Global Advantaged Telecom & Utilities Income Fund

Annual Financial Statements

December 31, 2013

The Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure, can be obtained at your request, and at no cost, by calling us at 866 998 8298; by writing to us at Harvest Portfolios Group, 710 Dorval Drive, Suite 209, Oakville, Ontario, L6K 3V7; by visiting our website at www.harvestportfolios.com; or on SEDAR at www.sedar.com.

Global Advantaged Telecom & Utilities Income Fund

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 Canadian generally accepted accounting principles 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 2 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) "Townsend Haines"

Townsend Haines
Chief Financial Officer

Oakville, Canada
March 19, 2014

March 19, 2014

Independent Auditor's Report

To the Unitholders of
Global Advantaged Telecom & Utilities Income Fund (the Fund)

We have audited the accompanying financial statements of the Fund, which comprise the statement of investments as at December 31, 2013, the statements of financial position as at December 31, 2013 and 2012 and the statements of operations, changes in financial position 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 the financial statements in accordance with Canadian generally accepted accounting principles, 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 the 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.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2013 and 2012 and the results of its operations, changes in its financial position and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

(Signed) 'PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, ON, Canada M5J 0B2
T: +1 416 863 1133, F: +1 416 365 8215, www.pwc.com/ca

Global Advantaged Telecom & Utilities Income Fund

STATEMENTS OF FINANCIAL POSITION				
As at December 31,		**2013**		**2012**
Assets				
Investments, at fair value (cost $12,377,220; 2012 - $17,688,258)	$	9,944,360	$	12,860,084
Forward agreement at fair value (Note 4)		6,998,090		4,834,912
Cash and cash equivalents		32,170		25,711
Receivable for investments sold		130,000		165,015
		17,104,620		**17,885,722**
Liabilities				
Distributions payable		100,325		120,977
Counterparty fee payable (Note 4)		418		537
Forward fee payable (Note 4)		16,987		16,437
		117,730		**137,951**
Net assets representing unitholders' equity	**$**	**16,986,890**	**$**	**17,747,771**
Unitholders' equity (Note 3)				
Unitholders' capital		13,747,734		18,960,146
Contributed surplus		2,834,282		2,132,668
Retained earnings (deficit)		404,874		(3,345,043)
Unitholders' equity	**$**	**16,986,890**	**$**	**17,747,771**
Number of units outstanding (Note 3)		**1,672,091**		**2,016,291**
Net assets per unit (Note 9)	**$**	**10.16**	**$**	**8.80**

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

Global Advantaged Telecom & Utilities Income Fund

STATEMENTS OF OPERATIONS **For the year ended December 31,**		**2013**		**2012**
Investment income				
Interest	$	-	$	28
Securities Lending (Note 10)		13,868		11,601
		13,868		**11,629**
Expenses (Note 5)				
Management fees		50,082		61,850
Service fees		77,395		97,176
Unitholder reporting costs		127,339		106,759
Counterparty fees (Note 4)		19,554		43,740
Audit fees		12,933		29,546
Transfer agency fees		11,102		9,151
Custodian fees and bank charges		21,605		17,869
Independent review committee fees		5,069		7,101
Forward fee (Note 4)		200,000		200,000
Filing fees		20,765		19,481
Legal fees		15,569		3,353
		561,413		**596,026**
Net investment loss	**$**	**(547,545)**	**$**	**(584,397)**
Realized and unrealized gain (loss) on investments and foreign currencies				
Realized gain (loss) on common share portfolio and forward agreement		(261,029)		(522,409)
Change in unrealized appreciation (depreciation) on common share portfolio and forward agreement		4,558,491		1,251,835
Net gain (loss) on investments	**$**	**4,297,462**	**$**	**729,426**
Increase (decrease) in net assets from operations	**$**	**3,749,917**	**$**	**145,029**
Increase (decrease) in net assets from operations per unit	**$**	**1.97**	**$**	**0.06**

The accompanying notes are an integral part of these financial statements

Global Advantaged Telecom & Utilities Income Fund

STATEMENTS OF CHANGES IN FINANCIAL POSITION For the year ended December 31,		2013		2012
Net assets, beginning of the year	**$**	**17,747,771**	**$**	**25,337,392**
Increase (decrease) in net assets from operations		3,749,917		145,029
Unitholders' transactions				
Redemption and cancellation of units		(3,141,929)		(5,974,052)
Net unitholders' transactions		**(3,141,929)**		**(5,974,052)**
Distributions to unitholders				
Return of capital		(1,368,869)		(1,760,598)
Total distributions to unitholders		**(1,368,869)**		**(1,760,598)**
Net assets, end of the year	**$**	**16,986,890**	**$**	**17,747,771**
Deficit, beginning of the year	**$**	(3,345,043)	**$**	(3,490,072)
Increase (decrease) in net assets from operations		3,749,917		145,029
Retained earnings (deficit), end of the year	**$**	**404,874**	**$**	**(3,345,043)**
Contributed surplus, beginning of the year	**$**	**2,132,668**	**$**	**20,527**
Cost of units repurchased at less than average cost per unit (Note 3)		701,614		1,785,302
Warrants expired		-		326,839
Contributed surplus, end of the year	**$**	**2,834,282**	**$**	**2,132,668**

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

Global Advantaged Telecom & Utilities Income Fund

STATEMENTS OF CASH FLOWS **For the year ended December 31,**		**2013**		**2012**
Operating activities				
Increase (decrease) in net assets from operations	$	3,749,917	$	145,029
Add (deduct) items not affecting cash:				
Realized (gain) loss on common share portfolio and forward agreement		261,029		522,409
Change in unrealized (appreciation) depreciation on common share portfolio and forward agreement		(4,558,491)		(1,251,835)
Proceeds from sale of investments		6,895,467		14,982,820
Purchases of investments		(1,810,444)		(6,647,785)
Net change in non-cash assets and liabilities		431		(4,639)
Net cash flow provided by (used in) operating activities	**$**	**4,537,909**	**$**	**7,745,999**
Financing activities				
Redemption and cancellation of units		(3,141,929)		(5,974,052)
Distributions to unitholders		(1,389,521)		(1,802,291)
Net cash flow provided by (used in) financing activities		**(4,531,450)**		**(7,776,343)**
Net increase (decrease) in cash and cash equivalents during the year		**6,459**		**(30,344)**
Cash and cash equivalents, beginning of the year		25,711		56,055
Cash and cash equivalents, end of the year	**$**	**32,170**	**$**	**25,711**

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

STATEMENT OF INVESTMENTS
As at December 31, 2013

Number of shares	Security	Average Cost ($)	Fair Value ($)	% of Net Assets
	EQUITIES			
	Energy Issuers			
76,680	Athabasca Oil Corporation	903,211	496,886	2.9
121,724	Bankers Petroleum Ltd.	1,035,871	531,934	3.1
144,890	BlackPearl Resources Inc.	1,035,964	328,900	1.9
55,049	Crew Energy Inc.	1,034,371	351,213	2.1
22,454	MEG Energy Corporation	1,140,888	687,317	4.0
		5,150,305	2,396,250	14.0
	Information Technology Issuers			
13,887	Catamaran Corporation	670,881	700,599	4.1
96,889	Celestica Inc. Sub. Voting	1,034,774	1,069,655	6.3
52,037	CGI Group Inc. Cl. A Sub. Voting	1,035,016	1,849,395	10.9
		2,740,671	3,619,649	21.3
	Industrial Issuers			
47,114	ATS Automation Tooling Systems, Inc.	465,486	640,750	3.8
		465,486	640,750	3.8
	Materials Issuers			
194,840	B2Gold Corporation	617,643	424,751	2.5
77,241	Canfor Corporation	1,034,257	2,059,245	12.1
30,985	Detour Gold Corporation	1,034,910	127,039	0.8
143,668	Osisko Mining Corp.	1,333,948	676,676	4.0
		4,020,758	3,287,711	19.4
Total COMMON SHARE PORTFOLIO (pledged to the Counterparty under the Forward Agreement)		**12,377,220**	**9,944,360**	**58.5**
Unrealized appreciation on forward agreement			**6,998,090**	**41.2**
Other assets less liabilities			**44,440**	**0.3**
Net Assets			**16,986,890**	**100.0**

CONCENTRATION BY SEGMENT AS AT DECEMBER 31, 2013

The Fund’s investment portfolio is concentrated in the following segments:

	% of net assets as at December 31, 2013	% of net assets as at December 31, 2012
Energy Issuers	14.0	20.1
Information Technology Issuers	21.3	21.6
Industrial Issuers	3.8	-
Materials Issuers	19.4	30.5

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

STATEMENT OF INVESTMENTS (continued)
As at December 31, 2013

Number of shares	Security	Average Cost ($)	Fair Value ($)	% of Net Assets
Unrealized appreciation on forward agreement:				
Investments held in GTU Portfolio Trust under the Forward Agreement				
EQUITIES				
	Banking and Other Financial Issuers			
27,500	Catlin Group Limited	222,337	280,924	1.7
12,990	JPMorgan Chase & Co.	677,615	806,996	4.8
26,000	Regions Financial Corporation	243,385	273,211	1.6
12,000	UBS AG	258,044	242,427	1.4
		1,401,381	1,603,558	9.5
	Consumer Discretionary Issuers			
3,200	Adidas AG	352,037	433,834	2.6
28,000	British Sky Broadcasting Group PLC	337,234	415,867	2.4
11,000	Luxottica Group SPA	608,540	626,798	3.7
31,000	Vivendi Universal SA	735,706	866,650	5.1
		2,033,517	2,343,149	13.8
	Consumer Staples Issuers			
5,000	Anheuser-Busch InBev NV	508,033	564,400	3.3
		508,033	564,400	3.3
	Industrial Issuers			
23,000	Antofagasta PLC	324,025	333,511	2.0
9,800	CRH PLC	241,682	262,652	1.5
		565,707	596,163	3.5
	Information Technology Issuers			
8,200	Intel Corporation	199,873	226,089	1.3
		199,873	226,089	1.3
	Telecommunication Services Issuers			
17,300	AT&T Inc.	488,720	645,917	3.8
21,000	Bell Aliant, Inc.	565,087	561,330	3.3
106,000	BT Group PLC	324,103	706,968	4.2
7,000	Comcast Corporation	349,601	386,378	2.3
21,300	Deutsche Telekom AG	328,100	388,562	2.3
310,000	Telecom Corporation of New Zealand Limited	451,750	624,867	3.7
216,000	Telecom Italia SPA	323,083	227,851	1.3
24,400	Telefonica SA	601,718	421,535	2.5
45,600	Teliasonera AB	351,779	403,587	2.4
148,000	Telstra Corporation Limited	403,153	737,182	4.3
12,000	Verizon Communications Inc.	438,831	626,280	3.7
121,600	Vodafone Group PLC	333,354	507,150	3.0
		4,959,279	6,237,607	36.8

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

STATEMENT OF INVESTMENTS (continued)
As at December 31, 2013

Number of Shares	Security	Average Cost ($)	Fair Value ($)	% of Net Assets
	Utilities Issuers			
13,900	Ameren Corp.	375,354	534,038	3.1
48,000	Drax Group PLC	289,301	675,750	4.0
6,000	Duke Energy Corporation	315,831	439,939	2.6
15,500	E.ON AG	456,011	305,109	1.8
116,000	Electricidade de Portugal SA	433,655	451,924	2.7
16,400	Endesa, SA	490,783	559,451	3.3
9,100	FirstEnergy Corp.	325,326	318,875	1.9
14,100	Fortum OYJ	251,720	343,300	2.0
22,200	Gas Natural SDG SA	407,699	604,544	3.5
10,200	GDF Suez	392,805	254,915	1.5
51,300	Iberdrola SA	433,923	347,595	2.0
8,700	Integrys Energy Group, Inc.	423,777	502,860	3.0
38,500	National Grid PLC	357,053	533,877	3.1
18,200	Pepco Holdings, Inc.	326,491	369,540	2.2
15,200	PPL Corp.	365,875	485,792	2.9
13,720	RWE AG	685,819	535,521	3.1
18,200	SSE PLC	352,065	438,139	2.6
87,000	Terna SPA	400,765	462,623	2.7
45,500	United Utilities Group PLC	420,146	537,665	3.2
24,980	Veolia Environnement	305,795	433,201	2.5
12,500	Verbund AG	258,921	283,206	1.7
		8,069,115	9,417,864	55.4
Total equity investments		**17,736,905**	**20,988,830**	**123.6**
Other assets less liabilities			**(4,046,380)**	**(23.9)**
Net assets of GTU Portfolio Trust			**16,942,450**	**99.7**
Other assets less liabilities			**44,440**	**0.3**
Net Assets			**16,986,890**	**100.0**

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

Global Advantaged Telecom & Utilities Income Fund

GTU PORTFOLIO TRUST

CONCENTRATION BY GEOGRAPHY AND SEGMENT AS AT DECEMBER 31, 2013

As at	December 31, 2013		December 31, 2012	
Country of Issue	**$***	**As a % of net assets**	**$***	**As a % of net assets**
Canada	(3,674,468)	(21.7)	(3,050,257)	(17.2)
United States of America	5,316,319	31.4	5,928,742	33.5
New Zealand	816,622	4.8	1,366,683	7.7
Europe	8,322,008	49.1	7,928,707	44.8
United Kingdom	4,742,442	28.0	3,893,361	22.0
Sweden	403,587	2.4	394,504	2.2
Switzerland	242,427	1.4	-	-
Australia	773,513	4.6	1,233,256	7.0
Totals	**16,942,450**	**100.0**	**17,694,996**	**100.0**

*Stated in Canadian dollars

The GTU Portfolio Trust investment portfolio is concentrated in the following segments:

	% of net assets as at December 31, 2013	% of net assets as at December 31, 2012
Banking and Other Financial Issuers	9.5	-
Consumer Discretionary Issuers	13.8	9.0
Consumer Staples Issuers	3.3	-
Industrial Issuers	3.5	-
Information Technology Issuers	1.3	-
Telecommunication Services Issuers	36.8	57.8
Utilities Issuers	55.4	61.9

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

1. ORGANIZATION

Global Advantaged Telecom & Utilities Fund (the "Fund") is an investment trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust dated February 25, 2011, being the inception date. There was no significant activity in the Fund from the date of inception, February 25, 2011 to commencement of operations on March 23, 2011. On March 23, 2011, the Fund completed an initial public offering of 2,600,000 units at $12.00 per unit for gross proceeds of $31,200,000. On April 6, 2011; an over-allotment option was exercised for an additional 123,662 units at a price of $12.00 per unit for gross proceeds of $1,483,944.

The Fund's investment objectives are to provide unitholders with tax-advantaged monthly distributions and capital appreciation. As part of the investment strategy, the Fund provides exposure, through a forward agreement (the "Forward Agreement"), to the return, in Canadian dollars, of the underlying performance of the GTU Portfolio Trust (the "GTU Trust"). The GTU Trust portfolio is an actively managed portfolio comprised primarily of equity securities of Global Telecom Issuers and Global Utilities Issuers.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation
These financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and are presented in Canadian dollars. The preparation of financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions. Such estimates and assumptions affect reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and reported amounts of income and expenses during the reporting period. Actual results could differ from these estimates.

Valuation of investments
The fair value of investments as at the financial reporting date is as follows:

a) Investments are categorized as held for trading in accordance with CPA Canada Handbook Section 3855 Financial Instruments - Recognition and Measurement. Investments held that are traded in an active market are valued at their bid prices through recognized public stock exchanges or through recognized investment dealers on the valuation date. Investments held include listed Canadian and foreign equities and the forward agreement. Investments held with no available bid prices are valued at their closing sale price.

b) Investments held that are not traded on 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 in accordance with CPA Canada Handbook Section 3855 methodologies. 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. At December 31, 2013 and 2012, there were no securities that required pricing using assumptions.

c) The value of the Forward Agreement will be the amount prepaid pursuant to the agreement and the gain or loss with respect thereto that would be realized if, on the financial reporting date, the position in the Forward Agreement were to be closed out in accordance with its terms.

National Instrument 81-106 – ''Investment Fund Continuous Disclosure'' (''NI 81-106'') requires all investment funds to calculate net asset value for all purposes other than for financial statements in accordance with part 14.2, which differs in some respects from the requirements of Section 3855 of Canadian GAAP. Canadian GAAP includes the requirement that the fair value of financial instruments listed on a recognized public stock exchange be valued at their last bid price for securities held in a long position and at their last ask price for securities held in a short position, instead of their close price or the last sale price of the security for the day as required by NI 81-106. This result in differences between net asset value ("NAV") calculated based on NI 81-106 and on net assets calculated based on Canadian GAAP ("Net assets"). The reconciliation between NAV per unit and Net assets per unit at the period end is provided in Note 9.

Cash and cash equivalents
Cash is comprised of cash on deposit. Cash equivalents are comprised of highly liquid investments having terms to maturity of 90 days or less.

Other assets and liabilities
For the purposes of categorization in accordance with CPA Canada Handbook Section 3862, receivable for securities issued, amounts due from brokers, the Manager, and other Funds, and other assets are designated as loans and receivables and recorded at cost or amortized cost. Similarly, amounts due to brokers, redemptions payable, accrued expenses and other liabilities are designated as other financial liabilities and reported at cost or amortized cost, which approximates fair value for these assets and liabilities.

Transaction costs
Transaction costs, such as brokerage commissions, incurred on the purchase and sale of securities by the Fund are expensed in accordance with Section 3855 are recognized in the Statement of Operations in the period in which they are incurred.

Investment transactions and income recognition
Investment transactions are accounted for on the trade date. The cost of investments which represents the amount paid for each security is determined on an average cost basis excluding transaction costs. Realized gains (losses) from the sale of investments and unrealized appreciation (depreciation) of investments are calculated on an average cost basis.

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.

Investment income is recorded on an accrual basis. Interest income is recorded on an accrual basis and dividend income is recorded on the ex-dividend date.

Distributions received from income trusts are recorded as income, capital gains or a return of capital, based on the best information available to the Manager. Due to the nature of these investments, actual allocations could vary from this information. Distributions from investment trusts treated as a return of capital reduce the average cost of the underlying investment trust. Distributions received from mutual funds are recognized in the same form in which they are received from the underlying funds.

Foreign currency translation
Purchases and sales of investments denominated in foreign currencies and foreign currency dividend and interest income are translated into Canadian dollars at the rate of exchange prevailing at the time of the transactions. Realized and unrealized foreign currency gains or (losses) on investments are included in the Statements of Operations in "Realized gain (loss) on sale of investments" and "Change in unrealized appreciation (depreciation) of investments", respectively. Realized and unrealized foreign currency gains or losses on assets, liabilities, and income, other than investment denominated in foreign currencies, are included in the Statement of Operations in "Net realized foreign exchange gain/(loss)" and "Change in unrealized foreign exchange gain (loss)". Foreign currency assets and liabilities in the Statements of Financial Position are translated into Canadian dollars on the statement date.

Securities 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 from operations per unit
"Increase (decrease) in net assets from operations per unit" in the Statement of Operations represents the increase (decrease) in net assets from operations, divided by the weighted average units outstanding for the financial period.

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

> **Level 1**: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
> **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).
> **Level 3**: Inputs for the asset or liability that are not based on observable market data. Additional quantitative disclosures are required for Level 3 securities.

Securities classification:

Investments at fair value as at December 31, 2013				
	Level 1 ($)	**Level 2 ($)**	**Level 3 ($)**	**Total ($)**
Common shares	9,944,360	-	-	9,944,360
Total investments at fair value	**9,944,360**	**-**	**-**	**9,944,360**
Forward agreement at fair value	**-**	**6,998,090**	**-**	**6,998,090**

Investments at fair value as at December 31, 2012				
	Level 1 ($)	**Level 2 ($)**	**Level 3 ($)**	**Total ($)**
Common shares	12,860,084	-	-	12,860,084
Total investments at fair value	**12,860,084**	**-**	**-**	**12,860,084**
Forward agreement at fair value	**-**	**4,834,912**	**-**	**4,834,912**

There were no Level 3 securities held by the Fund as at December 31, 2013 and 2012. There were no transfers between Level 1 and Level 2 for the years ended December 31, 2013 and 2012.

As explained in Note 4 below, the Fund is exposed to the performance of the portfolio held by GTU Trust through the Forward Agreement, and therefore, the following illustrates the classification of the GTU Trust's financial instruments within the fair value hierarchy as at December 31, 2013 and 2012.

GTU Trust - Securities Classification:
All securities held by the GTU Trust as at December 31, 2013 and 2012, were Level 1 securities.

Transition to International Financial Reporting Standards ("IFRS")
Investment entities in Canada that are publicly accountable enterprises are required to adopt IFRS for annual periods beginning on or after January 1, 2014. As a result, calendar year reporters need to prepare their comparative financial information on an IFRS basis as of January 1, 2013, the date of transition to IFRS.

The Fund will have to prepare annual financial statements for the first time as of December 31, 2014 with comparatives in accordance with IFRS and semi-annual financial statements for the first time as of June 30, 2014 with comparatives in accordance with IFRS.

The Manager has developed a plan to convert the Fund's financial statements to IFRS by establishing a cross-functional IFRS team represented by management and the Fund's service providers (accounting and transfer agent). The Fund does not anticipate any impact on its business arrangements.

As at December 31, 2013, the Manager believes that the major areas of difference between the Fund's current accounting policies and those expected to apply under IFRS have been identified, including the:

- classification of redeemable instruments issued by the Fund,
- elimination of the differences between net asset value per unit and net asset per unit, and
- classification and measurement of the Fund's investments.

The table in Note 9 summarizes the 2013 quantitative impact of the changeover from Canadian GAAP to IFRS.

3. UNITHOLDERS' EQUITY

The authorized capital of the Fund consists of an unlimited number of transferable, units of one class, each of which represents an equal, undivided interest in the net assets of the Fund. Each unit consists of one trust unit and one warrant. 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 Fund entered into a normal course issuer bid program for the period from May 28, 2012 to May 27, 2013, which allowed the Fund to purchase up to 260,854 listed trust units of the Fund for cancellation by way of a normal course issuer bid through the facilities of the TSX. During the year ended December 31, 2013, 700 trust units were purchased for cancellation for a total of $6,289 (2012 – 18,400 units for $160,697). The normal course issuer bid program was not renewed after it expired.

Contributed surplus
Contributed surplus is recorded when units of the Fund are redeemed or repurchased at prices per unit which are below the average cost per units of unitholders' capital. If the redemption price is greater than the average cost per unit, the difference is first charged to contributed surplus until the balance of the contributed surplus is eliminated, and any remaining amounts are charged to retained earnings.

Warrants
All warrants expired on March 30, 2012 unexercised. The cost of the warrants expired of $326,839 was recorded in contributed surplus.

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

> (a) 95% of the "market price" of the units on the principal market on which the units are quoted for trading during the 20 trading day period ending immediately before the monthly redemption date; and
>
> (b) 100% of the "closing market price" on the principal market on which the units are quoted for trading on the monthly redemption date.

In accordance with the Fund prospectus, in addition to the monthly redemption rights, on an annual basis, commencing in August 2012, units may be surrendered for redemption at the Fund's NAV per unit, subject to the required redemption notice period, for the first business day of August and the unitholder will receive payment on or before the 15th business day of the following month. On August 31, 2013, 343,500 (2012 – 676,471) units were surrendered for redemption for total proceeds of $3,135,640 (2012 - $5,813,348).

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

For the year ended December 31, 2013	Trust units outstanding	Warrants outstanding
Total outstanding as at December 31, 2011	**2,711,162**	**2,723,662**
Warrants expired (March 30, 2012)	-	(2,723,662)
Units redeemed	(676,471)	-
Units cancelled	(18,400)	-
Total outstanding as at December 31, 2012	**2,016,291**	-
Units redeemed	(343,500)	-
Units cancelled	(700)	-
Total outstanding as at December 31, 2013	**1,672,091**	-

Issue costs
Certain offering expenses such as costs of creating the Fund, the cost of printing and preparing the prospectus, legal expenses of the Fund and other out-of pocket expenses incurred by the agents together with the agent's fees payable by the Fund are reflected as a reduction of unitholders' equity. The expenses paid are shown in the Statement of Changes in Financial Position.

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 April 2011, 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 $1,368,869 or $0.06 per unit per month ($0.72 per unit in total) for the year ended December 31, 2013 (2012 – $ 1,760,598 of $0.72 per unit in total).

4. FORWARD AGREEMENT

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

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

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

For the year ended December 31, 2013, the Fund recorded counterparty fees of $19,554 (2012 - $43,740). Interest charged is included in "Counterparty fees" on the Statement of Operations of the Financial Statements.

The amount drawn on the margin was $4,136,595 or 24.4% of the net assets of GTU Trust at December 31, 2013 (2012 - $5,095,256 or 28.7%).

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

5. 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. The Manager has retained Avenue Investment Management Inc. ("Avenue" or the "Investment Manager") to provide investment management services to the GTU Trust and pays Avenue a fee for its portfolio advisory service, from the management fee received from the GTU Trust, calculated on the basis of the GTU Trust's net assets.

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

The management fees charged to the Fund and GTU Trust on a combined basis during the year ended December 31, 2013 were $250,462, inclusive of taxes (2012 - $308,885). The Manager is responsible for payment of the sub-advisory fees out of these management fees.

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

Operating expenses

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

Other expenses

The Manager will be reimbursed by the Fund for all reasonable costs, expenses and liabilities incurred by the Manager for performance of services on behalf of the Fund in connection with the discharge by the Manager of its duties hereunder. Such costs and expenses may include, without limitation: mailing and printing expenses for reports to Unitholders and other Unitholder communications; a reasonable allocation of salaries, benefits and consulting fees; independent directors of the Manager and other administrative expenses and costs incurred in connection with the Fund's continuous public filing and other obligations. These expenses were $120,862 for the year ended December 31, 2013 (2012 - $99,203) and are included in the unitholder reporting costs in the Statements of Operations.

6. 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.

Global Advantaged Telecom & Utilities Income Fund

The Fund is exposed to other price risk through the common share portfolio and Forward Agreement held by the Fund. The Investment Manager of the GTU Trust has attempted to moderate this risk through the careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk of loss resulting from financial instruments is equivalent to their fair value. Although the Fund holds a common share portfolio that is pledged to the Counterparty under the Forward Agreement, the other price risk exposure is minimal due to the Forward Agreement.

As at December 31, 2013, 123.9% (December 31, 2012 – 128.7%) of the GTU Trust's net assets 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 would have increased or decreased by approximately $1,049,442 (December 31, 2012 - $1,138,579).

As at December 31, 2013, 100.0% (December 31, 2012 – 100.0%) of the common share portfolio investments were traded on public stock exchanges. If equity prices on these exchanges had increased or decreased by 5%, as at year end, with all other factors remaining constant, net assets would have increased or decreased by approximately $497,218 (December 31, 2012 - $643,004).

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 financial currency of the Fund will fluctuate as a result of changes in foreign exchange rates. When a Fund, buys an investment priced in a foreign currency and the exchange rate between the Canadian dollar and the foreign currency changes unfavorably, it could reduce the value of the Fund's investment.

The Fund is exposed to currency risk through the Forward Agreement. The table below summarizes the Fund`s exposure to currency risk as at December 31, 2013 and 2012. Amounts shown are based on the carrying value of the monetary and non-monetary assets (including derivatives and the underlying principal (notional) amount of the forward currency contracts (if any) and reported in Canadian dollars.

GTU Trust:

As at December 31, 2013		
Currency	**Currency exposure ($)***	**As a % of net assets**
Euro	8,322,008	49.1
U.S. dollar	5,316,319	31.4
Pound sterling	4,742,442	28.0
New Zealand Dollar	816,622	4.8
Australian Dollar	773,513	4.6
Swedish Krona	403,587	2.4
Swiss Franc	242,427	1.4
Totals	**20,616,918**	**121.7**

*Amounts are in Canadian dollars

As at December 31, 2012		
Currency	**Currency exposure ($)***	**As a % of net assets**
Euro	7,928,707	44.8
U.S. dollar	5,928,742	33.5
Pound sterling	3,893,361	22.0
New Zealand Dollar	1,366,683	7.7
Australian Dollar	1,233,256	7.0
Swedish Krona	394,504	2.2
Totals	**20,745,253**	**117.2**

*Amounts are in Canadian dollars

As at December 31, 2013, 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 would have increased or decreased, respectively, by approximately $1,030,846 (December 31, 2012 - $1,037,263) or 6.1% of total net assets (December 31, 2012 – 5.8%). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair value of financial instruments. Interest rate risk arises when the Fund invests in interest-bearing financial instruments.

At December 31, 2013 and 2012, the Fund was primarily invested in equities which are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. There is minimal sensitivity to interest rate fluctuations in any cash and cash equivalent, invested at short-term market interest rates.

However, the Fund is exposed to interest rate risk through the Forward Agreement. The GTU Trust has an interest bearing liability and so the Fund is exposed to risks associated with the effects of fluctuations in interest rates on its cash flows. As at December 31, 2013, GTU Trust had a bank overdraft of $4,136,595 (December 31, 2012 - $5,095,256). If interest rates were to change by 1.0%, the interest expense in the GTU Trust could increase (decrease) by $41,366 (2012 - $50,953).

Liquidity risk
Liquidity risk is defined as the risk that a fund may not be able to settle or meet its obligations on time or at a reasonable price. The Fund is exposed to redemptions as described in Note 3. Therefore in order to maintain sufficient liquidity, the Fund and GTU Trust primarily invest in securities that are actively traded in public markets and can be readily disposed of to raise liquidity.

As at December 31, 2013 and 2012, all of the Fund's financial liabilities had maturities of less than three months.

Credit risk
Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund minimizes the concentration of credit risk by trading with a large number of brokers and counterparties on recognized and reputable exchanges. The Fund has exposure to credit risk with the Counterparty in the full amount of the Forward Agreement value. At December 31, 2013, the Counterparty to the Forward Agreement had a credit rating of A+ from Standard & Poor`s. The maximum credit risk of default is the carrying amount of the investments underlying the Forward Agreement, as presented in the Statement of Investments.

The Fund participates in a securities lending program wherein certain major brokers/dealers and institutions ("approved borrowers") borrow securities from the Fund. Loans are required at all times to be secured by collateral to at least 102% of the current market value of the loaned securities measured each business day. In the event of default or bankruptcy by an approved borrower, realization and/or retention of the collateral may be subject to legal proceedings. In the event that an approved borrower fails to return loaned securities and the value of the collateral being maintained by the lending agent is insufficient to cover replacing the loaned securities, the lending agent has agreed to indemnify the Funds for the difference between market value of the loaned securities and the value of the collateral held against such loaned securities, provided that the collateral insufficiency is not the result of collateral investment losses. However, such indemnity may not continue to be available at all times. In the event of a borrower default, the Fund could experience a delay in recovering the loaned securities or only recover cash or a security of equivalent value. The Fund could lose money if they do not recover the loaned securities and/or the value of the collateral decreases, including the value of investments made with cash collateral (Note 10).

7. 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 years ended December 31, 2013 and 2012 amounted to $NIL.

8. INCOME TAXES

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada). The Fund is subject to tax on their income including net realized capital gains which are not paid or payable to unitholders. It is the intention of the Fund to distribute all of its net income and sufficient net realized capital gains so the Fund will not be subject to income taxes.

The amount of net realized taxable capital gains available for distribution is reduced by the amount of net capital gains to be retained in the Fund. This is done in order to enable the Fund to fully utilize any available tax credits due to application of the capital gain refund formula attributable to redemptions during the year. In certain circumstances, the fund may distribute a return of capital. A return of capital is not taxable but will generally reduce the adjusted cost of the units.

Capital losses may be carried forward indefinitely to reduce future realized capital gains. Non-capital losses may be applied against future taxable income.

As at the Fund's 2013 taxation year end, there were non-capital losses of $2,589,146 and net capital losses of $1,173,564 for income tax purposes.

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

9. NET ASSET VALUE AND NET ASSETS

CPA Canada Handbook Section 3855 requires that the fair value of financial instruments which are actively traded be measured based on the bid price for long positions held and the asking price for short positions held.

The net asset value per unit for purposes of unitholder transactions (i.e. purchases, switches, redemptions) and net assets per unit calculated in accordance with Section 3855 is shown below:

Global Advantaged Telecom & Utilities Income Fund

Per Unit:	NAV	Net assets
As at December 31, 2013	$10.17	$10.16
As at December 31, 2012	$8.82	$8.80

GTU Trust

Per Unit:	NAV	Net assets
As at December 31, 2013	$14.61	$14.60
As at December 31, 2012	$11.39	$11.36

10. SECURITIES LENDING

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

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

As at December 31, 2013, the Fund had $10,263,452 (2012 - $Nil) loaned securities with collateral amounting to $10,507,309 (2012 - $Nil). The lending agent lends securities and maintains collateral on a settlement date basis. There were securities traded on the last three business days in the amount of $319,092 that settled subsequent to December 31, 2013 and the collateral amount would be adjusted accordingly.

Head Office

710 Dorval Drive, Suite 209
Oakville, ON L6K 3V7
Phone Number: 416.649.4541
Toll Free: 866.998.8298
Fax Number: 416.649.4542
Email: info@harvestportfolios.com

Western Canada Office

1155 West Pender Street, Suite 708
Vancouver, BC V6E 2P4

Eastern Canada Office

1250 René Lévesque Blvd. West, Suite 2200
Montreal, Quebec H3B 4W8

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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