A large, light grey, stylized cursive letter 'H' is centered on the page, serving as a watermark. It is positioned behind the main title text.

Global Advantaged Telecom & Utilities Income Fund

Annual Management Report of Fund Performance

December 31, 2015

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 1-866-998-8298; 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

CORPORATE OVERVIEW

Harvest Portfolios Group Inc. (“Harvest”) is a Canadian Investment Manager focused on unique income generating investment products. Harvest was founded in 2009 and is focused on developing investment products that follow three investment criteria:

1. Clear investment objectives
2. Transparency
3. Income generation

Harvest endeavours to develop investment products that are clear in their mandate and easy for our investors to understand. We strive to be transparent, so that our investors can open their annual report and know exactly what they own. Our funds are also invested to provide investors with consistent monthly or quarterly income; therefore, we seek to invest our fund portfolios in well managed companies that have a history of steady cash flow and pay dividends.

INVESTMENT PRODUCT

The Global Advantaged Telecom and Utilities Income Fund (the “Fund”) is to provide investors with exposure to an actively managed portfolio comprised primarily of Equity Securities of Global Telecom Issuers and Global Utilities Issuers.

Global Advantaged Telecom & Utilities Income Fund

PRESIDENT'S MESSAGE

Global Advantaged Telecom & Utilities Income Fund

Unitholder letter March 2016

Dear Valued Unitholder,

2015 can be characterized as a year of volatility in global markets. The continued and prolonged slump in commodity prices, in particular oil prices, put further pressure on economic growth in Canada. The lower oil prices have led to a lower dollar which will benefit exports, but has not currently translated into a rebound in manufacturing.

These macro factors will continue to impact our energy producing provinces, with Ontario, BC and Quebec maintaining moderate growth and therefore balancing overall national GDP. We do however expect the new Federal Liberal government to stimulate economic growth with a spending package as 2016 progresses.

Looking globally, many other nations are facing similar challenges due to slowing growth and lower commodity prices. Though the US Federal Reserve raised interest rates a quarter of a point in December we are of the opinion that further increases will be modest, if any at all during 2016, as world economic growth levels remain moderate. Japan and the European Union continue to provide fiscal stimulus and subsequently have lowered interest rates into negative territory.

The investment philosophy we have adhered to is, "if we don't understand it or can't value it, we won't buy it". With all the geo political and economic uncertainty in the world, we remain committed to our core guiding principles as set out below.

Keep it Simple: A complex product does not mean it is a better product. We want investors to understand exactly what they are investing in and are comfortable that it meets their objectives.

Transparent: A portfolio should reflect what an investor thought they were buying. Investors can check their statements and our website to verify and most importantly to "know what you own".

Consistent Income: All of our funds provide consistent monthly or quarterly income. We want to provide income from diverse sources.

In the latter half of 2015, we experienced turbulent markets and declines in value, but we know and are comfortable with what we own and are confident that returns will turn positive again. Investors who remain patient will see the benefits in the long term as evidenced by the strong bull market that emerged subsequent to the 2008 financial crisis.

I have personally and professionally experienced market declines as far back as 1987 and they always pose challenges and are difficult to navigate. Despite those challenges markets eventually rebounded. At Harvest we believe in our mandates in providing growth and income and we will continue to stay invested and own companies that are long term leaders in their respective industries.

Harvest continues to remain committed to its philosophy and we appreciate the confidence and patience you have placed in us by investing with us.

Sincerely,

Signed "Michael Kovacs"

Michael Kovacs
President and Chief Executive Officer

Global Advantaged Telecom & Utilities Income Fund

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

The annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Fund. For your reference, the annual financial statements of the Fund are attached to the annual management report of fund performance. You may obtain additional copies of these documents at your request, and at no cost, by calling toll free at 1(866) 998-8298; by writing to us at Harvest Portfolios Group Inc., 710 Dorval Drive, Suite 209, Oakville, Ontario, L6K 3V7; or by visiting our website at www.harvestportfolios.com; or on SEDAR at www.sedar.com.

Unitholders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

INVESTMENT OBJECTIVES AND STRATEGY

The Fund's investment objectives are to provide unitholders with:

- (i) monthly distributions; and
- (ii) capital appreciation.

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

The Fund's manager, Harvest Portfolios Group Inc. ("Harvest"), has retained Avenue Investment Management Inc. ("Avenue") to provide investment management services to the Fund.

The yields on many Global Telecom Issuers continue to remain attractive when compared to other equity, bond and fixed income securities. Over the longer term, Avenue believes that Global Telecom Issuers will benefit from the mass acceptance of mobile and broadband communications which will be reflected through increasing distributions and capital appreciation of the individual securities.

The yields on Global Utilities Issuers remain at attractive levels due to the stability of earnings and the long track records of consistent dividends that these issuers provide. Avenue believes that the Global Utilities Issuers in developing markets will continue to benefit and expand with the growth of these economies, while the Global Utilities Issuers in developed economies often have natural monopolies or operate in monopolistic-like markets that give them the ability to maintain pricing levels throughout the economic cycle. Avenue also believes that Global Utilities Issuers offer reduced exposure to inflation due to their ability to pass through higher costs to the end consumer.

RISK

The risks associated with investing in the Fund are as described in the prospectus. There were no material changes to the Fund over the period that affected the overall level of risk of the Fund.

RESULTS OF OPERATIONS

The Fund returned 15.27% for 2015 versus the custom benchmark index comprised of 50% weighting of the MSCI World Utilities Sector Total Return Index in Canadian currency and a 50% weighting of the MSCI World Telecom Service Sector Total Return Index in Canadian currency return of 16.81% over the same period.

Economic data in the United States continued to show signs of strength during the period. In the broader Eurozone, concerns over economic data resulted in equities becoming more volatile in the second quarter. Volatility in the markets globally increased as the increase in the US benchmark interest rate impacted the broader markets and in particular higher yielding equities. This was balanced with the market looking for the traditionally more stable sectors such as the Utilities and Telecom sectors, benefiting a number of the portfolio constituents and the broader sub-sectors resulting in strong performance in the back half of the year compared to broader equity markets.

The Fund continued to focus primarily on the Global Telecommunications and Utilities sub-sectors and has also held select positions in several European and US large-cap positions that offer attractive valuations, dividends and exposure towards global growth that are outside of the core Utilities and Telecommunication sub-sectors.

Global Advantaged Telecom & Utilities Income Fund

RECENT DEVELOPMENTS

Since the Fund's inception the investment objectives were to provide tax-advantaged monthly distributions by way of an investment strategy where 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. On December 16, 2015 the Forward Agreement was terminated and subsequently the Fund owned the equity securities directly.

RELATED PARTY TRANSACTIONS

There were no related party transactions during the reporting period, except for management fees and other expense reimbursements paid to Harvest, as noted below in Management and Other Fees.

MANAGEMENT AND OTHER FEES

The Fund pays its manager, Harvest, a management fee from the Fund of 1.25% per annum of the applicable average NAV calculated and payable monthly in arrears, plus applicable taxes. Prior to termination of the Forward Agreement, the management fee was paid from 0.25% of the average weekly NAV from the Fund and 1.0% of the average daily NAV from the GTU Trust.

The management fees charged to the Fund and GTU Trust on a combined basis during the year ended December 31, 2015 were \$164,851 (2014 - \$226,279) inclusive of taxes.

At its sole discretion, the Manager may waive management fees or absorb expenses of the Fund. During the year there were no fees waived or absorbed. The management expense ratios of the Fund with and without the waivers and absorptions are reported in the Ratios and Supplemental Data table below.

The Manager pays Avenue a fee for its portfolio advisory service, from the management fee received from the Fund, calculated on the basis of the Fund's net asset value.

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 offering and other obligations. These expenses were \$24,344 for the year ended December 31, 2015 (2014 - \$82,848) and are included in the unitholder reporting costs in the Statements of Comprehensive Income in the annual financial statements.

During the Fund's initial offering, 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.

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BORROWINGS

The Fund established a revolving margin with its Prime Broker, a Canadian chartered bank. Interest charged at floating rates is included in “Interest expense” on the Statements of Comprehensive Income. The Fund has the facility in place to borrow up to 25 percent of its total assets or 33.3% of the Fund’s NAV. The overdraft function is to borrow for the purpose of making investments in accordance with its investment objectives and restrictions, and to pledge its assets to secure the borrowings. The borrowing is a revolving margin that is due on demand with no fixed repayment terms.

The amount drawn on the margin was \$2,817,137 or 26.8% of net assets attributable to holders of redeemable units at December 31, 2015. For the year ended December 31, 2015 the Fund recorded no interest expense.

RECOMMENDATION OR REPORTS BY THE INDEPENDENT REVIEW COMMITTEE

As noted in the “Recent Developments” section above, the Forward Agreement was terminated on December 16, 2015. This matter was brought to the attention of the IRC on August 28, 2015 and the committee resolved that the change provides a fair and reasonable result for the Fund.

Global Advantaged Telecom & Utilities Income Fund

FINANCIAL HIGHLIGHTS

The following tables present selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the year ended December 31, 2015 and past periods. This information is derived from the Fund's annual financial statements and past annual audited financial statements.

THE FUND'S NET ASSETS PER UNIT	2015		2014		2013		2012		2011	
Net assets - beginning of year²	\$	10.72	\$	10.17	\$	8.82	\$	9.35	\$	11.17
Increase (decrease) from operations										
Total revenue		0.02		0.01		0.01		-		-
Total expenses		(0.39)		(0.34)		(0.30)		(0.24)		(0.26)
Realized gains (losses) for the year		6.24		1.71		(0.14)		(0.21)		(0.57)
Unrealized gains (losses) for the year		(4.28)		(0.06)		2.39		0.51		(0.46)
Total increase (decrease) from operations¹	\$	1.59	\$	1.32	\$	1.96	\$	0.06	\$	(1.29)
Distributions³										
Return of capital		(0.72)		(0.72)		(0.72)		(0.72)		(0.54)
Total annual distributions³	\$	(0.72)	\$	(0.72)	\$	(0.72)	\$	(0.72)	\$	(0.54)
Net assets - end of year^{1,7}	\$	11.59	\$	10.72	\$	10.17	\$	8.80	\$	9.35

RATIOS AND SUPPLEMENTAL DATA	2015		2014		2013		2012		2011	
Total net asset value	\$	10,524,382	\$	11,759,477	\$	17,002,092	\$	17,788,685	\$	25,412,339
Number of units outstanding		907,709		1,097,465		1,672,091		2,016,291		2,711,162
Number of warrants outstanding		-		-		-		-		2,723,662
Management expense ratio ⁴		3.48%		5.29%		5.20%		4.63%		11.40%
Management expense ratio before waivers or absorptions ⁴		3.48%		5.29%		5.20%		4.63%		11.40%
Trading expense ratio ⁵		0.00%		0.23%		0.16%		0.09%		0.50%
Portfolio turnover rate ⁶		133.04%		11.32%		15.82%		37.60%		19.04%
Net asset value per unit	\$	11.59	\$	10.72	\$	10.17	\$	8.82	\$	9.37
Closing market price (HGI.UN)	\$	10.66	\$	10.41	\$	9.62	\$	8.45	\$	8.90
Closing market price (HGI.WT)	\$	n/a	\$	n/a	\$	n/a	\$	n/a	\$	0.01

Explanatory Notes:

- Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the reporting period. It is not intended that the Fund's net assets per unit table act as a continuity of opening and closing net assets per unit.
- Net assets, at the commencement of operations March 23, 2011 was \$11.17, net of agents' commissions and issuance costs of \$0.83 per unit.
- Distributions were paid in cash.
- Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs), of the Fund. In prior years the MER included expenses of the Fund and the GTU Trust. On December 16, 2015, the Forward Agreement between the Fund and the GTU Trust was settled and the GTU Trust was terminated.
- The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The TER without GTU Trust expenses is 0.00%.
- The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a Fund's portfolio turnover rate, the greater the trading costs payable by the Fund and the greater the chance of an investor receiving taxable capital gains. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.
- Amounts reported for 2015 to 2013 periods are reported in accordance with International Financial Reporting Standards. All other prior periods are reported under Canadian generally accepted accounting principles.

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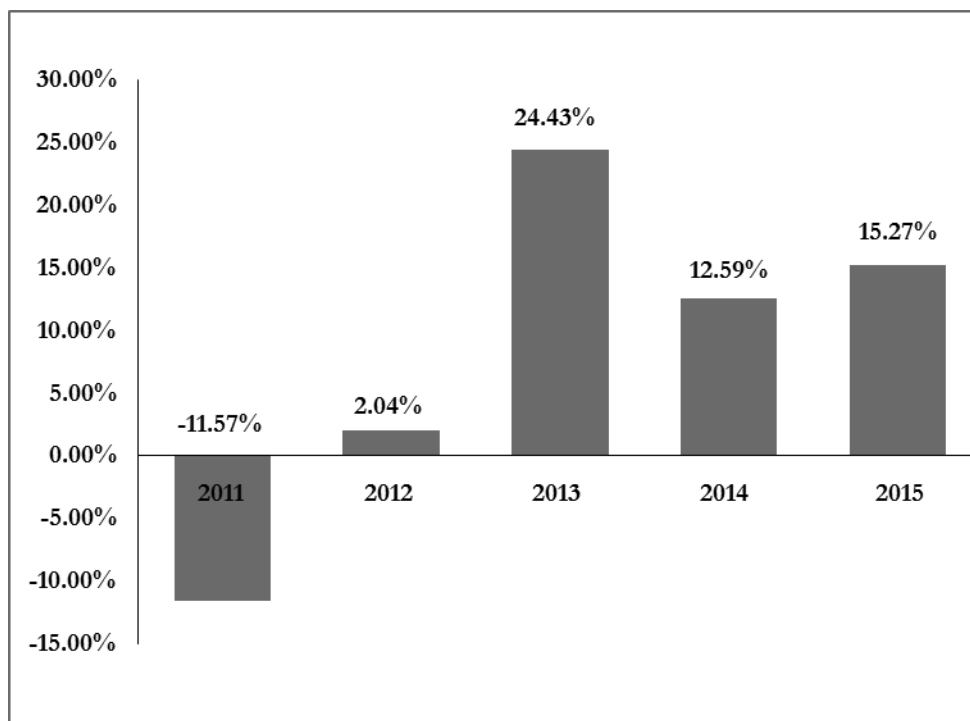
Past Performance

The performance information presented herein assumes all dividends of the Fund during the periods presented were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, or other charges that would have reduced returns or affected performance. Past performance of the Fund is not necessarily indicative of how it will perform in the future.

YEAR-BY-YEAR RETURNS

The following chart presents the Fund's performance for each of the periods shown and illustrates how the Fund's performance varied. The chart show, in percentage terms, how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.

Fund performance



2011 represents the period from March 23 to December 31

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ANNUAL COMPOUND RETURNS

The following table shows the annual compound returns for the Fund. All returns are in Canadian dollars, on a total return basis, net of fees.

For comparison purposes, a benchmark comprised of a blended index of 50% weighting of the Morgan Stanley Composite Index (MCSI) for Utilities and a 50% weighting of the MCSI for Telecom, in Canadian dollars, is being used.

While the Fund uses this benchmark for long-term performance comparisons, it is not managed relative to the composition of the Index. As a result, the Fund may experience periods when its performance is not aligned with the Index, either positively or negatively. The return of the Index is calculated without the deduction of management fees and fund expenses whereas the performance of the Fund is calculated after deducting such fees and expenses. Please see the “Results of Operations” section of this report for a discussion on recent performance.

Investment Return %	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund Performance	15.27	17.32	-	-	8.21
Benchmark Performance	16.81	21.06	-	-	13.15

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SUMMARY OF INVESTMENT PORTFOLIO

The Portfolio by category chart below provides a portfolio breakdown based on the total transactional net asset value of the Fund's portfolio holdings. A detailed breakdown of the Fund's holdings is available in the "Schedule of Investments" section of the Fund's annual financial statements.

As at December 31, 2015

Top 25 Holdings	% of Net Asset Value
ProSiebenSat.1 Media AG	5.2
Sky PLC	5.2
Alphabet Inc. Class C	5.0
Verizon Communications Inc.	5.0
United Utilities Group PLC	4.9
Veolia Environnement SA	4.5
AT&T Inc.	4.3
Ameren Corporation	4.2
National Grid PLC	4.2
PPL Corporation	3.9
Vivendi S.A.	3.5
Luxottica Group S.p.A.	3.5
Telus Corporation	3.4
Terna - Rete Elettrica Nazionale S.p.A	3.4
Gas Natural SDG, S.A.	3.4
Duke Energy Corporation	3.3
Spark New Zealand Limited	3.3
Quebecor Inc. Class B	3.2
Electricidade de Portugal, S.A.	3.2
SSE PLC	3.0
Element Financial Corporation	3.0
Deutsche Telekom AG	2.9
Comcast Corporation Class A	2.8
Iberdrola, S.A.	2.8
UBS Group AG	2.6
Total	93.7

This summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund. Quarterly updates of the Fund's investment portfolio are available from Harvest Portfolios Group Inc. at www.harvestportfolios.com.

SECTOR ALLOCATION

Sector	% of Net Asset Value
Utility Issuers	41.7
Consumer Discretionary Issuers	27.3
Telecommunication Services Issuers	26.8
Banking and Other Financial Issuers	9.7
Information Technology Issuers	9.2
Energy Issuers	8.5
Consumer Staples Issuers	2.5
Net other liabilities	(25.7)
Total	100.0

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GEOGRAPHIC ALLOCATION

Country of Issue	% of Net Asset Value
Canada	17.2
United States of America	34.8
New Zealand	3.3
Europe	46.6
United Kingdom	19.7
Sweden	2.6
Switzerland	1.5
Total	125.7

Global Advantaged Telecom & Utilities Income Fund

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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 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.