities Income Fund

STATEMENTS OF FINANCIAL POSITION			
(Unaudited)		June 30,	December 31,
As at		2015	2014
Assets			
Current assets			
Investments	\$	6,562,373	\$ 6,324,396
Forward agreement at fair value (Note 5)		5,396,718	5,402,285
Cash		1,452	10,889
Receivable for investments sold		100,000	105,000
		12,060,543	11,842,570
Liabilities			
Current liabilities			
Distributions payable (Note 4)		65,848	65,848
Counterparty fee payable (Note 5)		276	260
Forward fee payable (Note 5)		16,439	16,985
		82,563	83,093
Net assets attributable to holders of redeemable units	\$	11,977,980	\$ 11,759,477
Number of redeemable units outstanding (Note 4)		1,097,465	1,097,465
Net assets attributable to holders of redeemable units per unit	\$	10.91	\$ 10.72

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,		2015	2014
Income			
Net gain (loss) on investments			
Net realized gain (loss) on common share portfolio	\$	252,962	\$ 66,265
Net change in unrealized appreciation (depreciation) on common share portfolio		570,016	3,612,326
Net gain (loss) on investments		822,978	3,678,591
Net gain (loss) on derivatives			
Forward fee (Note 5)		(99,179)	(99,179)
Counterparty fees (Note 5)		(4,901)	(8,218)
Net change in unrealized appreciation (depreciation) on forward agreement		(5,567)	(1,355,305)
Net gain (loss) on derivatives		(109,647)	(1,462,702)
Other income			
Securities lending (Note 9)		3,267	5,479
Other income		3,267	5,479
Total income (net)		716,598	2,221,368
Expenses (Note 6)			
Management fees		17,256	25,472
Service fees		27,067	39,712
Unitholder reporting costs		18,340	53,933
Audit fees		1,967	2,846
Transfer agency fees		4,491	3,405
Custodian fees and bank charges		9,846	8,425
Independent review committee fees		967	2,487
Filing fees		19,287	20,282
Legal fees		3,786	6,387
Total expenses		103,007	162,949
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 613,591	\$ 2,058,419
Increase (decrease) in net assets attributable to holders of redeemable units per unit (Note 4)		\$ 0.56	\$ 1.23

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Global Advantaged Telecom & Utilities Income Fund

STATEMENTS OF CHANGES IN NET ASSETS			
ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (Unaudited)			
For the six-month period ended June 30,	2015		2014
Net assets attributable to holders of redeemable units beginning of period	\$	11,759,477	\$ 17,002,092
Increase (decrease) in net assets attributable to holders of redeemable units	\$	613,591	\$ 2,058,419
Distributions to holders of redeemable units			
Return of capital		(395,088)	(601,953)
Total distributions to unitholders		(395,088)	(601,953)
Net assets attributable to holders of redeemable units end of period	\$	11,977,980	\$ 18,458,558

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Global Advantaged Telecom & Utilities Income Fund

STATEMENTS OF CASH FLOWS			
(Unaudited)			
For the six-month period ended June 30,	2015		2014
Operating activities			
Increase (decrease) in net assets attributable to holders of redeemable units	\$	613,591	\$ 2,058,419
Add (deduct) items not affecting cash:			
Net realized (gain) loss on common share portfolio and forward agreement		(252,962)	(66,265)
Change in unrealized (appreciation) depreciation on common share portfolio		(570,016)	(3,612,326)
Change in unrealized (appreciation) depreciation on forward agreement		5,567	1,355,305
Proceeds from sale of investments		590,001	1,926,973
Purchases of investments		-	(1,076,965)
Net change in non-cash assets and liabilities		(530)	(499)
Net cash flow provided by (used in) operating activities	\$	385,651	\$ 584,642
Financing activities			
Distributions paid to holders of redeemable units		(395,088)	(601,953)
Net cash flow provided by (used in) financing activities		(395,088)	(601,953)
Net increase (decrease) in cash during the period		(9,437)	(17,311)
Cash, beginning of the period		10,889	32,170
Cash, end of the period	\$	1,452	\$ 14,859

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

Global Advantaged Telecom & Utilities Income Fund

SCHEDULE OF INVESTMENTS

(Unaudited)

As at June 30, 2015

Number of shares	Security	Average Cost (\$)	Carrying Value (\$)	% of Net Assets
EQUITIES				
Energy Issuers				
43,514	Athabasca Oil Corporation	512,550	88,768	0.7
69,080	Bankers Petroleum Ltd.	587,871	214,148	1.8
82,228	BlackPearl Resources Inc.	587,930	89,628	0.7
31,236	Crew Energy Inc.	586,924	178,358	1.5
12,739	MEG Energy Corporation	647,269	259,876	2.2
		2,922,544	830,778	6.9
Information Technology Issuers				
7,876	Catamaran Corporation	380,490	601,175	5.0
54,984	Celestica Inc. Sub. Voting	587,229	799,467	6.7
29,528	CGI Group Inc. Cl. A Sub. Voting	587,312	1,442,443	12.0
		1,555,031	2,843,085	23.7
Industrial Issuers				
26,733	ATS Automation Tooling Systems Inc.	264,122	408,748	3.4
		264,122	408,748	3.4
Materials Issuers				
110,579	B2Gold Corp.	350,535	211,206	1.8
43,833	Canfor Corporation	586,924	1,192,257	10.0
74,899	Detour Gold Corporation	1,208,612	1,076,299	9.0
		2,146,071	2,479,762	20.8
Total COMMON SHARE PORTFOLIO (pledged to the Counterparty under the Forward Agreement)		6,887,768	6,562,373	54.8
Unrealized appreciation on Forward Agreement			5,396,718	45.1
Other assets less liabilities			18,889	0.1
Net assets attributable to holders of redeemable units			11,977,980	100.0

Global Advantaged Telecom & Utilities Income Fund

SCHEDULE OF INVESTMENTS (continued)

(Unaudited)

As at June 30, 2015

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	148,740	1.2
19,000	Element Financial Corporation	307,081	375,250	3.2
10,000	UBS Group AG	202,961	264,906	2.2
		627,981	788,896	6.6
Consumer Discretionary Issuers				
3,800	Cogeco Cable Inc.	187,150	274,512	2.3
50,000	Mediaset SPA	260,605	299,904	2.5
14,000	Pandora Media Inc.	300,018	271,613	2.3
9,000	ProSiebenSat.1 Media AG	459,267	554,601	4.6
28,000	Sky PLC	337,234	570,104	4.8
13,900	Vivendi SA	329,881	437,459	3.6
		1,874,155	2,408,193	20.1
Energy Issuers				
8,150	AltaGas Ltd.	314,389	310,026	2.6
10,850	Inter Pipeline Ltd.	318,556	311,395	2.6
		632,945	621,421	5.2
Information Technology Issuers				
501	Google Inc. Cl. C	292,450	325,565	2.7
500	LinkedIn Corporation Cl. A	123,988	128,984	1.1
5,970	Microsoft Corporation	317,620	329,061	2.8
		734,058	783,610	6.6
Other Public Issuers				
1,500	Anheuser-Busch InBev NV	152,410	224,302	1.9
1,990	JPMorgan Chase & Co.	103,807	168,344	1.4
4,000	Luxottica Group SPA	221,287	331,898	2.8
		477,504	724,544	6.1
Telecommunication Services Issuers				
11,400	AT&T Inc.	322,047	505,532	4.2
1,500	Citrix Systems, Inc.	101,540	131,387	1.1
4,800	Comcast Corporation Cl. A	239,727	360,393	3.0
14,800	Deutsche Telekom AG	227,975	318,071	2.6
130,000	Spark New Zealand Limited	189,443	306,786	2.6
157,000	Telecom Italia SPA	234,833	248,529	2.1
16,600	Telefonica SA	409,365	294,410	2.5
31,600	Teliasonera AB	243,777	232,071	1.9
9,400	TELUS Corporation	342,608	404,482	3.4
10,198	Verizon Communications Inc.	424,136	593,863	5.0
66,327	Vodafone Group PLC	335,691	299,331	2.5
		3,071,142	3,694,855	30.9

Global Advantaged Telecom & Utilities Income Fund

SCHEDULE OF INVESTMENTS (continued) (Unaudited)

As at June 30, 2015

Number of Shares	Security	Average Cost (\$)	Carrying Value (\$)	% of Net Assets
Investments held in GTU Portfolio Trust under the Forward Agreement (continued)				
Utilities Issuers				
8,900	Ameren Corp.	240,335	418,670	3.5
31,900	Drax Group PLC	192,265	218,091	1.8
4,500	Duke Energy Corporation	236,873	396,745	3.3
11,000	E.ON AG	323,621	182,850	1.5
77,000	EDP - Energias de Portugal SA	287,857	364,705	3.1
10,800	Endesa, SA	323,198	257,871	2.2
14,500	Gas Natural SDG SA	266,290	410,254	3.4
7,300	GDF Suez	281,125	168,970	1.4
35,768	Iberdrola SA	296,375	300,614	2.5
25,500	National Grid PLC	236,489	409,153	3.4
10,100	PPL Corp.	243,115	371,597	3.1
12,000	Quebecor Inc. Cl. B	320,034	374,640	3.1
9,020	RWE AG	450,881	241,969	2.0
12,200	SSE PLC	236,000	367,933	3.1
1,261	Talen Energy Corporation	29,643	27,015	0.2
58,600	Terna SPA	269,940	323,121	2.7
29,700	United Utilities Group PLC	274,249	520,162	4.4
16,880	Veolia Environnement	206,638	429,458	3.6
9,000	Verbund AG	186,424	163,251	1.4
		4,901,352	5,947,069	49.7
Total equity investments		12,319,137	14,968,588	125.2
Borrowings			(3,142,636)	(26.3)
Other assets less liabilities			133,139	1.1
Net assets attributable to holders of redeemable units			11,959,091	100.0

Global Advantaged Telecom & Utilities Income Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(Unaudited)

June 30, 2015

1. GENERAL INFORMATION

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 and as amended and restated, being the inception date. There was no significant activity in the Fund from the date of inception 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

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting and should be read in conjunction with the annual financial statements for the period ended December 31, 2014 which have been prepared in accordance with IFRS. These financial statements were authorized for issue by Harvest Portfolios Group Inc. (the “Manager”) on August 20, 2015.

3. SUMMARY OF 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. Carrying values of other financial assets and liabilities at amortized cost approximate their fair values due to the short term to maturity. 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. As at June 30, 2015 and December 31, 2014 there were no differences between the Fund’s NAV per security and its net assets per security calculated in accordance with IFRS.

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.

Global Advantaged Telecom & Utilities Income Fund

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.

Classification of redeemable units

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.

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 cost of investments is determined using the average cost method.

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.

Functional currency

The Fund's functional and presentation currency is Canadian dollars.

Redeemable units 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 year.

Global Advantaged Telecom & Utilities Income Fund

Income and other 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 carried forward 20 years and applied against future taxable income. As at the last taxation year end, the Fund had non-capital losses of \$3,342,123 and net capital losses of \$1,085,880 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 generally 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 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 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.

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4. REDEEMABLE UNITS

The authorized capital of the Fund consists of an unlimited number of transferable units of one class representing 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, 2015 the closing price for the units was \$10.65 per unit (December 31, 2014 - \$10.41 per unit).

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.

Notwithstanding the monthly redemption price formula above, at no time will the Fund pay out redemption proceeds greater than the NAV per Unit as determined on the monthly redemption date for each Unit being redeemed.

In accordance with the Fund prospectus, in addition to the monthly redemption rights, on an annual basis, 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, 2014, 574,626 units were surrendered for redemption for total proceeds of \$6,136,661.

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

	Trust units outstanding
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
Total outstanding as at January 1, 2015	1,097,465
Redeemable units redeemed	-
Cancellation of redeemable units	-
Total outstanding as at June 30, 2015	1,097,465

The weighted average number of units outstanding during the period ended June 30, 2015 was 1,097,465 units (2014 – 1,672,091 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 \$395,088 or \$0.06 per unit per month for the period ended June 30, 2015 (2014 – \$601,953 or \$0.06 per unit per month).

Global Advantaged Telecom & Utilities Income Fund

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 0.15% 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. For the period ended June 30, 2015, the Fund recorded counterparty fees of \$4,901 (2014 - \$8,218). Interest charged is included in “Counterparty fees” on the Statements of Comprehensive Income.

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. The amount drawn on the margin was \$3,142,636 or 26.3% of the net assets attributable to holders of redeemable units of GTU Trust at June 30, 2015 (December 31, 2014 - \$2,222,048 or 18.9%).

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

6. RELATED PARTY TRANSACTIONS AND OTHER 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% of the average weekly NAV from the Fund and 1.0% of the average daily NAV 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, 2015 were \$86,246 (2014 - \$127,297) 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 average weekly 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.

Global Advantaged Telecom & Utilities Income 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 \$14,036 for the period ended June 30, 2015 (2014 - \$52,295) 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, 2015 125.2% (December 31, 2014 – 118.0%) 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 of the GTU Trust would have increased or decreased by approximately \$748,429 (December 31, 2014 - \$691,656).

As at June 30, 2015 100.0% (December 31, 2014 - 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 of the Fund would have increased or decreased by approximately \$328,119 (December 31, 2014 - \$316,220).

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.

The Fund is exposed to currency risk indirectly through the Forward Agreement. The table below summarizes the Fund's exposure to currency risk through the GTU Trust as at June 30, 2015 and December 31, 2014. Amounts shown are based on the carrying value of the monetary and non-monetary net assets (including derivatives and the underlying principal (notional) amount of the forward currency contracts (if any)) and reported in Canadian dollars.

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GTU Trust:

As at June 30, 2015		
Currency	Currency exposure (\$)*	As a % of net assets
Euro	5,658,190	47.3
U.S. dollar	3,877,434	32.4
Pound sterling	2,391,172	20.0
New Zealand Dollar	306,786	2.6
Swedish Krona	232,070	1.9
Swiss Franc	271,401	2.3
Totals	12,737,053	106.5

*Amounts are in Canadian dollars

As at December 31, 2014		
Currency	Currency exposure (\$)*	As a % of net assets
Euro	5,500,591	46.8
U.S. dollar	3,947,230	33.6
Pound sterling	2,269,970	19.3
New Zealand Dollar	366,597	3.1
Swedish Krona	235,643	2.0
Swiss Franc	199,209	1.7
Totals	12,519,240	106.5

*Amounts are in Canadian dollars

In the GTU Trust, the non-monetary currency exposure is \$12,918,283 (December 31, 2014 – \$11,794,009) and the monetary currency exposure is \$181,230 (December 31, 2014 – 725,231).

As at June 30, 2015, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies of the GTU Trust, 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 \$636,853 (December 31, 2014 - \$625,962) or 5.3% (December 31, 2014 – 5.3%). 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, 2015, GTU Trust had a net bank overdraft of \$3,142,636 (December 31, 2014 - \$2,222,048). If interest rates were to change by 1.0%, the interest expense in the GTU Trust could increase (decrease) by \$31,426 (December 31, 2014 - \$22,220).

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 redemption of units as described in Note 4. However, the Manager does not expect that the contractual maturity will be representative of the actual cash outflows as holders of those units typically retain them for a longer period. 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, 2015 and December 31, 2014, all of the Fund's financial liabilities had maturities of less than three months.

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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, 2015 and December 31, 2014, the Counterparty to the Forward Agreement had a credit rating of A+ from Standard & Poor's.

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:

Securities classification:

Investments at fair value as at June 30, 2015				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Common shares	6,562,373	-	-	6,562,373
Total investments at fair value	6,562,373	-	-	6,562,373
Forward Agreement at fair value	-	5,396,718	-	5,396,718
Total	6,562,373	5,396,718	-	11,959,091

Investments at fair value as at December 31, 2014				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Common shares	6,324,396	-	-	6,324,396
Total investments at fair value	6,324,396	-	-	6,324,396
Forward Agreement at fair value	-	5,402,285	-	5,402,285
Total	6,324,396	5,402,285	-	11,726,681

There were no Level 3 securities held by the Fund as at June 30, 2015 and December 31, 2014 there were no transfers between Level 1 and Level 2 for the period ended June 30, 2015 or the year ended December 31, 2014.

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The value of the equities is based on quoted prices. 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, 2015 and December 31, 2014.

GTU Trust - Securities Classification:

All securities held by the GTU Trust as at June 30, 2015 and December 31, 2014, 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.

Fund:

Geography:

As at	June 30, 2015		December 31, 2014	
Country of Issue	\$*	% of net assets	\$*	% of net assets
Canada	11,959,091	99.8	11,726,681	99.7
Totals	11,959,091	99.8	11,726,681	99.7

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

	June 30, 2015	December 31, 2014
EQUITIES		
Energy Issuers	6.9	7.7
Information Technology Issuers	23.7	22.6
Industrial Issuers	3.4	3.7
Materials Issuers	20.8	19.8
Total	54.8	53.8

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GTU Trust:

Geography:

As at	June 30, 2015		December 31, 2014	
Country of Issue	\$*	% of net assets	\$*	% of net assets
Canada	2,050,305	17.2	2,039,108	17.5
United States of America	4,177,510	34.9	3,558,252	30.3
New Zealand	306,786	2.6	366,596	3.1
Europe	5,552,238	46.5	5,176,119	44.1
United Kingdom	2,384,773	19.9	2,258,188	19.3
Sweden	232,070	1.9	235,643	2.0
Switzerland	264,906	2.2	199,211	1.7
Totals	14,968,588	125.2	13,833,117	118.0

*Stated in Canadian dollars

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

	June 30, 2015	December 31, 2014
	% of net assets	% of net assets
Banking and Other Financial Issuers	6.6	4.0
Consumer Discretionary Issuers	20.1	17.1
Energy Issuers	5.2	6.3
Information Technology Issuers	6.6	3.6
Other Public Issuers	6.1	5.1
Telecommunication Services Issuers	30.9	29.4
Utilities Issuers	49.7	52.5
Total	125.2	118.0

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, 2015 and 2014 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, 2015, the Fund had \$6,562,373 (December 31, 2014 - \$6,324,395) loaned securities with collateral amounting to \$6,901,878 (December 31, 2014 - \$6,585,637). The lending agent lends securities and maintains collateral on a settlement date basis.

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