



**Energy Leaders Plus Income ETF  
(formerly Energy Leaders Plus Income Fund)**

**Annual Financial Statements**

**December 31, 2016**

# Energy Leaders Plus Income ETF (formerly Energy Leaders Plus Income Fund)

## MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements have been prepared by Harvest Portfolios Group Inc. in its capacity as Manager of the Fund and approved by the Board of Directors of the Manager. The Fund's Manager is responsible for the information and representation contained in these financial statements.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments made by the Manager. The significant accounting policies, which the Manager believes are appropriate, are described in Note 3 to the financial statements.

PricewaterhouseCoopers LLP is the external auditor of the Fund. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the unitholders their opinion on the financial statements. Their report is included as an integral part of the financial statements.

On behalf of Harvest Portfolios Group Inc.,

*Signed* "Michael Kovacs"

Michael Kovacs  
President and Chief Executive Officer

*Signed* "Daniel Lazzar"

Daniel Lazzar  
Chief Financial Officer

Oakville, Canada  
March 27, 2017



March 27, 2017

## **Independent Auditor's Report**

**To the Unitholders of  
Energy Leaders Plus Income ETF (formerly Energy Leaders Plus Income Fund)  
(the Fund)**

We have audited the accompanying financial statements of the Fund, which comprise the statements of financial position as at December 31, 2016 and 2015 and the statements of comprehensive income (loss), changes in net assets attributable to holders of redeemable units and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

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**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2016 and 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

**(Signed) "PricewaterhouseCoopers LLP"**

**Chartered Professional Accountants, Licensed Public Accountants**

Toronto, Ontario

**Energy Leaders Plus Income ETF**  
**(formerly Energy Leaders Plus Income Fund)**

<b>STATEMENTS OF FINANCIAL POSITION</b>				
<b>As at December 31,</b>	<b>2016</b>		<b>2015</b>	
<b>Assets</b>				
<b>Current assets</b>				
Investments	\$	22,457,585	\$	21,407,239
Cash		488,049		238,314
Dividends receivable		59,912		80,950
Subscriptions receivable		215,703		-
		<b>23,221,249</b>		<b>21,726,503</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Payable for investments purchased		215,163		-
Distributions payable (Note 4)		209,097		226,145
Payable for options contracts written		68,959		-
Unrealized depreciation on foreign currency forward contracts (Note 6)		395,270		289,117
		<b>888,489</b>		<b>515,262</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>\$</b>	<b>22,332,760</b>	<b>\$</b>	<b>21,211,241</b>
<b>Net assets attributable to holders of redeemable units</b>				
Series A	\$	20,956,417	\$	19,593,171
Series U (CAD)		1,376,343		1,618,070
Series U (USD)		1,026,317		1,164,833
<b>Number of redeemable units outstanding (Note 4)</b>				
Series A		3,402,271		3,585,228
Series U		160,770		212,170
<b>Net assets attributable to holders of redeemable units per unit</b>				
Series A	\$	6.16	\$	5.46
Series U (CAD)		8.56		7.63
Series U (USD)		6.38		5.49

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

## Energy Leaders Plus Income ETF (formerly Energy Leaders Plus Income Fund)

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)		
For the year ended December 31,	2016	2015
<b>Income</b>		
Net gain (loss) on investments		
Dividends	\$ 718,876	\$ 1,126,574
Net realized gain (loss) on sale of investments	(2,329,206)	(2,326,520)
Net change in unrealized appreciation (depreciation) of investments	6,910,039	(765,008)
Net gain (loss) on investments	5,299,709	(1,964,954)
Net gain (loss) on derivatives		
Net realized gain (loss) on options written	(249,127)	(89,155)
Net realized gain (loss) on foreign exchange	694,992	(4,456,903)
Net change in unrealized appreciation (depreciation) of options written	31,940	-
Net change in unrealized appreciation (depreciation) of foreign exchange	(106,777)	(263,279)
Net gain (loss) on derivatives	371,028	(4,809,337)
<b>Total income (net)</b>	<b>5,670,737</b>	<b>(6,774,291)</b>
<b>Expenses (Note 5)</b>		
Management fees	198,563	271,507
Withholding taxes	81,566	138,009
Unitholder reporting costs	61,540	68,735
Audit fees	30,799	30,452
Transfer agency fees	21,136	20,489
Custodian fees and bank charges	51,242	45,111
Independent Review Committee fees	3,661	1,797
Filing fees	28,501	15,360
Legal fees	11,216	9,333
Transaction costs (Note 8)	45,095	69,380
<b>Total expenses</b>	<b>533,319</b>	<b>670,173</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ 5,137,418</b>	<b>\$ (7,444,464)</b>
Increase (decrease) in net assets attributable to holders of redeemable units - <b>Series A</b>	\$ 4,829,411	\$ (7,248,799)
Increase (decrease) in net assets attributable to holders of redeemable units - <b>Series U</b>	308,007	(195,665)
Increase (decrease) in net assets attributable to holders of redeemable units per unit - <b>Series A (Note 4)</b>	\$ 1.40	\$ (2.00)
Increase (decrease) in net assets attributable to holders of redeemable units per unit - <b>Series U (Note 4)</b>	1.79	(0.90)

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

**Energy Leaders Plus Income ETF**  
**(formerly Energy Leaders Plus Income Fund)**

<b>STATEMENT OF CHANGES IN NET ASSETS</b>			
<b>ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>			
<b>ALL SERIES</b>			
<b>For the year ended December 31,</b>		<b>2016</b>	<b>2015</b>
Net assets attributable to holders of redeemable units beginning of year	\$	21,211,241	\$ 31,851,548
Increase (decrease) in net assets attributable to holders of redeemable units	\$	5,137,418	\$ (7,444,464)
<b>Redeemable unit transactions</b>			
Proceeds from issue of redeemable units		6,976,290	-
Reinvestment of distributions to holders of redeemable units		32,874	5,942
Cancellation of redeemable units		(223,913)	(476,980)
Redemption of redeemable units		(8,084,514)	-
Payment to redeemable unitholders on fractional units on transfer from Series U to Series A		(25)	(11)
Agents' fees		(199,016)	-
<b>Net unitholders' transactions</b>	<b>\$</b>	<b>(1,498,304)</b>	<b>\$ (471,049)</b>
<b>Distributions to holders of redeemable units</b>			
Return of capital		(2,517,595)	(2,724,794)
<b>Total distributions to holders of redeemable units</b>	<b>\$</b>	<b>(2,517,595)</b>	<b>\$ (2,724,794)</b>
<b>Net assets attributable to holders of redeemable units end of year</b>	<b>\$</b>	<b>22,332,760</b>	<b>\$ 21,211,241</b>

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

**Energy Leaders Plus Income ETF**  
**(formerly Energy Leaders Plus Income Fund)**

<b>STATEMENTS OF CHANGES IN NET ASSETS</b>			
<b>ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>			
<b>SERIES A</b>			
<b>For the year ended December 31</b>		<b>2016</b>	<b>2015</b>
Net assets attributable to holders of redeemable units beginning of year	\$	19,593,171	\$ 29,790,360
Increase (decrease) in net assets attributable to holders of redeemable units	\$	4,829,411	\$ (7,248,799)
<b>Redeemable unit transactions</b>			
Proceeds from issue of redeemable units		6,555,830	-
Reinvestment of distributions to holders of redeemable units		32,874	5,942
Cancellation of redeemable units		(223,913)	(468,796)
Redemption of redeemable units		(7,527,868)	-
Transfer of redeemable units from Series U		254,438	45,166
Agents' fees		(199,016)	-
<b>Net unitholders' transactions</b>	<b>\$</b>	<b>(1,107,655)</b>	<b>\$ (417,688)</b>
<b>Distributions to holders of redeemable units</b>			
Return of capital		(2,358,510)	(2,530,702)
<b>Total distributions to holders of redeemable units</b>	<b>\$</b>	<b>(2,358,510)</b>	<b>\$ (2,530,702)</b>
<b>Net assets attributable to holders of redeemable units end of year</b>	<b>\$</b>	<b>20,956,417</b>	<b>\$ 19,593,171</b>

<b>STATEMENTS OF CHANGES IN NET ASSETS</b>			
<b>ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>			
<b>SERIES U</b>			
<b>For the year ended December 31</b>		<b>2016</b>	<b>2015</b>
Net assets attributable to holders of redeemable units beginning of year	\$	1,618,070	\$ 2,061,188
Increase (decrease) in net assets attributable to holders of redeemable units	\$	308,007	\$ (195,665)
<b>Redeemable unit transactions</b>			
Proceeds from issue of redeemable units		420,460	-
Cancellation of redeemable units		-	(8,184)
Redemption of redeemable units		(556,646)	-
Transfer of redeemable units to Series A		(254,463)	(45,177)
<b>Net unitholders' transactions</b>	<b>\$</b>	<b>(390,649)</b>	<b>\$ (53,361)</b>
<b>Distributions to holders of redeemable units</b>			
Return of capital		(159,085)	(194,092)
<b>Total distributions to holders of redeemable units</b>	<b>\$</b>	<b>(159,085)</b>	<b>\$ (194,092)</b>
<b>Net assets attributable to holders of redeemable units end of year</b>	<b>\$</b>	<b>1,376,343</b>	<b>\$ 1,618,070</b>

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

# Energy Leaders Plus Income ETF (formerly Energy Leaders Plus Income Fund)

<b>STATEMENTS OF CASH FLOWS</b>		
<b>For the year ended December 31</b>	<b>2016</b>	<b>2015</b>
<b>Operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 5,137,418	\$ (7,444,464)
<b>Add (deduct) items not affecting cash</b>		
Realized (gain) loss on sale of investments	2,329,206	2,326,520
Realized (gain) loss on options written	249,127	89,155
Change in unrealized (appreciation) depreciation of investments	(6,910,039)	765,008
Change in unrealized (appreciation) depreciation of options written	(31,940)	-
Change in unrealized (appreciation) depreciation of foreign exchange	106,777	263,279
Proceeds from sale of investments	20,079,828	27,998,834
Purchases of investments	(17,064,901)	(20,677,722)
Net change in non-cash assets and liabilities	233,968	(17,883)
<b>Net cash flow provided by (used in) operating activities</b>	<b>4,129,444</b>	<b>3,302,727</b>
<b>Financing activities</b>		
Proceeds from redeemable units issued	5,347,500	-
Payment to redeemable unitholders on fractional units on transfer from Series U to Series A	(25)	(11)
Cancellation of redeemable units	(223,913)	(476,980)
Redemption of redeemable units	(6,302,486)	-
Agents' fees	(199,016)	-
Distributions paid to holders of redeemable units (net of reinvestments)	(2,501,769)	(2,720,308)
<b>Net cash flow provided by (used in) financing activities</b>	<b>\$ (3,879,709)</b>	<b>\$ (3,197,299)</b>
<b>Net increase (decrease) in cash during the year</b>	<b>249,735</b>	<b>105,428</b>
Cash, beginning of the year	238,314	132,886
<b>Cash, end of the year</b>	<b>\$ 488,049</b>	<b>\$ 238,314</b>
<b>Supplemental disclosure of cash flow information</b>		
Dividends received, net of withholding taxes*	\$ 658,348	\$ 965,728

\*included in operating activities

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

**Energy Leaders Plus Income ETF**  
**(formerly Energy Leaders Plus Income Fund)**

<b>SCHEDULE OF INVESTMENTS</b>				
<b>As at December 31, 2016</b>				
<b>Number of Shares</b>	<b>Security</b>	<b>Average Cost (\$)</b>	<b>Carrying Value (\$)</b>	<b>% of Net Assets</b>
<b>EQUITIES</b>				
<b>Energy Issuers</b>				
11,209	Anadarko Petroleum Corporation	931,438	1,048,169	4.7
13,605	Baker Hughes Inc.	827,891	1,185,377	5.3
21,923	BP PLC ADR	998,079	1,098,966	4.9
7,263	Chevron Corporation	970,629	1,146,403	5.1
17,768	ConocoPhillips	1,128,282	1,194,725	5.4
18,647	Devon Energy Corporation	1,012,848	1,142,050	5.1
8,433	EOG Resources, Inc.	911,919	1,143,347	5.1
9,027	Exxon Mobil Corporation	979,374	1,092,657	4.9
17,063	Halliburton Company	1,005,946	1,237,706	5.5
13,456	Hess Corporation	874,532	1,124,034	5.0
39,083	Kinder Morgan, Inc.	1,239,032	1,085,458	4.9
10,813	Occidental Petroleum Corporation	1,080,051	1,032,890	4.6
9,537	Phillips 66	938,129	1,105,149	5.0
16,071	Royal Dutch Shell PLC ADR	1,165,870	1,171,998	5.2
10,019	Schlumberger Limited	1,063,642	1,127,950	5.1
18,450	Spectra Energy Corp.	791,884	1,016,664	4.6
24,904	Suncor Energy Inc.	911,669	1,093,286	4.9
16,773	Total SA ADR	1,063,959	1,146,490	5.1
18,393	TransCanada Corporation	988,557	1,113,512	5.0
12,560	Valero Energy Corporation	892,052	1,150,754	5.2
	<b>Total equities</b>	<b>19,775,783</b>	<b>22,457,585</b>	<b>100.6</b>

## Energy Leaders Plus Income ETF (formerly Energy Leaders Plus Income Fund)

<b>SCHEDULE OF INVESTMENTS (continued)</b>				
<b>As at December 31, 2016</b>				
<b>Number of Shares</b>	<b>Security</b>	<b>Average Cost (\$)</b>	<b>Carrying Value (\$)</b>	<b>% of Net Assets</b>
<b>OPTIONS</b>				
<b>Energy Issuers</b>				
(2,700)	Anadarko Petroleum Corporation - Jan 2017 @ USD \$73	(5,401)	(2,498)	-
(2,000)	Baker Hughes Inc. - Jan 2017 @ USD \$66	(3,639)	(3,299)	-
(2,000)	Baker Hughes Inc. - Jan 2017 @ USD \$67.5	(2,811)	(1,864)	-
(3,200)	BP PLC - Jan 2017 @ USD \$37	(2,357)	(3,819)	-
(2,100)	BP PLC - Jan 2017 @ USD \$38	(1,047)	(1,070)	-
(1,400)	Chevron Corporation - Jan 2017 @ USD \$119	(3,262)	(2,347)	-
(700)	Chevron Corporation - Jan 2017 @ USD \$120	(1,472)	(807)	-
(5,200)	ConocoPhillips - Jan 2017 @ USD \$53	(6,251)	(1,953)	-
(4,500)	Devon Energy Corporation - Jan 2017 @ USD \$48	(7,795)	(3,379)	-
(2,400)	EOG Resources, Inc. - Jan 2017 @ USD \$105	(6,346)	(3,122)	-
(2,100)	Exxon Mobil Corporation - Jan 2017 @ USD \$91.5	(3,302)	(2,169)	-
(2,500)	Halliburton Company - Jan 2017 @ USD \$54.5	(3,950)	(3,856)	-
(1,600)	Halliburton Company - Jan 2017 @ USD \$56	(2,372)	(1,287)	-
(3,100)	Hess Corporation - Jan 2017 @ USD \$65	(7,631)	(3,908)	(0.1)
(11,600)	Kinder Morgan, Inc. - Jan 2017 @ USD \$21.5	(6,389)	(3,578)	-
(2,600)	Occidental Petroleum Corporation - Jan 2017 @ USD \$73.5	(3,518)	(2,476)	-
(2,700)	Phillips 66 - Jan 2017 @ USD \$88	(5,417)	(3,349)	-
(3,800)	Royal Dutch Shell PLC - Jan 2017 @ USD \$55	(3,879)	(3,822)	-
(1,400)	Schlumberger Limited - Jan 2017 @ USD \$86.5	(2,850)	(1,521)	-
(900)	Schlumberger Limited - Jan 2017 @ USD \$87.5	(1,608)	(603)	-
(5,400)	Spectra Energy Corp. - Jan 2017 @ USD \$42	(4,171)	(2,535)	-
(3,200)	Suncor Energy Inc. - Jan 2017 @ USD \$44	(2,816)	(2,368)	-
(2,100)	Suncor Energy Inc. - Jan 2017 @ USD \$46	(714)	(357)	-
(2,700)	Total SA - Jan 2017 @ USD \$50	(2,350)	(5,431)	(0.1)
(3,100)	TransCanada Corporation - Jan 2017 @ USD \$62	(1,612)	(1,023)	-
(1,800)	Valero Energy Corporation - Jan 2017 @ USD \$68.5	(4,025)	(4,104)	(0.1)
(1,800)	Valero Energy Corporation - Jan 2017 @ USD \$70	(3,913)	(2,414)	-
<b>Total options</b>		<b>(100,898)</b>	<b>(68,959)</b>	<b>(0.3)</b>
<b>Total investments</b>		<b>19,674,885</b>	<b>22,388,626</b>	<b>100.3</b>
<b>Foreign currency forward contracts (Note 6)</b>			<b>(395,270)</b>	<b>(1.8)</b>
<b>Other assets less liabilities</b>			<b>339,404</b>	<b>1.5</b>
<b>Net assets attributable to holders of redeemable units</b>			<b>22,332,760</b>	<b>100.0</b>

# Energy Leaders Plus Income ETF (formerly Energy Leaders Plus Income Fund)

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

December 31, 2016

### 1. GENERAL INFORMATION

Energy Leaders Plus Income ETF (formerly the Energy Leaders Plus Income Fund) (the “Fund”) is an investment fund established under the laws of the Province of Ontario pursuant to a Declaration of Trust dated September 24, 2014 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 October 21, 2014. On October 21, 2014, the Fund completed an initial public offering of 3,650,000 Series A units at \$10.00 per unit for gross proceeds of \$36,500,000 and 218,170 Series U units at \$10.00 USD per unit for gross proceeds of \$2,181,700 USD (\$2,448,849 CAD). On November 20, 2014, an overallotment option was exercised for an additional 57,000 Series A units at a price of \$10.00 per unit for gross proceeds of \$570,000. On June 2, 2016, the Fund completed a secondary offering on Series A units of 775,000 units at \$6.00 per unit for gross proceeds of \$4,650,000. Related to this offering an overallotment option was exercised for an additional 116,250 units at a price of \$6.00 per unit for gross proceeds of \$697,500. 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 cash distributions, the opportunity for capital appreciation and lower overall volatility of Portfolio returns than would otherwise be experienced by owning Equity securities of the Energy Leaders directly. As part of the investment strategy, the Fund will invest in an equally-weighted portfolio of Equity Securities of 20 Energy Leaders from the Energy Leaders Investable Universe that have a market capitalization of at least \$10 billion at the time of investment.

On September 19, 2016, unitholders approved the conversion of the Series A and Series U units of the Fund into an Exchange Traded Fund (“ETF”) effective October 24, 2016 and the name of the Fund changed to Energy Leaders Plus Income ETF. The Series A units began trading as an ETF under the symbol HPF and the Series U units began trading under the symbol HPF.U. The Series U units are designed for investors who want to make their investment in U.S. dollars and were not traded prior to conversion.

### 2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These financial statements were authorized for issue by Harvest Portfolios Group Inc. (the “Manager”) on March 27, 2017.

### 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 December 31, 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 and derivatives

Investments and derivatives 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 are represented by equities. Derivatives held include options and foreign currency forward contracts.

## **Energy Leaders Plus Income ETF (formerly Energy Leaders Plus Income Fund)**

Investments and derivatives 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. The Fund's units included different redemption rights and in some instances at 95% of market value of the units on the exchange. As a result, the Fund's units contain multiple contractual obligations and are presented as financial liabilities as they do not meet the criteria for classification as equity.

### **Cash**

Cash is comprised of cash on deposit.

### **Investment transactions and income recognition**

Net realized gain (loss) on investments and net change in unrealized appreciation (depreciation) on investments are determined on an average cost basis. Dividend income is accounted for on the ex-dividend date.

### **Allocation of income and expense, and realized and unrealized capital gains and losses**

Management fees directly attributable to a series are charged to that series. The Fund's shared operating expenses, income, and realized and unrealized capital gains and losses are generally allocated proportionately to each series based upon the relative net assets attributable to holders of redeemable units of each series. Realized and unrealized gains and losses from foreign currency forward contracts are allocated to Series A only.

### **Foreign currency translation**

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

### **Foreign currency forward contracts**

The Fund will enter into foreign currency forward contracts to hedge against exposure to foreign currency fluctuations. The fair value of these contracts is based on the difference between the contract rate and current forward market rate for the underlying currency at the measurement date applied to the contract's notional amount and adjusted for counterparty risk. Upon closing of a contract, the gain or loss is recorded as a net realized gain or loss on foreign exchange.

### **Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

### **Redeemable units valuation**

The NAV of each series on a particular date will be equal to each series' proportionate share of the assets of the Fund less each series' proportionate share of the liabilities of the Fund except for forwards which are only attributed to Series A, expressed in

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Canadian dollars at the applicable exchange rate on such date. The NAV and NAV per unit will be calculated on each Business Day. “Business Day” means any day on which the TSX is open for trading.

### Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a pre-determined price. The seller receives a premium from the purchaser in consideration for the assumption of a future securities price.

The premium received upon writing an option is recorded at cost as “Payable for option contracts written” in the Statements of Financial Position. As long as the position of the written option is maintained, the liability for written options is revalued at an amount equal to the current market value of the option. Any gain or loss resulting from revaluation is reflected in the Statements of Comprehensive Income (Loss) in “Net changes in unrealized appreciation (depreciation) of options written”.

The gain or loss on sale or expiry of options is reflected in the Statements of Comprehensive Income (Loss) in “Net realized gain (loss) on sale of options written”.

### 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 Statements of Comprehensive Income (Loss) represents the increase (decrease) in net assets attributable to holders of redeemable units per series, divided by the weighted average units outstanding for the financial period for the respective series.

### 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 \$304,418 of non-capital losses and \$4,896,204 of 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

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(IAS 39). The most significant judgments made include the determination that certain investments are held-for trading and that the fair value option can be applied to those which are not.

### Accounting standards issued but not yet adopted

#### *IFRS 9, Financial Instruments*

The final version of IFRS 9, Financial Instruments, was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments – Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking ‘expected loss’ impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity’s own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however, is available for early adoption. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Fund is in the process of assessing the impact of IFRS 9.

### 4. REDEEMABLE UNITS

The authorized capital of the Fund consists of an unlimited number of transferable units of each series, each of which represents an equal, undivided interest in the net assets of the Fund. Except as provided in the Declaration of Trust, all units have equal rights and privileges. Each 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. Series A and U units trade on the TSX under the symbol HPF and HPF.U respectively. Prior to conversion to an ETF the Series U units did not trade. As at December 31, 2016, the closing price for Series A and Series U units were \$6.16 and \$6.43 USD per unit respectively (December 31, 2015 – Series A \$5.17).

Upon conversion to an ETF, the Fund cancelled its normal course issuer bid program. Prior to conversion the Fund was allowed to purchase up to 358,735 Series A units of the Fund for cancellation by way of a normal course issuer bid through the facilities of the Toronto Stock Exchange and other Canadian markets. During the year ended December 31, 2016, 40,900 Series A units (2015 – 72,300 units) were purchased for cancellation for \$223,913 (2015 - \$468,796).

#### Subscriptions and Redemptions

On any trading day, a designated broker or underwriter may place a subscription or redemption order for an integral multiple of the prescribed number of units of the ETF. A trading day is each day on which the TSX is opened for business.

If the subscription or redemption order is accepted, the ETF will issue or redeem units to/from the designated broker or underwriter by no later than the third trading day after the date on which the subscription or redemption order is accepted. For each prescribed number of units issued or redeemed, a designated broker or underwriter must deliver or receive payment consisting of:

- (a) A basket of applicable securities and cash in an amount sufficient so that the value of the securities, and the cash received is equal to the NAV of the units redeemed; or
- (b) Cash in the amount equal to the NAV of the units redeemed.

On any trading day, unitholders may redeem units for cash or exchange units for baskets of securities and cash. Units redeemed for cash may be redeemed at a redemption price per unit equal to 95% of the closing price for the units on the TSX on the effective day of the redemption, subject to a maximum redemption price per unit equal to NAV. Units exchanged for baskets of securities will be exchanged at a price equal to the NAV of the units on the effective date of the exchange request, payable by delivery of baskets of securities and cash. The units will be redeemed in the exchange.

Prior to conversion to an ETF, unitholders had the option to surrender, prior to 5:00 p.m. (Toronto time) on the 10th business day before the last business day of the applicable month, for monthly redemption. Upon receipt by the Fund of the redemption notice, the unitholder was 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

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

Prior to conversion, Series U units could be redeemed or converted to Series A units on a monthly basis on the same terms as the Series A units. During the year ended December 31, 2016 67,700 (2015 – 1,000) Series U units were redeemed and cancelled for \$556,646 (2015 – \$8,184) and 33,700 (2015 – 5,000) Series U units were converted into 46,688 (2015 – 6,406) Series A units for \$254,438 (2015 – \$45,166).

Prior to conversion and in accordance with the Fund prospectus, in addition to the monthly redemption rights, on an annual basis, commencing in April 2016, units could be surrendered for redemption at the Fund’s NAV per unit, subject to the required redemption notice period, for the second last business day of April and the unitholder will receive payment on or before the 15th business day of the following month. On April 29, 2016, 986,010 Series A units were redeemed and cancelled for \$5,735,620 and 7,700 Series U units were redeemed and cancelled for \$57,443.

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

	Series A	Series U
<b>Total outstanding as at January 1, 2015</b>	<b>3,650,400</b>	<b>218,170</b>
Redeemable units issued on reinvestment	722	-
Cancellation of redeemable units	(72,300)	(1,000)
Redeemable units transferred between Series	6,406	(5,000)
<b>Total outstanding as at December 31, 2015</b>	<b>3,585,228</b>	<b>212,170</b>
Redeemable units issued	1,091,250	50,000
Redeemable units issued on reinvestment	6,015	-
Redeemable units redeemed	(1,286,010)	(67,700)
Cancellation of redeemable units	(40,900)	-
Transfer between Series	46,688	(33,700)
<b>Total outstanding as at December 31, 2016</b>	<b>3,402,271</b>	<b>160,770</b>

The weighted average number of units outstanding during the year ended December 31, 2016 was 3,458,688 units (2015 – 3,625,091 units) for Series A, and 171,866 units (2015 – 216,212 units) for Series U.

### 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. Beginning in November 2015, the Fund will annually determine and announce the distribution amount for the following year based upon the prevailing market conditions. The total distribution amount was \$0.0583 per unit per month (\$0.0583 USD per unit per month for Series U) or \$2,517,594 (Series A \$2,358,510 and Series U \$159,085) for the year ended December 31, 2016 (2015 – Series A \$2,530,702; Series U \$194,092).

Prior to conversion, the Fund made available to unitholders the opportunity to reinvest monthly distributions from the Fund in additional Series A units and/or Series U units, as applicable, by participating in a distribution reinvestment plan which would provide that cash distributions made by the Fund, at the election of a unitholder, be automatically reinvested in additional Series A units or Series U units, as applicable, on such unitholder’s behalf in accordance with the terms of the plan. Reinvestment of distributions for Series A occurred either through market purchases or units issued from treasury depending on whether the trading price of the Series A units is above or below NAV and if units are available for purchase on the market. Reinvestment of distributions for Series U units occurred through units issued from treasury at NAV. During the year ended December 31, 2016, a total of 6,015 reinvested Series A units (2015 – 722) were issued from treasury and all other units were from market purchases. No Series U units were enrolled in the reinvestment plan. Upon conversion, the distribution reinvestment plan was discontinued.

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## 5. 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 retained Highstreet Asset Management Inc. ("Highstreet" or the "Investment Manager") to provide investment management services to the Fund up until termination on March 31, 2016. Highstreet was paid a fee for its portfolio advisory service, from the management fee received from the Fund, calculated on the basis of the Fund's net assets. The Manager is entitled to a fee of 0.85% of the average daily NAV, plus applicable taxes, per annum of the Fund payable monthly in arrears. Prior to conversion, the calculation was based on the average weekly NAV.

### 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 interest, 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 \$46,290 for the year ended December 31, 2016 (2015 - \$59,988) and are included in the unitholder reporting costs on the Statements of Comprehensive Income (Loss).

## 6. FOREIGN CURRENCY FORWARD CONTRACTS

The Fund enters into foreign currency forward contracts to hedge assets and liabilities denominated in foreign currencies of Series A only. Foreign currency forward contracts entered into by the Fund represent a firm commitment to buy or sell a currency at a specified value and point in time based upon an agreed or contracted quantity. The value of the foreign currency forward contract is the difference between the contract rate and the current forward rate at the measurement date applied to the contract's notional amount and adjusted for counterparty risk. The unrealized gains or losses on the forward contract are reported as part of the change in unrealized appreciation or depreciation of forward exchange in the Statement of Comprehensive Income (Loss) and allocated to Series A only until it is closed out or partially settled.

At December 31, 2016 and December 31, 2015, the Fund had entered into the following foreign currency forward contracts:

As at December 31, 2016					
Counterparty	Settlement Date	Purchased currency	Sold currency	Unrealized gain (loss)	Contract Price
National Bank credit rating A	January 20, 2017	CDN \$ 8,982,405	USD \$ 6,850,000	(\$201,784)	0.7626
Royal Bank of Canada credit rating AA-	January 20, 2017	CDN \$ 8,981,412	USD \$ 6,850,000	(\$202,777)	0.7627
Royal Bank of Canada credit rating AA-	January 20, 2017	CDN \$947,821	USD \$ 700,000	\$9,291	0.7385
<b>Total</b>		<b>CDN \$18,911,638</b>	<b>USD \$14,400,000</b>	<b>(\$395,270)</b>	

As at December 31, 2015					
Counterparty	Settlement Date	Purchased currency	Sold currency	Unrealized gain (loss)	Contract Price
Royal Bank of Canada credit rating AA-	January 13, 2016	CDN \$19,991,488	USD \$14,600,000	(\$289,117)	0.7303

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### Offsetting of foreign currency forward contracts

In 2016, the Fund had foreign exchange settlements for its foreign currency forward contracts that meet the criteria for offsetting in the Statements of Financial Position. The following table presents the recognized financial instruments that were offset, as at December 31, 2016. As of December 31, 2015 there were no related amounts to consider for offsetting.

December 31, 2016			
Financial assets and liabilities	Gross assets (liabilities)	Amount eligible for offset	Net offset amounts
Derivative assets	\$9,291	(\$9,291)	-
Derivative liabilities	(\$404,561)	\$9,291	(\$395,270)

## 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 December 31, 2016, 100.6% (December 31, 2015 – 100.9%) 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 year end, with all other factors remaining constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$1,122,879 (December 31, 2015 - \$1,070,362).

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 table below summarizes the Fund's net exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets (including derivatives and the underlying principal (notional) amount of forward currency contracts, if any).

As at December 31, 2016				
Currency	Currency exposure*	Forward contracts*	Net currency exposure*	As a % of net assets
U.S. Dollars	\$20,441,247	\$19,306,908	\$1,134,339	5.1

\*In Canadian dollars

As at December 31, 2015				
Currency	Currency exposure*	Forward contracts*	Net currency exposure*	As a % of net assets
U.S. Dollars	\$19,317,168	\$20,280,605	(\$963,436)	(4.5)

\*In Canadian dollars

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The non-monetary currency exposure is \$20,185,576 (December 31, 2015 - \$19,130,430) and the monetary currency exposure is \$255,671 (December 31, 2015 - \$186,738).

As at December 31, 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 \$56,717 (December 31, 2015 - \$48,172) or 0.3% (December 31, 2015 - 0.2%) based on the net currency exposure. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

The Fund enters into a forward currency contract on substantially all of the value of the proportionate share of the Series A portfolio investments back to the Canadian dollar at all times.

### 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. As at December 31, 2016 and December 31, 2015, the Fund did not hold any bonds or money market instruments; therefore, the Fund has no significant exposure to interest rate risk.

### 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. Since the settlement of redemptions is primarily by delivery of securities, the ETF is not exposed to any significant liquidity risk. Therefore in order to maintain sufficient liquidity, the Fund primarily invests in securities that are actively traded in public markets and can be readily disposed of to raise liquidity. In addition, the ETF retains sufficient cash and cash equivalent positions to maintain liquidity.

As at December 31, 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.

The Fund also enters into foreign currency forward contracts which are exposed to credit risk. The maximum credit risk exposure is the unrealized gain (loss) on the forward contracts.

As at December 31, 2016 and December 31, 2015, the Fund did not have significant credit risk exposure. All cash held by the fund is held with a reputable and regulated financial institution.

### 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.

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

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

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Securities classification:

Investments at fair value as at December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Totals (\$)
<b>Financial Assets</b>				
<b>Equities</b>				
Common Stock	19,040,131	-	-	19,040,131
ADR	3,417,454	-	-	3,417,454
<b>Total Financial Assets</b>	<b>22,457,585</b>	<b>-</b>	<b>-</b>	<b>22,457,585</b>
<b>Financial Liabilities</b>				
<b>Derivatives</b>				
Options	(68,959)	-	-	(68,959)
Foreign currency forward contract	-	(395,270)	-	(395,270)
<b>Total Financial Liabilities</b>	<b>(68,959)</b>	<b>(395,270)</b>	<b>-</b>	<b>(464,229)</b>

Investments at fair value as at December 31, 2015				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Totals (\$)
<b>Financial Assets</b>				
<b>Equities</b>				
Common Stock	16,941,446	-	-	16,941,446
ADR	4,465,793	-	-	4,465,793
<b>Total Financial Assets</b>	<b>21,407,239</b>	<b>-</b>	<b>-</b>	<b>21,407,239</b>
<b>Financial Liabilities</b>				
<b>Derivatives</b>				
Foreign currency forward contract	-	(289,117)	-	(289,117)
<b>Total Financial Liabilities</b>	<b>-</b>	<b>(289,117)</b>	<b>-</b>	<b>(289,117)</b>

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

The value of the equities and options is based on quoted prices. The value of the foreign currency forward contract is determined as the difference between the contract rate and the current forward rate at the measurement date applied to the contract's notional amount and adjusted for counterparty risk.

### 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	December 31, 2016		December 31, 2015	
	\$*	% of net assets	\$*	% of net assets
United States of America	20,185,576	90.4	19,130,430	90.2
Canada	2,203,050	9.9	2,276,809	10.7
<b>Totals</b>	<b>22,388,626</b>	<b>100.3</b>	<b>21,407,239</b>	<b>100.9</b>

\*Stated in Canadian dollars

## Energy Leaders Plus Income ETF (formerly Energy Leaders Plus Income Fund)

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

	December 31, 2016	December 31, 2015
	% of net assets	% of net assets
<b>EQUITIES</b>		
Energy Issuers	100.6	100.9
<b>OPTIONS</b>		
Energy Issuers	(0.3)	-
<b>Total</b>	<b>100.3</b>	<b>100.9</b>

### 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 year ended December 31, 2016 and 2015 amounted to \$nil.

**Energy Leaders Plus Income ETF**  
**(formerly Energy Leaders Plus 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.