Global Telecom & Utilities Income Fund
(formerly Global Advantaged Telecom & Utilities Income Fund)

Condensed Interim Financial Statements
(Unaudited)

June 30, 2016

Global Telecom & Utilities Income Fund (formerly Global Advantaged Telecom & Utilities Income Fund)

STATEMENTS OF FINANCIAL POSITION
(Unaudited)

As at		June 30, 2016		December 31, 2015
Assets				
Current assets				
Investments	$	11,363,403	$	13,231,911
Cash		562,729		-
Dividends and other receivables		171,949		166,345
Receivable for investments sold		201,708		-
		12,299,789		**13,398,256**
Liabilities				
Current liabilities				
Borrowings (Note 10)		2,842,373		2,817,137
Distributions payable (Note 4)		54,463		54,463
Interest payable (Note 10)		4,002		2,274
		2,900,838		**2,873,874**
Net assets attributable to holders of redeemable units	**$**	**9,398,951**	**$**	**10,524,382**
Number of redeemable units outstanding (Note 4)		**907,709**		**907,709**
Net assets attributable to holders of redeemable units per unit	**$**	**10.35**	**$**	**11.59**

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

HARVEST
PORTFOLIOS GROUP

Global Telecom & Utilities Income Fund (formerly Global Advantaged Telecom & Utilities Income Fund)

STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)				
For the six-month period ended June 30,		**2016**		**2015**
Income				
Net gain (loss) on investments				
Dividends	$	299,365	$	-
Net realized gain (loss) on sale of investments		(91,035)		252,962
Net change in unrealized appreciation (depreciation) on investments		(745,394)		570,016
Net gain (loss) on investments		(537,064)		822,978
Net gain (loss) on derivatives				
Forward fee (Note 5)		-		(99,179)
Counterparty fees (Note 5)		-		(4,901)
Net realized gain (loss) on foreign exchange		(23,854)		-
Net change in unrealized appreciation (depreciation) on foreign exchange		(6,880)		-
Net change in unrealized appreciation (depreciation) on forward agreement		-		(5,567)
Net gain (loss) on derivatives		(30,734)		(109,647)
Other income				
Securities lending (Note 9)		-		3,267
Other income		175		-
Other income		175		3,267
Total income (net)	**$**	**(567,623)**	**$**	**716,598**
Expenses (Note 6)				
Management fees	$	68,237	$	17,256
Service fees		21,313		27,067
Withholding taxes		50,416		-
Unitholder reporting costs		12,581		18,340
Audit fees		4,424		1,967
Transfer agency fees		4,949		4,491
Custodian fees and bank charges		13,946		9,846
Independent Review Committee fees		856		967
Filing fees		18,563		19,287
Legal fees		4,488		3,786
Interest expense (Note 10)		27,609		-
Other fees		158		-
Transaction costs (Note 8)		3,492		-
Total expenses	**$**	**231,032**	**$**	**103,007**
Increase (decrease) in net assets attributable to holders of redeemable units	**$**	**(798,655)**	**$**	**613,591**
Increase (decrease) in net assets attributable to holders of redeemable units per unit (Note 4)	**$**	**(0.88)**	**$**	**0.56**

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

Global Telecom & Utilities Income Fund (formerly 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,		2016		2015
Net assets attributable to holders of redeemable units beginning of period	**$**	**10,524,382**	**$**	**11,759,477**
Increase (decrease) in net assets attributable to holders of redeemable units	**$**	**(798,655)**	**$**	**613,591**
Redeemable unit transactions				
Redemption and cancellation of redeemable units		-		-
Net unitholders' transactions	**$**	**-**	**$**	**-**
Distributions to holders of redeemable units				
Net investment income		(326,776)		(395,088)
Total distributions to unitholders	**$**	**(326,776)**	**$**	**(395,088)**
Net assets attributable to holders of redeemable units end of period	**$**	**9,398,951**	**$**	**11,977,980**

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

Global Telecom & Utilities Income Fund (formerly Global Advantaged Telecom & Utilities Income Fund)

STATEMENTS OF CASH FLOWS
(Unaudited)

For the six-month period ended June 30,		2016		2015
Operating activities				
Increase (decrease) in net assets attributable to holders of redeemable units	$	**(798,655)**	$	**613,591**
Add (deduct) items not affecting cash:				
Realized (gain) loss on sale of investments		91,035		(252,962)
Change in unrealized (appreciation) depreciation on investments		745,394		(570,016)
Change in unrealized (appreciation) depreciation on foreign exchange		6,880		-
Change in unrealized (appreciation) depreciation on forward agreement		-		5,567
Proceeds from sale of investments		1,736,306		590,001
Purchases of investments		(905,935)		-
Net change in non-cash assets and liabilities		(10,756)		(530)
Net cash flow provided by (used in) operating activities	$	**864,269**	$	**385,651**
Financing activities				
Borrowings		25,236		-
Distributions paid to holders of redeemable units		(326,776)		(395,088)
Net cash flow provided by (used in) financing activities	$	**(301,540)**	$	**(395,088)**
Net increase (decrease) in cash during the period		562,729		(9,437)
Cash, beginning of the period		-		10,889
Cash, end of the period	$	**562,729**	$	**1,452**
Supplemental disclosure of cash flow information				
Dividends received, net of withholding taxes*	$	243,345	$	-
Interest paid during the period*		27,609		-

*included in operating activities

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

Global Telecom & Utilities Income Fund (formerly Global Advantaged Telecom & Utilities Income Fund)

SCHEDULE OF INVESTMENTS
(Unaudited)
As at June 30, 2016

Number of shares	Security	Average Cost ($)	Carrying Value ($)	% of Net Assets
	EQUITIES			
	Banking and Other Financial Issuers			
19,000	Element Financial Corporation	313,880	260,300	2.8
2,500	Visa Inc. Class A	276,076	240,811	2.5
		589,956	501,111	5.3
	Consumer Discretionary Issuers			
300	Amazon.com, Inc.	232,221	278,813	3.0
3,800	Comcast Corporation Class A	308,447	321,717	3.4
4,000	Luxottica Group SPA	361,671	251,853	2.7
41,100	Mediaset SPA	241,193	185,723	2.0
1,500	Netflix, Inc.	195,962	178,208	1.9
7,800	ProSiebenSat.1 Media AG Registered	559,780	441,316	4.7
24,000	Sky PLC	546,205	353,332	3.8
12,400	Vivendi SA	360,936	302,351	3.2
		2,806,415	2,313,313	24.6
	Consumer Staples Issuers			
1,500	Anheuser-Busch InBev NV	256,726	254,508	2.7
		256,726	254,508	2.7
	Energy Issuers			
3,500	Duke Energy Corporation	338,931	389,954	4.1
5,300	Engie SA	128,486	110,955	1.2
9,350	Inter Pipeline Ltd.	205,139	256,190	2.7
		672,556	757,099	8.1
	Information Technology Issuers			
150	Alphabet Inc. Class C	157,243	134,825	1.4
3,000	Microsoft Corporation	232,850	199,363	2.1
10,000	Twitter, Inc.	186,161	219,610	2.4
		576,254	553,798	5.9
	Telecommunication Services Issuers			
9,400	AT&T Inc.	447,142	527,498	5.6
12,300	Deutsche Telekom AG	301,069	271,164	2.9
110,000	Spark New Zealand Limited	324,234	361,187	3.8
118,000	Telecom Italia SPA	203,565	125,133	1.3
13,200	Telefonica SA	212,935	161,119	1.7
22,900	Telia Company AB	155,005	139,422	1.5
9,400	TELUS Corporation	381,828	391,040	4.2
8,198	Verizon Communications Inc.	527,246	594,514	6.3
56,327	Vodafone Group PLC	248,672	222,618	2.4
		2,801,696	2,793,695	29.7

Global Telecom & Utilities Income Fund (formerly Global Advantaged Telecom & Utilities Income Fund)

SCHEDULE OF INVESTMENTS (continued)
(Unaudited)
As at June 30, 2016

Number of Shares	Security	Average Cost ($)	Carrying Value ($)	% of Net Assets
	Utilities Issuers			
7,400	Ameren Corp.	440,007	514,924	5.5
8,500	E.ON AG	106,916	110,692	1.2
67,000	Energias de Portugal SA	312,075	266,221	2.8
8,300	Endesa, SA	233,304	215,912	2.3
12,500	Gas Natural SDG SA Series E	362,995	318,586	3.4
30,363	Iberdrola SA	290,958	266,656	2.8
22,900	National Grid PLC	434,847	435,734	4.6
8,600	PPL Corporation	402,309	421,623	4.5
6,020	RWE AG Class A	100,482	123,249	1.3
10,200	SSE PLC	310,010	275,186	2.9
49,600	Terna SPA	347,969	357,383	3.8
26,700	United Utilities Group PLC	519,302	479,763	5.1
14,380	Veolia Environnement SA	476,018	403,950	4.3
		4,337,192	4,189,879	44.6
Total equity investments		**12,040,795**	**11,363,403**	**120.9**
Borrowings (Note 10)			**(2,842,373)**	**(30.2)**
Other assets less liabilities			**877,921**	**9.3**
Net assets attributable to holders of redeemable units			**9,398,951**	**100.0**

1. GENERAL INFORMATION

Global Telecom & Utilities Income Fund (formerly Global Advantaged Telecom & Utilities Income 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, L6K 3V7.

The Fund's investment objectives are to provide unitholders with monthly distributions and capital appreciation. Up until December 16, 2015 the investment objectives were to provide tax-advantaged month 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 was 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 (Note 5) and subsequently the Fund owns the equity securities directly.

On June 22, 2016, the Fund changed its name from Global Advantaged Telecom & Utilities Income Fund to Global Telecom & Utilities Income Fund. No changes were made to the investment objective, strategies or management of the Fund.

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, 2015 which have been prepared in accordance with IFRS. These condensed interim financial statements were authorized for issue by Harvest Portfolios Group Inc. (the "Manager") on August 22, 2016.

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, 2016 and December 31, 2015 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.

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 Financial Instruments – Presentation 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 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.

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 $1,653,720 and no net capital losses available to be carried forward for income tax purposes.

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

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.

4. REDEEMABLE UNITS

The authorized capital of the Fund consists of an unlimited number of transferable units of one series 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, 2016 the closing price for the units was $10.04 per unit (December 31, 2015 - $10.66 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, in August and the unitholder will receive payment on or before the 15th business day of the following month. On August 31, 2015, 189,756 (2014 - 574,626) units were surrendered for redemption for total proceeds of $2,135,305 (2014 - $6,136,661). On August 31, 2016, approximately 345,264 units will be redeemed based on the NAV on the last business day of the month.

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

	Trust units outstanding
Total outstanding as at January 1, 2015	**1,097,465**
Redeemable units redeemed	-
Cancellation or redeemable units	-
Total outstanding as at June 30, 2015	**1,097,465**
Total outstanding as at January 1, 2016	**907,709**
Redeemable units redeemed	-
Cancellation or redeemable units	-
Total outstanding as at June 30, 2016	**907,709**

The weighted average number of units outstanding during the period ended June 30, 2016 was 907,709 units (2015 – 1,097,465 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 $326,776 or $0.06 per unit per month for the period ended June 30, 2016 (2015 – $395,088 or $0.06 per unit per month).

5. FORWARD AGREEMENT

Up until December 16, 2015, the Fund obtained exposure to a Common Share Portfolio through a forward agreement (the "Forward Agreement") with a Canadian chartered bank (the "Counterparty"). Under the terms of the Forward Agreement, the Counterparty agreed to pay to the Fund on the settlement date of the Forward Agreement, as the purchase price for the Common Share Portfolio, an amount based on the value of the Portfolio. The Forward Agreement was scheduled to terminate on March 23, 2016 but was terminated early on December 16, 2015. On termination, the Fund realized a gain of $5,636,920 on settlement of the Forward Agreement.

Under the Forward Agreement, the Fund paid to the Counterparty, a fee 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 paid 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 up to the termination of the

Forward Agreement, the Fund recorded forward fees of $192,179 (2014 - $200,000) and counterparty fees of $8,915 (2014 - $14,292). Interest charged is included in "Counterparty fees" on the Statements of Comprehensive Income.

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

The 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 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 quarterly.

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 $10,485 for the period ended June 30, 2016 (2015 - $14,036) 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.

As at June 30, 2016 120.9% (December 31, 2015 – 125.7%) of the Fund'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 Fund would have increased or decreased by approximately $568,170 (December 31, 2015 - $661,596). The comparative figures reflect the Fund's price risk exposure through the GTU Trust.

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.

As at June 30, 2016		
Currency	**Currency exposure ($)***	**As a % of net assets**
Euro	4,273,137	45.4
U.S. dollar	4,108,127	43.7
Pound sterling	1,782,563	19.0
New Zealand Dollar	373,905	4.0
Swiss Franc	214,786	2.3
Swedish Krona	143,897	1.5
Totals	**10,896,415**	**115.9**

*Amounts are in Canadian dollars

As at December 31, 2015		
Currency	**Currency exposure ($)***	**As a % of net assets**
Euro	4,904,853	46.6
U.S. dollar	3,665,013	34.8
Pound sterling	2,071,318	19.7
New Zealand Dollar	345,205	3.3
Swiss Franc	270,881	2.6
Swedish Krona	159,192	1.5
Totals	**11,416,462**	**108.5**

*Amounts are in Canadian dollars

The non-monetary currency exposure is $10,455,873 (December 31, 2015 – $11,416,462) and the monetary currency exposure is $440,542 (December 31, 2015 – $nil).

As at June 30, 2016, 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 $544,821 (December 31, 2015 - $570,823) or 5.8% (December 31, 2015 – 5.4%). 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.

The Fund 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, 2016, the Fund had a net borrowing of $2,842,373 (December 31, 2015 - $2,817,137). If interest rates were to change by 1.0%, the interest expense in the Fund could increase (decrease) by $28,424 (December 31, 2015 - $28,171). In the prior year, the Fund was exposed to interest rate risk through the Forward Agreement.

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 primarily invest in securities that are actively traded in public markets and can be readily disposed of to raise liquidity.

As at June 30, 2016 and December 31, 2015, 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.

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

As at June 30, 2016, the Fund did not have significant credit risk exposure. All cash held by the fund is held with a reputable and regulated financial institution. At December 31, 2015, the Fund had exposure to credit risk with the Counterparty in the full amount of the Forward Agreement value. The Counterparty to the Forward Agreement had a credit rating of A+ from Standard & Poor`s.

The Fund participated 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. On December 16, 2015, the Fund terminated its securities lending program.

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 Telecom & Utilities Income Fund (formerly Global Advantaged Telecom & Utilities Income Fund)

Securities classification:

Investments at fair value as at June 30, 2016				
	Level 1 ($)	**Level 2 ($)**	**Level 3 ($)**	**Total ($)**
Common shares	11,363,403	-	-	11,363,403
Total	**11,363,403**	**-**	**-**	**11,363,403**

Investments at fair value as at December 31, 2015				
	Level 1 ($)	**Level 2 ($)**	**Level 3 ($)**	**Total ($)**
Common shares	13,231,911	-	-	13,231,911
Total	**13,231,911**	**-**	**-**	**13,231,911**

There were no Level 3 securities held by the Fund as at June 30, 2016 and December 31, 2015 there were no transfers between Level 1 and Level 2 for the period ended June 30, 2016 or the year ended December 31, 2015.

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 concentration risk by geography and segment.

Geography:

As at	June 30, 2016		December 31, 2015	
Country of Issue	**$***	**% of net assets**	**$***	**% of net assets**
Canada	907,530	9.7	1,815,449	17.2
United States of America	4,021,860	42.8	3,665,013	34.8
New Zealand	361,187	3.8	345,205	3.3
Europe	4,166,772	44.3	4,904,853	46.6
United Kingdom	1,766,632	18.8	2,071,318	19.7
Sweden	139,422	1.5	159,192	2.6
Switzerland	-	-	270,881	1.5
Totals	**11,363,403**	**120.9**	**13,231,911**	**125.7**

*Stated in Canadian dollars

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

	June 30, 2016	**December 31, 2015**
EQUITIES		
Banking and Other Financial Issuers	5.3	9.7
Consumer Discretionary Issuers	24.6	27.3
Consumer Staples Issuers	2.7	2.5
Energy Related Issuers	8.1	8.5
Information Technology Issuers	5.9	9.2
Telecommunication Services Issuers	29.7	26.8
Utilities Issuers	44.6	41.7
Total	**120.9**	**125.7**

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, 2016 and 2015 amounted to $nil.

9. SECURITIES LENDING

Prior to termination of the securities lending program on December 16, 2015, the Fund could have entered into securities lending transactions, as permitted by Canadian securities regulatory authorities. 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 could have been 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 Fund. Income from securities lending is included in the Statements of Comprehensive Income and recognized when earned.

As at June 30, 2016 and December 31, 2015 there were no securities on loan.

10. BORROWINGS

Subsequent to the termination of the Forward Agreement, 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. In the prior year the Fund was exposed to the revolving margin through the GTU Trust. The comparative amounts below reflect that exposure.

The amount drawn on the margin was $2,842,373 (December 31, 2015 - $2,817,137) or 30.2% (December 31, 2015 – 26.8%) of net assets attributable to holders of redeemable units at June 30, 2016. For the period ended June 30, 2016 the Fund recorded interest expense of $27,609 (2015 - $nil). The annualized interest rate for the period ranged from 1.67% to 1.8037%. The amount of borrowings ranged between $2,817,137 and $2,842,373 during the period (December 31, 2015 between $2,222,048 and $2,817,137) and represented 30.0% to 30.2% of the Fund's net assets attributable to holders of redeemable units during the period ended June 30, 2016 (December 31, 2015 – 18.9% to 26.8%).

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS