BLOOM FUNDS

MANAGED BY BLOOM INVESTMENT COUNSEL, INC.

BLOOM U.S. INCOME & GROWTH FUND

INTERIM REPORT FOR THE SIX MONTHS ENDED JUNE 30, 2015

BUA.UN

FORWARD-LOOKING STATEMENTS

Some of the statements contained herein including, without limitation, financial and business prospects and financial outlook may be forward-looking statements which reflect management's expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. Words such as "may," "will," "should," "could," "anticipate," "believe," "expect," "intend," "plan," "potential," "continue" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic and market conditions and other risk factors. Although the forward-looking statements contained herein are based on what management believes to be reasonable assumptions, we cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof, unless otherwise indicated, and we assume no obligation to update or revise them to reflect new events or circumstances.

MANAGEMENT REPORT OF FUND PERFORMANCE

This interim management report of fund performance for Bloom U.S. Income & Growth Fund (the "Fund") contains financial information but does not contain the interim or audited annual financial statements of the Fund. The interim financial statements follow this report. You may obtain a copy of any of the Fund's annual or interim reports, at no cost, by calling 1-855-BLOOM18 or by sending a request to Investor Relations, Bloom Investment Counsel, Inc., Suite 1710, 150 York Street, Toronto, Ontario, M5H 3S5, or by visiting our website at **www.bloomfunds.ca** or SEDAR at www.sedar.com. Unitholders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, Independent Review Committee's report, or quarterly portfolio disclosure.

In accordance with investment fund industry practice, all figures presented in this management report of fund performance, unless otherwise noted, are based on the Fund's calculation of its Net Asset Value, which is in accordance with the terms of the Fund's declaration of trust and annual information form, and is based on closing market prices of investments. Figures presented in the financial statements and certain figures presented in the Financial Highlights section of this management report of fund performance are based on Net Assets calculated using International Financial Reporting Standards which require the use of a price between the last bid and ask prices for investment valuation, which may differ from the closing market price.

All figures are stated in Canadian dollars unless otherwise noted.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

THE FUND

Bloom U.S. Income & Growth Fund is a closed-end investment trust managed by Bloom Investment Counsel, Inc. ("Bloom" or the "Manager"). Bloom provides administrative services to the Fund and actively manages the Fund's portfolio. The Class A units of the Fund trade on the Toronto Stock Exchange ("TSX") under the symbol BUA.UN and are designed for investors who wish to make their investments in Canadian dollars. The Class U units of the Fund are designed for investors who wish to make their investments in U.S. dollars and are not listed on the Toronto Stock Exchange, but may be converted to Class A units on a monthly basis. The units of the Fund are RRSP, DPSP, RRIF, RESP, RDSP and TFSA eligible. The Fund has a distribution reinvestment plan ("DRIP") allowing Class A unitholders to automatically reinvest their monthly distributions in additional Class A units of the Fund.

INVESTMENT MANAGER

BLOOM
INVESTMENT COUNSEL, INC.

The manager was established in 1985 and specializes in the management of segregated investment portfolios for wealthy individuals, corporations, institutions and trusts. In addition to its conventional investment management business, the Manager currently manages specialty high-income equity portfolios comprised of dividend paying common equity securities, income trusts and real estate investment trusts.

RECENT DEVELOPMENTS

Investment Manager's Report

July 2, 2015

The U.S. Economy

U.S. GDP growth is rebounding from a tough winter as the Q1 data was revised to show a more muted drop (−0.2% from −0.7%) and the strong gain in May consumer spending should keep overall growth on track for close to a 3% increase in Q2 (2.5% growth likely expected for 2015). A strong housing market and an improved labour market has been somewhat offset by sluggish investment spending, as manufacturing companies continue to grapple with the effects of a strong U.S. dollar. Furthermore, the Federal Reserve has recently noted that low oil prices and a relatively strong U.S. Dollar has had a negative impact on the U.S. economy, and policy makers will most likely look for continued improvements in the labour market as the most important factor in the timing of rate hikes. Barring an unexpectedly weak second quarter, we would look to the September FOMC Meeting for an initial rate increase.

May Headline CPI increased by 0.4%, worse than expected, to set a flat annualized rate. Falling gasoline and energy prices were the main driver of the decline. Core CPI (excludes food and energy) rose by 0.1% in the month, dropping the year-over-year rate to 1.7%, again below consensus expectations. Core inflation could weaken further as the fallout from the strong dollar continues to work its way through the consumer price channel but we expect core inflation to begin drifting higher on a more sustained basis during the second half of this year. However, underlying price pressures should remain relatively contained, which will provide the Fed with the necessary justification to be very gradual in the pace of policy tightening.

Combined existing and new home sales rose 10% in the past year to eight-year highs in May and first-time buyers now account for nearly one-third of home sales. There are several reasons to believe this U.S. housing recovery will persist, these include: 1) strong job growth and rising consumer income; 2) mortgage payments on a typical starter home have remained flat over the past five years; 3) Credit is still not only cheap, but it is becoming easier to get as borrowers increasingly turn to non-Bank Financial Institutions; and 4) approximately 75 million people are now in their prime-home buying years, which is in addition to any pent-up mortgage demand from previous homeowners who declared bankruptcy during the financial crisis.

The U.S. labour market continued to add jobs at a decent pace, but the 223K increase in June was slightly below consensus expectations of a 233K increase, and the data saw the increases in April and May revised significantly lower. The unemployment rate dropped to 5.3% in May, from 5.5% in April, and 6.1% in May 2014. Furthermore, the job gains were overshadowed by the non-existent wage growth and weak labour force participation numbers in June. At this pace, the Fed will likely need to wait at least another month to see more improvement in the labour market before they can raise rates with confidence.

U.S. Investment Markets
The S&P 500 Total Return Index for the last quarter rose 0.3% and year-to-date returned 1.2%. The best performing sector during the quarter was Healthcare (up 2.8%) followed by Consumer Discretionary (up 1.9%). The weakest performing sector during the quarter was Utilities (down 8.8%) followed by Industrials (down 2.2%).

The U.S. Dollar against the Canadian Dollar declined by 1.4% last quarter and since the commencement of 2015, has risen by 7.7%. The recent collapse in oil prices resulting from various destabilizing situations in the Middle East, along with sluggish Canadian GDP data, are indirectly causing a decline in the Canadian dollar versus the U.S. dollar. Given the continued weakness around the world, the U.S. Dollar's safe haven status has largely returned.

Outlook
We expect that the U.S. economy will continue to show reasonable growth throughout the second half of 2015. With a looming shift in Fed policy, rate-sensitive sectors have lagged, while previously-strong high-dividend paying multi-nationals have stalled under the weight of a strong U.S. dollar. That has also allowed S&P small and mid-caps to outperform their larger S&P 100 counterparts. With the Fed in a rare spot among major central banks to tighten policy this year, these trends could very well hold firm in the second half of 2015.

RESULTS OF OPERATIONS

Distributions
During the six months ended June 30, 2015 distributions totaled $0.30 per Class A unit and US$0.30 per Class U unit. The 2015 distribution reflects a monthly rate per unit of $0.05 per Class A unit and US$0.05 per Class U unit, in accordance with the targeted distribution rate of 6% per annum on the subscription price of $10 per unit as disclosed in the Fund's Prospectus.

Allocation of income, expenses, gains and losses between classes of the Fund
The income, expenses, gains and losses of the Fund are generally allocated between Class A and Class U on the basis of the Classes' relative Net Asset Values. However there are certain transactions which are class specific and are allocated to a particular class. These include certain expenses of Class A relating to its distribution reinvestment plan (DRIP), certain expenses of Class U relating to the Class U conversion privilege, and the unrealized and realized gains and losses on the foreign currency forward contracts which relate to the hedging of the US dollar value of the portion of the net assets attributable to the Class A units, and which are allocated to Class A.

Increase in Net Assets from Operations
The Fund's net investment income was $0.9 million ($0.19 per Class A unit and $0.93 per Class U unit) for the six months ended June 30,2015, arising from average portfolio investments during the period of $29.9 million. The income was comprised primarily of $0.7 million in dividend and distribution income and $1.9 million in realized gains on sales of investments offset by $1.9 million in net realized losses on foreign currency forward contracts.

Expenses were $0.4 million ($0.13 per Class A unit and $0.16 per Class U unit) for the six months ended June 30, 2015, the major components being management fees of $266,147, withholding taxes of $54,956 and other administrative expenses of $44,277.

Net Asset Value
The Net Asset Value per unit of Class A units of the Fund was $9.12 at June 30, 2015, down by 2.6% from $9.36 at December 31, 2014. The Net Asset Value per unit of Class U units of the Fund was US$9.16 at June 30, 2015, down by 3.7% from US$9.51 at December 31, 2014.

The aggregate Net Asset Value of the Fund decreased from $31.2 million at December 31, 2014 to $30.0 million as at June 30, 2015, primarily due to net investment income of $0.9 million, offset by expenses of $0.4 million, distributions to unitholders of $1.0 million, redemptions of units of $0.2 million, and repurchase and cancellation of units of $0.4 million.

Liquidity
To provide liquidity for unitholders, Class A units of the Fund are listed on the TSX under the symbol BUA.UN. Class U units are not listed on the TSX but are convertible to Class A units on a monthly basis.

The Fund received approval from the TSX on June 25, 2014 for a normal course issuer bid program from June 27, 2014 to June 26, 2015, allowing the Fund to purchase for cancellation up to 354,980 Class A units on the TSX if they trade below the Class A Net Asset Value per unit. 40,200 Class A units were purchased and cancelled by the Fund under this normal course issuer bid in the six months ended June 30, 2015 at a cost of $370,957 or $9.23 per unit.

The Fund received approval from the TSX on June 25, 2015 for a normal course issuer bid program from June 29, 2015 to June 28, 2016, allowing the Fund to purchase for cancellation up to 279,253 Class A units on the TSX or alternative Canadian trading platforms if they trade below the Class A Net Asset Value per unit. No Class A units were purchased and cancelled by the Fund under this normal course issuer bid in the six months ended June 30, 0215.

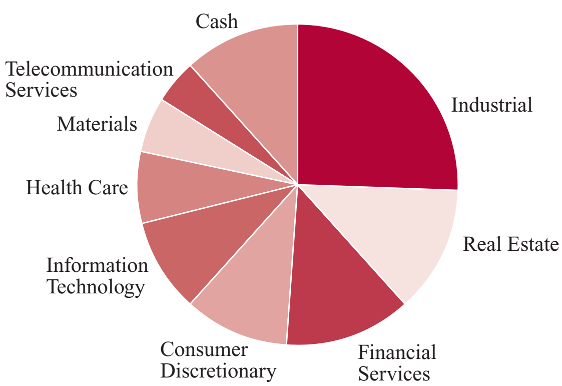
Investment Portfolio
The Fund has established a portfolio invested in U.S. equities and income trusts, each of which was selected to achieve the investment objectives of the Fund.

During the six months ended June 30, 2015 the percentage of the portfolio (equities and cash) invested in the materials sector has fallen from 9.9% to 5.5%, primarily due to the sale of the Fund's position in Cliffs Natural Resources Inc. and the sale of part of the Fund's holding in CatchMark Timber Trust Inc., Class A. Similarly the investment in the consumer discretionary sector has fallen from 16.1% to 10.6%, primarily due to the sale of the Fund's position in Kraft Food Group, Inc. and the sale of part of the Fund's holding in R. R. Donnelley & Sons Company. The percentage of the portfolio invested in cash has increased from 0.7% to 11.5%, as the Fund seeks to appropriately reinvest funds from sales.

The Fund had net unrealized appreciation of $6.4 million on its portfolio as at June 30, 2015, with unrealized appreciation of $1.8 million on industrial holdings, $1.4 million on financial services holdings, $1.2 million on information technology holdings and $1.0 million on real estate holdings.

The Fund had net realized gains on sales of investments of $1.9 million during the six months ended June 30, 2015, the largest gains being from sales of the Fund's position in Kraft Food Group, Inc. and holdings in TAL International Group Inc., R. R. Donnelley & Sons Company and Eli Lilly and Company. There was one significant realized loss, being that on the sale of the Fund's position in Cliffs Natural Resources Inc.

Portfolio Sectors



Sector		Value (thousands)	% of Total
Industrial	$	7,783	25.8%
Real Estate		3,869	12.8%
Financial Services		3,854	12.7%
Consumer Discretionary		3,188	10.6%
Information Technology		2,811	9.3%
Health Care		2,239	7.4%
Materials		1,655	5.5%
Telecommunication Services		1,342	4.4%
Cash		3,477	11.5%
Total	**$**	**30,218**	**100.0%**

RELATED PARTY TRANSACTIONS
Related party transactions consist of administrative and investment management services provided by the Manager pursuant to the Fund's Declaration of Trust, and Fund expenses paid by the Manager and recharged to the Fund.

Administration and Investment Management Fees
Pursuant to the Fund's Declaration of Trust, the Manager provides investment management and administrative services to the Fund, for which it is paid an annual management fee aggregating to 1.55% per annum of the Net Asset Value of the Fund. The management fee is comprised of 1.15% per annum of the Net Asset Value of the Fund, calculated weekly and payable monthly in arrears, plus an amount to be paid by the Manager to registered dealers equal to the service fee of 0.40% per annum of the Net Asset Value of the Fund, calculated quarterly and paid as soon as practicable after the end of each calendar quarter, plus applicable taxes.

The management fee is intended to compensate the Manager for providing portfolio advisory and certain administrative services to the Fund. A portion of this fee, equal to the service fee, is paid by the Manager to the registered investment dealers based on the proportionate number of units held by clients of each dealer at the end of each calendar quarter. For the six months ended June 30, 2015, management fees charged directly to the Fund amounted to $266,147 including service fees of $67,616.

Other Expenses Recharged to the Fund
On an ongoing basis the Manager pays on behalf of the Fund, and subsequently recharges to the Fund, certain expenses of the Fund. For the six months ended June 30, 2015 the Fund expensed investor relations costs of $9,381, Independent Review Committee ("IRC") fees of $17,014, audit fees of $388 and insurance premiums of $89 which were paid and recharged by the Manager.

The Fund pays for all other ordinary expenses incurred in connection with the operation and administration of the Fund, including: all costs of portfolio transactions, fees payable to third party services providers, custodial fees, legal, accounting, audit and valuation fees and expenses, expenses of the members of the IRC, expenses related to compliance with National Instrument 81-107 ("NI 81-107"), fees and expenses relating to the voting of proxies by a third party, costs of reporting to unitholders, registrar, transfer and distribution agency costs, printing and mailing costs, listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements, taxes, brokerage commissions, costs and expenses relating to the issue of units of the Fund, costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies, extraordinary expenses that the Fund may incur and all amounts paid on account of indebtedness.

INDEPENDENT REVIEW COMMITTEE
Prior to the Fund's launch, the IRC for the Fund was established pursuant to NI 81-107 and became operational. The IRC provides independent oversight regarding actual and perceived conflicts of interest involving the Fund and performs all other functions required of an independent review committee under NI 81-107. Costs and expenses, including the remuneration of IRC members, the costs of legal and other advisors to, and legal and other services for, IRC members, and insurance costs are chargeable to the Fund. As at June 30, 2015 the IRC consisted of three members, all of whom are independent of the Manager.

The Manager has received two standing instructions from the IRC with respect to related party transactions:

Allocation of Fund Expenses and Charging Expenses of Related Entities to the Funds
The standing instruction requires that the Manager follow its policy regarding the charging of expenses of related parties to the Fund, which will, in the IRC's opinion, result in a fair and reasonable result for the Fund. The Manager reports any instances of reliance on the standing instruction to the IRC and the IRC reviews the transactions to confirm compliance with the standing instruction. The Manager relies on the standing instruction on an ongoing basis in charging to the Fund expenses which are payable by the Fund as per the Fund's Declaration of Trust and Annual Information Form, but which have been paid by the Manager. These expense charges are measured on an accrual basis at the monetary value of the expenses incurred.

The Decision to Re-open a Fund
The standing instruction requires that the Manager follow its policy and procedures concerning fund re-openings, which will, in the IRC's opinion, result in a fair and reasonable result for the Fund. The Manager will report any instances of reliance on the standing instruction to the IRC, but has not yet relied on this standing instruction.

PAST PERFORMANCE
The following chart and table show the past performance of the Fund. Past performance does not necessarily indicate how the Fund will perform in the future. The information shown is based on Net Asset Value per unit and assumes that distributions made by the Fund in the period were reinvested at Net Asset Value per unit in additional units of the Fund.

Annual Compound Returns

The following table shows the Fund's annual compound return for the year ended June 30, 2015 and the period since commencement of operations on March 21, 2013, compared with the S&P 500 Total Return Index ("Index"). The returns of Class U are expressed in both Canadian dollars and US dollars.

The Index tracks the performance, on a market weight basis and a total return basis, of a broad index of large-capitalization issuers listed on the S&P 500, including common stocks and REITs, and is an appropriate benchmark as the Fund invests in such common stocks and REITs. Since the Fund is actively managed, the sector weightings differ from those of the Index. Also, the Fund's portfolio contains predominantly high dividend paying securities, whereas the Index does not necessarily focus on this type of investment. As well, the Fund may invest in issuers that are not included in the Index. For these reasons it is not expected that the Fund's performance will mirror that of the Index. Further, the Index is calculated without the deduction of management fees and fund expenses, whereas the performance of the Fund is calculated after deducting such fees and expenses.

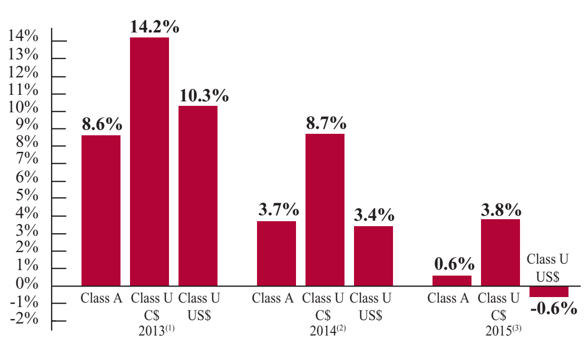
	One year	Since inception[1]
Bloom U.S. Income & Growth Fund Class A (net of fees and expenses)	−2.5%	5.6%
Bloom U.S. Income & Growth Fund Class U in C$ (net of fees and expenses)	6.1%	11.8%
S&P 500 Total Return Index in Canadian dollars	25.9%	25.9%
Bloom U.S. Income & Growth Fund Class U in US$ (net of fees and expenses)	−3.6%	5.7%
S&P 500 Total Return Index in US dollars	7.4%	15.5%

(1) Period from March 21, 2013 (commencement of operations) to June 30, 2015

During both periods the Fund has underperformed relative to the Index, after taking into account the expenses of the Fund. This reflects the differences in average sector weightings between the Fund's portfolio and the Index over the year, particularly in the industrials sector, where the Fund was overweight compared to the Index and the energy and information technology sectors, where the Fund was underweight compared to the Index. It also reflects differences in individual portfolio selections between the Fund's portfolio and the Index within each of the sectors, which result in different average sector returns.

Year-by-Year Returns

The bar chart shows the Fund's performance for each fiscal period since commencement of operations on March 21, 2013. It shows, in percentage terms, how a Canadian dollar investment in Class A and a US dollar investment in Class U, expressed both in Canadian and US dollars, held on the first day of the fiscal period would have changed by the last day of the fiscal period.



(1) Period from March 21, 2013 (commencement of operations) to December 31, 2013

(2) Year from January 1 to December 31 of the year indicated

(3) Six months from January 1 to June 30, 2015

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods indicated. *The information in the following tables is presented in accordance with National Instrument ("NI") 81-106 and, as a result, does not act as a continuity of opening and closing Net Assets per unit, because the increase in Net Assets from operations is based on weighted average units outstanding during the period, and all other numbers are based on actual units outstanding at the relevant point in time.*

Net Assets Per Unit(1)

	Six months ended June 30, 2015			Year ended December 31, 2014			Period from March 21 to December 31, 2013		
	Class A	Class U (C$)	Class U (US$)(5)	Class A	Class U (C$)	Class U (US$)(5)	Class A	Class U (C$)	Class U (US$)(5)
Net Assets per unit, beginning of period(1)(2)	$ 9.36	$ 11.02	$ 9.51	$ 9.61	$ 10.40	$ 9.79	$ 10.00	$ 10.23	$ 10.00
Unit issue expense(3)	–	–	–	–	–	–	(0.67)	(0.69)	(0.67)
Increase from operations:(2)									
Total revenue	0.23	0.33	0.26	0.44	0.50	0.45	0.33	0.35	0.34
Total expenses	(0.13)	(0.16)	(0.13)	(0.27)	(0.31)	(0.28)	(0.23)	0.25)	(0.24)
Net realized gains (losses)	(0.07)	0.72	0.59	(0.29)	0.65	0.59	(0.41)	(0.17)	(0.17)
Net unrealized gains	0.03	(0.06)	(0.05)	0.45	0.42	0.38	1.07	1.32	1.28
Total increase in Net Assets from operations (1)	$ 0.06	$ 0.83	$ 0.67	$ 0.33	$ 1.26	$ 1.14	$ 0.76	$ 1.25	$ 1.21
Distributions to unitholders(2)(4)									
From net investment income	–	–	–	(0.04)	(0.08)	(0.07)	(0.02)	(0.11)	(0.10)
From return of capital	(0.30)	(0.37)	(0.30)	(0.56)	(0.58)	(0.53)	(0.45)	(0.38)	(0.37)
Total distributions to unitholders	$ (0.30)	$ (0.37)	$ (0.30)	$ (0.60)	$ (0.66)	$ (0.60)	$ (0.47)	$ (0.49)	$ (0.47)
Net Assets per unit, end of period(1)(2)	$ 9.12	$ 11.44	$ 9.16	$ 9.36	$ 11.02	$ 9.51	$ 9.61	$ 10.40	$ 9.79

(1) This information is derived from the Fund's financial statements, to which International Financial Reporting Standards apply.

(2) Net Assets per unit and distributions per unit are based on the actual number of units outstanding at the relevant time. The increase in Net Assets from operations per unit is based on the weighted average number of units outstanding over the fiscal period.

(3) Unit issue expense of $2,496,135 for Class A and $324,698 (US$317,428) for Class U were incurred in connection with the issuance of Fund units. Unit issue expense per unit is based on the number of units issued at the time the expenses were incurred.

(4) $110,039 (2014: $223,357; 2013: $105,688) of distributions was reinvested in units under the Fund's Class A Distribution Reinvestment Plan. The remainder of the distributions was paid in cash.

(5) Class U Net Assets per unit are translated into US$ at the exchange rate in effect at the measurement date. Class U increases from operations are translated into US$ at the average exchange rate for the period. Class U distributions are paid in US$.

Ratios and Supplemental Data

	June 30, 2015		December 31, 2014		December 31, 2013(1)	
For the fiscal period ended	**Class A**	**Class U**	**Class A**	**Class U**	**Class A**	**Class U**
Net Asset Value (000s)(2)	$ 26,424	$ 3,603 (US$2,886)	$ 27,472	$ 3,724 (US$3,215)	$ 35,698	$ 4,203 (US$3,956)
Number of units outstanding(2)	2,898,312	315,006	2,935,407	338,006	3,713,316	404,106
Management expense ratio ("MER")(3)	2.43%	2.43%	2.24%	2.33%	11.96%	12.24%
Trading expense ratio(4)	0.08%	0.08%	0.10%	0.10%	0.17%	0.17%
Portfolio turnover rate(5)	2.61%	2.61%	16.18%	14.34%	28.90%	28.90%
Net Asset Value per Unit(2)	$ 9.12	$ 11.44 (US$ 9.16)	$ 9.36	$ 11.02 (US$ 9.51)	$ 9.61	$ 10.40 (US$ 9.79)
Closing market price(2)	$ 9.23	N/A	$ 9.20	N/A	$ 9.45	N/A

(1) Period from commencement of operations on March 21, 2013 to December 31, 2013

(2) As at the period end date shown

(3) MER is based on the requirements of NI 81-106 and includes the total expenses (excluding withholding taxes, commissions and other portfolio transaction costs) of the Class for the period, including one-time unit issue expense for that Class relating to the Fund's initial public offering. Unit issue expense is added to annualized ongoing expenses and expressed as a percentage of the average Net Asset Value of the Class during the period. The MER for 2013 excluding unit issue expense, which is more representative of the ongoing efficiency of the Fund, is 2.56% for Class A and 2.64% for Class U.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the average Net Asset Value of the Fund during the period.

(5) The Fund's portfolio turnover rate indicates how actively the Manager manages the Fund's portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period, excluding cash and short-term investments maturing in less than one year, by the average market value of investments during the period.

Management Expense Ratio

The MER of Class A of the Fund was 2.43% for the six months ended June 30, 2015, up from an MER of 2.24% in the year ended December 31, 2014. The MER of Class U of the Fund was 2.43% for the six months ended June 30, 2015, up from an MER of 2.33% in the year ended December 31, 2014. The increase is primarily due to to the decrease in average Net Asset Value through the monthly redemption of units and market value decreases, which, when paired with fixed costs, caused the MER to increase.

SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2015

Net Assets[1] (including Cash and Other Net Assets) – Class A	$26,423,593
Net Assets[1] (including Cash and Other Net Assets) – Class U	$3,602,940
	Or US$2,885,930

Portfolio Composition	**% of Portfolio**	**% of Total Net Assets[1]**
Industrial	25.8%	25.9%
Real Estate	12.8%	12.9%
Financial Services	12.7%	12.8%
Consumer Discretionary	10.6%	10.6%
Information Technology	9.3%	9.3%
Health Care	7.4%	7.5%
Materials	5.5%	5.5%
Telecommunication Services	4.4%	4.5%
Cash	11.5%	11.6%
Total Investment Portfolio	100.0%	100.6%
Other Non-Debt Net Assets (Liabilities)		(0.6%)
Total Net Assets	100.0%	100.0%

Top 25 Holdings*	**% of Portfolio**	**% of Total Net Assets[1]**
Cash	11.5%	11.6%
New York Community Bancorp, Inc.	6.5%	6.5%
First Financial Bancorp	6.3%	6.3%
Ship Finance International Limited	5.4%	5.4%
Weyerhaeuser Company	5.2%	5.2%
Pitney Bowes Inc.	5.0%	5.0%
General Electric Company	4.9%	5.0%
Seaspan Corporation	4.7%	4.7%
Intersil Corporation	4.7%	4.7%
Intel Corporation	4.7%	4.7%
PDL BioPharma, Inc.	4.7%	4.7%
EPR Properties	4.5%	4.6%
R. R. Donnelley & Sons Company	4.0%	4.0%
Regal Entertainment Group	3.9%	3.9%
Tronox Limited	3.3%	3.4%
Ryman Hospitality Properties, Inc.	3.1%	3.1%
Verizon Communications Inc.	3.0%	3.0%
Eli Lilly and Company	2.8%	2.8%
National CineMedia Inc.	2.7%	2.7%
Aircastle Limited	2.3%	2.4%
CatchMark Timber Trust, Inc.	2.2%	2.2%
FLY Leasing Limited	1.8%	1.8%
TAL International Group, Inc.	1.6%	1.6%
CenturyLink, Inc.	1.5%	1.5%

*The investment portfolio may change due to ongoing portfolio transactions of the investment fund. Monthly updates are available on the Fund's website at **www.bloomfunds.ca***

* Securities legislation requires the Fund's top 25 holdings to be presented. However, the Fund currently has less than 25 holdings.

[1] Net assets attributable to holders of redeemable units.

NOTICE

The accompanying unaudited financial statements of Bloom U.S Income & Growth Fund (the "Fund") have been prepared by Bloom Investment Counsel, Inc.(the "Manager" of the Fund) and approved by the Board of Directors of the Manager.

Signed

M. Paul Bloom
President and Chief Executive Officer
Bloom Investment Counsel, Inc.

Signed

Fiona E. Mitra
Chief Financial Officer
Bloom Investment Counsel, Inc.

August 6, 2015

STATEMENTS OF FINANCIAL POSITION (unaudited)

As at		June 30, 2015		December 31, 2014
Assets				
Current assets				
Investments	**$**	**26,740,513**	$	31,467,602
Cash		**3,477,155**		211,171
Dividends and distributions receivable		**41,492**		50,309
Prepaid expenses and other assets		**46,539**		48,503
Unrealized appreciation on foreign currency forward contract (note 14)		**1,656**		–
Total Assets		**30,307,355**		31,777,585
Liabilities				
Current liabilities				
Distributions payable to holders of redeemable units		**164,579**		166,344
Accrued liabilities (note 11)		**116,243**		165,726
Unrealized depreciation on foreign currency forward contract (note 14)		**–**		250,025
Total Liabilities		**280,822**		582,095
Net Assets attributable to holders of redeemable units	**$**	**30,026,533**	$	31,195,490
Net Assets attributable to holders of redeemable units per class				
Class A	**$**	**26,423,593**	$	27,471,949
Class U	**$**	**3,602,940**	$	3,723,541
Net Assets attributable to holders of redeemable units per unit				
Class A	**$**	**9.12**	$	9.36
Class U in C$	**$**	**11.44**	$	11.02
Class U in US$	**$**	**9.16**	$	9.51

The accompanying notes are an integral part of these financial statements

STATEMENTS OF COMPREHENSIVE INCOME (unaudited)

For the six months ended		**June 30, 2015**		June 30, 2014
Income				
Net gain (loss) on investments and derivatives				
Dividend and distribution income	**$**	**733,211**	$	870,693
Net realized gain on sale of non-derivative investments		**1,883,119**		311,909
Net change in unrealized appreciation or depreciation on investments		**(183,920)**		1,934,665
Net realized loss on foreign currency forward contracts		**(1,893,850)**		(1,834,300)
Net change in unrealized appreciation on foreign currency forward contracts (note 14)		**251,681**		1,769,201
Total net gain on investments and derivatives		**790,241**		3,052,168
Other income				
Securities lending income (note 13)		**12,144**		17,143
Foreign exchange gain on cash		**53,271**		89,080
Total other income		**65,415**		106,223
Total income		**855,656**		3,158,391
Expenses (note 10)				
Management fees (note 11)		**266,147**		335,649
Independent Review Committee fees (note 11)		**17,014**		16,860
Unitholder reporting costs		**13,223**		15,512
Audit fees		**12,356**		16,399
Custody fees		**11,038**		9,841
Legal fees		**3,677**		8,201
Other administrative expenses		**44,277**		51,059
Withholding taxes		**54,956**		93,283
Transaction costs (note 12)		**12,244**		18,395
Total expenses		**434,932**		565,199
Net income		**420,724**		2,593,192
Gain on redemption of redeemable units		**19,709**		3,199
Net gain on repurchase and cancellation of redeemable units		**6,074**		27,903
Increase in net assets attributable to holders of redeemable units from operations	**$**	**446,507**	$	2,624,294
Class A		**173,678**		2,345,781
Class U		**272,829**		278,513
Total increase in net assets attributable to holders of redeemable units from operations	**$**	**446,507**	$	2,624,294
Weighted average redeemable units outstanding during the period				
Class A		**2,925,267**		3,692,168
Class U		**329,293**		395,956
Increase in net assets attributable to holders of redeemable units per unit from operations (note 3k)				
Class A	**$**	**0.06**	$	0.64
Class U in C$	**$**	**0.83**	$	0.70
Class U in US$	**$**	**0.67**	$	0.64

The accompanying notes are an integral part of these financial statements

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (unaudited)

For the six months ended June 30, 2015 and 2014	Class A	Class U	Total
Net assets attributable to holders of redeemable units at January 1, 2014	$ 35,698,332	$ 4,202,875	$ 39,901,207
Increase in net assets attributable to holders of redeemable units from operations	2,345,781	278,513	2,624,294
Distributions to holders of redeemable units (note 9)	(1,103,884)	(130,172)	(1,234,056)
Redeemable unit transactions (note 7)			
Redemptions of redeemable units	–	(40,644)	(40,644)
Repurchase and cancellation of redeemable units	(760,614)	–	(760,614)
Class U redeemable units converted to Class A redeemable units	141,960	(141,960)	–
Net decrease from redeemable unit transactions	(618,654)	(182,604)	(801,258)
Net increase (decrease) in net assets attributable to holders of redeemable units	623,243	(34,263)	588,980
Net assets attributable to holders of redeemable units at June 30, 2014	$ 36,321,575	$ 4,168,612	$ 40,490,187
Net assets attributable to holders of redeemable units at January 1, 2015	**$ 27,471,949**	**$ 3,723,541**	**$ 31,195,490**
Increase in net assets attributable to holders of redeemable units from operations	**173,678**	**272,829**	**446,507**
Distributions to holders of redeemable units (note 9)	**(875,442)**	**(122,416)**	**(997,858)**
Redeemable unit transactions (note 7)			
Redemptions of redeemable units	**(47,435)**	**(193,140)**	**(240,575)**
Repurchase and cancellation of redeemable units	**(377,031)**	**–**	**(377,031)**
Class U redeemable units converted to Class A redeemable units	**77,874**	**(77,874)**	**–**
Net decrease from redeemable unit transactions	**(346,592)**	**(271,014)**	**(617,606)**
Net decrease in net assets attributable to holders of redeemable units	**(1,048,356)**	**(120,601)**	**(1,168,957)**
Net assets attributable to holders of redeemable units at June 30, 2015	**$ 26,423,593**	**$ 3,602,940**	**$ 30,026,533**

The accompanying notes are an integral part of these financial statements

STATEMENTS OF CASH FLOWS (unaudited)

For the six months ended		**June 30, 2015**		June 30, 2014
Cash flows from operating activities				
Increase in net assets attributable to holders of redeemable units from operations	**$**	**446,507**	$	2,624,294
Adjustment for:				
Foreign exchange gain on cash		**(53,271)**		(89,080)
Gain on redemption of redeemable units		**(19,709)**		(3,199)
Net gain on repurchase and cancellation of redeemable units		**(6,074)**		(27,903)
Net realized gain on sale of non-derivative investments		**(1,883,119)**		(311,909)
Net change in unrealized appreciation or depreciation on investments		**183,920**		(1,934,665)
Net realized loss on foreign forward currency contracts		**1,893,850**		1,834,300
Net change in unrealized appreciation or depreciation on foreign currency forward contracts		**(251,681)**		(1,769,201)
Decrease in dividends and distributions receivable		**8,817**		33,060
Decrease (increase) in prepaid expenses and other assets		**1,964**		(10,850)
Decrease in accrued liabilities		**(49,483)**		(326)
Operating cash flows:				
Purchases of investments and derivatives		**(779,299)**		(5,432,160)
Proceeds from sale of investments and derivatives		**7,183,060**		5,684,559
Net proceeds paid on settlements of foreign currency forward contracts		**(1,893,850)**		(1,834,300)
Return of capital received		**22,527**		–
Net cash from (used in) operating activities		**4,804,159**		(1,237,380)
Cash flows used in financing activities				
Repurchase of redeemable units for cancellation		**(370,957)**		(732,711)
Redemptions of redeemable units		**(220,866)**		(37,445)
Distributions paid to holders of redeemable units		**(889,624)**		(1,126,162)
Distributions reinvested on behalf of holders of redeemable units		**(109,999)**		(111,849)
Net used in financing activities		**(1,591,446)**		(2,008,167)
Foreign exchange gain on cash		**53,271**		89,080
Net increase (decrease) in cash		**3,212,713**		(3,245,547)
Cash at beginning of period		**211,171**		5,013,330
Cash at end of period	**$**	**3,477,155**	$	1,856,863
Dividends and distributions received	**$**	**742,028**	$	905,587
Withholding taxes paid	**$**	**54,120**	$	99,117
Interest received	**$**	**–**	$	–

The accompanying notes are an integral part of these financial statements

SCHEDULE OF INVESTMENT PORTFOLIO (unaudited)

As at June 30, 2015		Cost	Fair Value
No. of Units/ Shares			
	Equities		
	Consumer Discretionary		
41,000	National CineMedia Inc.	$ 743,156	$ 816,936
55,000	R. R. Donnelley & Sons Company	757,030	1,196,827
45,000	Regal Entertainment Group	894,278	1,174,729
		2,394,464	**3,188,492**
	Financial Services		
85,000	First Financial Bancorp	1,327,646	1,903,761
85,000	New York Community Bancorp, Inc.	1,158,102	1,950,453
		2,485,748	**3,854,214**
	Healthcare		
8,000	Eli Lilly and Company	423,532	833,865
175,000	PDL BioPharma, Inc.	1,457,508	1,404,818
		1,881,040	**2,238,683**
	Industrial		
25,000	Aircastle Limited	346,848	707,559
27,500	FLY Leasing Limited	460,713	539,018
45,000	General Electric Company	1,192,645	1,492,709
58,000	Pitney Bowes Inc.	922,972	1,506,854
60,000	Seaspan Corporation	1,313,765	1,413,495
80,000	Ship Finance International Limited	1,330,495	1,629,976
12,500	TAL International Group, Inc.	446,265	493,138
		6,013,703	**7,782,749**
	Information Technology		
37,000	Intel Corporation	894,034	1,404,949
90,000	Intersil Corporation	726,696	1,405,630
		1,620,730	**2,810,579**
	Materials		
45,000	CatchMark Timber Trust, Inc.	624,649	650,006
55,000	Tronox Limited	1,245,277	1,004,565
		1,869,926	**1,654,571**
	Real Estate		
20,000	EPR Properties	1,132,856	1,367,802
14,000	Ryman Hospitality Properties, Inc.	552,910	928,273
40,000	Weyerhaeuser Company	1,180,924	1,573,047
		2,866,690	**3,869,122**
	Telecommunication Services		
12,000	CenturyLink, Inc.	484,152	440,154
15,500	Verizon Communications Inc.	770,457	901,949
		1,254,609	**1,342,103**
	Total Equities	**$ 20,386,910**	**$ 26,740,513**
	Embedded Broker Commissions	**(24,879)**	
	Total Investments	**$ 20,362,031**	**$ 26,740,513**

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS (unaudited)

June 30, 2015

1. GENERAL INFORMATION

Bloom U.S. Income & Growth Fund (the "Fund") is a closed-end investment trust established under the laws of the province of Ontario pursuant to a Declaration of Trust dated February 25, 2013, as amended and restated on April 25, 2013. The address of the Fund's principal place of business is 150 York Street, Toronto, Ontario. The Fund invests in equity securities of U.S. companies. The financial statements are presented in Canadian dollars.

The Fund's investment objectives are to provide unitholders with exposure to an actively managed portfolio consisting primarily of publicly traded high dividend paying U.S. common securities, stable cash distributions, and the opportunity for capital appreciation.

The Class A units of the Fund are listed on the Toronto Stock Exchange ("TSX") under the symbol BUA.UN. Class U units are designed for investors wishing to make their investments in U.S. dollars and are not listed on the TSX, but may be converted to Class A units on a monthly basis. The Fund commenced operations on March 21, 2013 and reorganized its structure on April 26, 2013.

The manager and trustee of the Fund is Bloom Investment Counsel, Inc. (the "Manager"). CIBC Mellon Trust Company is the custodian of the Fund and CIBC Mellon Global Securities Services Company is the administrator of the Fund.

These financial statements were authorized for issue by the Manager on August 6, 2015.

2. BASIS OF PRESENTATION AND ADOPTION OF IFRS

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The Fund adopted this basis of accounting in 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Fund prepared its statements in accordance with Canadian generally accepted accounting principles as defined in Part V of the CPA Canada Handbook ("Canadian GAAP").

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Financial instruments

The Fund's financial instruments include, where applicable, investments, cash, dividends and distributions receivable, receivable for investments sold, payable for investments purchased, distributions payable to holders of redeemable units, accrued liabilities, redemptions payable, derivative assets and liabilities, and redeemable units.

The Fund's non-derivative investments are designated as financial assets to be measured at fair value through profit and loss ("FVTPL"). The Fund's derivative assets and liabilities (arising from the foreign currency forward contracts into which the Fund enters as described in note 14) and derivative investments are classified as held for trading ("HFT") and are measured at FVTPL. The Fund's obligation for net assets attributable to holders of redeemable units is classified as a financial liability and is presented at the redemption amount. The fair value of the Class A units as at June 30, 2015 was $26,751,420 (December 31, 2014 – $27,005,744).

All other financial assets and liabilities of the Fund are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted where appropriate at the contract's effective interest rate. The carrying values of financial assets and liabilities at amortized cost approximate their fair values due to their short-term nature.

The Fund recognizes financial instruments at fair value on initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost.

NOTES TO FINANCIAL STATEMENTS (unaudited)
June 30, 2015 (continued)

b) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets traded in active markets (which includes the Fund's investments) is based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for investment valuation where that price falls between the latest bid and ask prices. 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 the specific facts and circumstances.

The fair value of financial assets and liabilities that are not traded in an active market (which include the Fund's foreign currency forward contracts, and, prior to the reorganization of the Fund, the Forward Agreements), is determined using valuation techniques. The Manager uses a variety of methods and makes assumptions that are based on market conditions at each reporting date. Valuation techniques may include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and others commonly used by market participants and make the maximum use of observable inputs.

The Fund classifies fair value measurements within a hierarchy as described in note 15(h). The Fund recognizes transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

c) Impairment of financial assets at amortized cost

At each reporting date, the Fund assesses whether there is objective evidence that a financial asset at amortized cost is impaired. If such evidence exists, the Fund recognizes an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. Impairment losses on financial assets at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

d) Derecognition of financial assets and liabilities

The Fund derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership are transferred, or in which these risks and rewards are neither transferred nor retained but the Fund does not retain control of the asset. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is included in the Statements of Comprehensive Income. The Fund derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

The Fund enters into securities lending transactions in which it lends investments to counterparties, but since the Fund retains all of the risks and rewards of ownership, the investments are not derecognized. Non-cash collateral pledged by the counterparty to a securities lending transactions is not recognized as the Fund does not accept the risks and rewards of ownership of that collateral.

e) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statements of financial position only when the Fund has a legal right to offset the amounts and it intends to either settle on a net basis or realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, e.g. for gains and losses arising from a group of similar transactions, such as realized gains and losses on investments.

f) Cash

Cash consist of deposits with financial institutions.

NOTES TO FINANCIAL STATEMENTS (unaudited)

June 30, 2015 (continued)

g) Foreign currency forward contracts

The Fund may enter into foreign currency forward contracts, which are agreements between two parties to buy and sell currencies at a set price on a future date. These are over-the-counter derivatives and are classified as held for trading ("HFT") and valued at fair value. The fair value of the buy side of a contract is netted with the fair value of the sell side of the contract since there is a contractual ability to settle on a net basis. The net fair value is recorded as an unrealized appreciation or depreciation on foreign currency forward contracts in the Statement of Financial Position.

The fair value of such contracts will fluctuate with changes in currency exchange rates, and the change in fair value is included as 'Net change in unrealized appreciation or depreciation on foreign currency forward contracts' in the Statements of Comprehensive Income. When the contract is closed, the Fund reverses any previously recognized change in unrealized appreciation or depreciation and records a realized gain or loss equal to the difference between the value of the contract on the date it was opened and the value on the date it was closed, which is included as 'Net realized gain (loss) on foreign currency forward contracts' in the Statements of Comprehensive Income.

h) Investment transactions and income recognition

Investment transactions are recorded on the trade date. Dividend and distribution income are recognized on the ex-dividend or ex-distribution date. Realized and unrealized gains and losses from investment transactions are calculated on an average cost basis.

i) Allocation of income, expenses, gains and losses between classes

The income, expenses, gains and losses of the Fund are generally allocated between Class A and Class U on the basis of the Classes' relative Net Asset Values. However there are certain transactions which are class specific and are allocated to a particular class. These include: certain expenses of Class A relating to its distribution reinvestment plan ("DRIP"); certain expense of Class U relating to the Class U conversion privilege; the unrealized and realized gains and losses on the foreign currency forward contracts which relate to the hedging of the US dollar value of the portion of the net assets attributable to the Class A units, and which are allocated to Class A; and the realized gain or loss on the termination of each of the Forward Agreements, which were allocated to the Class to which that Forward Agreement related.

j) Foreign exchange

The functional and presentation currency of the Fund is the Canadian dollar. Any currency other than the Canadian dollar represents foreign currency to the Fund. Proceeds received from the issuance of, and redemption proceeds payable on the redemption of, the Fund's Class A units are denominated in Canadian dollars. Proceeds received from the issuance of, and redemption proceeds payable on the redemption of, the Fund's Class U Units are denominated in U.S. dollars. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates that the transactions occur. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the measurement date. Foreign exchange gains and losses relating to cash are presented as 'Foreign exchange gain (loss) on cash' and those relating to investment and derivatives are presented within 'Net realized gain on sale of non-derivative investments', 'Net realized gain on sale of derivative investments', 'Net change in unrealized appreciation or depreciation on investments', 'Net realized gain (loss) on foreign currency forward contracts' and 'Net unrealized appreciation or depreciation on foreign currency forward contracts' in the Statements of Comprehensive Income.

k) Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit

Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit for each class of redeemable units represents the increase (decrease) in net assets attributable to holders of redeemable units from operations for each class for the period divided by the weighted average number of redeemable units of the class outstanding during the period.

l) Distributions

Income and net realized capital gains (reduced by loss carryforwards, if any) earned by the Fund are distributed to participants through a regular monthly distribution. Any excess income and net realized capital gains not so distributed during the year are distributed in December of each year to unitholders. Any excess of regular monthly distributions over actual income and net realized capital gains is characterized as a return of capital.

NOTES TO FINANCIAL STATEMENTS (unaudited)
June 30, 2015 (continued)

m) Transaction costs on investment transactions
Transaction costs on purchases and sales of investments are expensed and are included in 'Transaction costs' in the Statements of Comprehensive Income. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

n) Issuance costs
Issuance costs incurred in connection with the offering of units, which include agents' fees and other expenses of the offering, are charged to net assets attributable to holders of redeemable units.

o) Classification of obligation to holders of redeemable units
The Manager is required by IAS 32, *Financial Instruments: Presentation* (IAS 32) to assess whether the obligation to holders of redeemable units represents a liability of the Fund or equity of the Fund. The Fund has multiple obligations, being those under the monthly redemption option and those under the annual redemption option, to deliver cash or other financial instruments to the unitholders. The Class A units and Class U units do not have identical features. As a result, the obligation to unitholders is classified as a liability.

4. ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED
The final version of IFRS 9, *Financial instruments* ("IFRS 9") was issued by the IASB in July 2014 and will replace IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however it is available for early adoption. IFRS 9 has not yet been adopted by the Fund but is expected to be relevant to the Fund. The Fund has not yet begun the process of assessing the impact that the standard will have on its financial statements and has not yet determined when it will adopt the new standard.

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. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.

5. 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:

Classification and measurement of investments and application of the fair value option
In classifying and measuring the 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. The most significant judgment made is the determination that the fair value option can be applied to the Fund's investments.

Assessment of functional currency
The Manager is also required to make a significant judgment about the functional currency of the Fund. The Manager assessed the primary indicators (including the currencies in which income is received and in which expenses are paid) and secondary indicators (including the currency in which funds from financing activities are raised) as prescribed by IFRS, and as a result of this assessment has concluded that the functional currency of the Fund is the Canadian dollar.

6. TAXATION
The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada) and accordingly is subject to income tax on its income, including net realized capital gains, which is not paid or payable to the Fund's unitholders. The Fund's taxation year end is December 31. No provision for income taxes has been recorded in the accompanying financial statements as all

NOTES TO FINANCIAL STATEMENTS (unaudited)
June 30, 2015 (continued)

net income and net realized capital gains of the Fund for the year are distributed to the unitholders to the extent necessary to reduce income taxes payable to nil.

Since the Fund does not record income taxes the tax benefit of capital and non-capital loss has not been reflected in the Statements of Financial Position as a deferred tax.

Non-capital loss carryforwards may be applied against future years' taxable income, and may be carried forward for 20 years from the year in which they are realized. As at June 30, 2015, the Fund had no non-capital losses carried forward (December 31, 2014 – nil). Capital losses incurred by the Fund may be carried forward indefinitely to apply against capital gains realized in future years. As at June 30, 2015, the Fund had $2,643,880 in capital losses available for carryforward (December 31, 2014 – $2,643,880).

The Fund currently incurs 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 in the Statements of Comprehensive Income.

7. REDEEMABLE UNITS

The Fund is authorized to issue an unlimited number of classes or series of Units. Initially, two classes of Units, designated as Class A Units and Class U Units, were created and authorized for issuance. The Class A units are designed for investors wishing to make their investments in Canadian dollars, and the Class U Units are designed for investors wishing to make their investment in U.S. dollars. Each Unit of a class entitles the holder to one vote at all meetings of the Unitholders and at all meetings of holders of that class, and to participate equally with respect to any and all distributions to the class made by the Fund.

A holder of Class U Units may convert such Class U Units into Class A Units on a monthly basis by delivering a notice and surrendering such Class U Units by 3:00 p.m. (Toronto time) at least ten business days prior to the first business day of each month (the "Conversion Date"). For each Class U Unit so converted, a holder will receive that number of Class A Units equal to the Net Asset Value per unit of a Class U Unit converted to Canadian dollars using the Bank of Canada closing rate as at the close of trading on the business day immediately preceding the Conversion Date divided by the Net Asset Value per unit of a Class A Unit as at the close of trading on the business day immediately preceding the Conversion Date. No fraction of a Class A Unit will be issued upon any conversion of Class U Units and any fractional amounts will be rounded down to the nearest whole number of Class A Units.

Commencing in 2014, Class A units and Class U units may be surrendered for redemption annually at the option of the unitholders during the period from September 15 until 5:00 p.m. (Toronto time) on the last business day in September, subject to the Fund's right to suspend redemptions in certain circumstances. Units properly surrendered for redemption will be redeemed on the second last business day of October (the "Annual Redemption Date") and the redeeming unitholders will receive a redemption price per unit equal to 100% of the Net Asset Value per unit of the relevant class as determined on the Annual Redemption Date, less any costs and expenses incurred by the Fund in order to fund such redemption, including brokerage costs and less any net realized capital gains or income of the Fund that is distributed to unitholders concurrently with the redemption proceeds.

The 2014 annual redemption took place on October 30, 2014 and consisted of 702,297 Class A units for redemption proceeds of $6,597,197 and 23,500 Class U units for proceeds of US$223,596, payable on November 13, 2014.

In addition, Class A units and Class U units may also be redeemed on the second last business day of each month other than a month in which an Annual Redemption date occurs ("Monthly Redemption Date"). Units must be surrendered for redemption prior to 5:00 p.m. on the last business day of the month preceding the Monthly Redemption Date. Unitholders surrendering Class A units for redemption will receive a redemption price per Class A unit equal to the lesser of: (a) 94% of the weighted average trading price on the TSX for the 10 trading days immediately preceding the Monthly Redemption Date (market price) of a Class A unit; and (b) 100% of the closing market price of a Class A unit on the applicable Monthly Redemption Date less, in each case, any costs associated with the redemption, including brokerage costs and less any net realized capital gains or income of the Fund that is distributed to unitholders concurrently with the redemption proceeds. Unitholders surrendering a Class U unit for redemption will receive in U.S. dollars an amount equal to the U.S. dollar equivalent of the product of: (a) Class A monthly redemption amount; and (b) a fraction, the numerator of

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which is the most recently calculated Net Asset Value per unit of a Class U unit and the denominator of which is the most recently calculated Net Asset Value per unit of a Class A unit. For such purpose, the Fund will utilize the exchange rate current at, or as nearly as practicable to, the Monthly Redemption Date in respect of a monthly redemption of Class U units.

In the period ended June 30, 2015, 5,116 Class A units (June 30, 2014 – nil) were redeemed under the monthly redemption option for proceeds of $43,801, and 16,500 Class U units (June 30, 2014 – 3,900) were redeemed under the monthly redemption option for proceeds of US$177,065 (June 30, 2014 – $40,644).

If a significant number of units are redeemed, the trading liquidity of the units could be significantly reduced. In addition, the expenses of the Fund would be spread among fewer units resulting in a potentially lower distribution per unit. The Manager has the ability to terminate the Fund if, in its opinion, it would be in the best interests of the unitholders to do so. The Manager may also suspend the redemption of units in certain circumstances.

The Fund has received approval from the TSX for normal course issuer bid (“NCIB”) programs between specified dates, allowing the Fund to purchase Class A units for cancellation on the TSX if they trade below Net Asset Value per unit. The maximum number of Class A units which can be purchased and cancelled is specified for each NCIB. Class A units purchased and cancelled by the Fund for the six months ended June 30, 2015 and 2014 were as follows:

				Units purchased and cancelled	
Approval date	**Start date**	**End date**	**Maximum units**	**2015**	**2014**
June 25, 2014	June 27, 2014	June 26, 2015	354,980	40,200	25,300
June 25, 2015	June 29, 2015	June 28, 2016	279,253	–	–
				40,200	25,300

When units of the Fund are redeemed or repurchased for cancellation at a price per unit which is higher or lower than the net asset value per unit at the time, the difference is included in the Statements of Comprehensive Income as ‘Gain (loss) on redemption of redeemable units’ or ‘Net gain (loss) on repurchase and cancellation of redeemable units’.

Unit transactions of the Fund for the six months ended June 30, 2015 and 2014 were as follows:

	2015		2014	
	Class A	**Class U**	**Class A**	**Class U**
Units outstanding at beginning of period	**2,935,407**	**338,006**	3,713,316	404,106
Redemptions	**(5,116)**	**(16,500)**	–	(3,900)
Class U units converted to Class A	**8,221**	**(6,500)**	15,074	(13,500)
Repurchase and cancellation of units	**(40,200)**	**–**	(79,900)	–
Units outstanding at end of period	**2,898,312**	**315,006**	3,648,490	386,706

8. CAPITAL MANAGEMENT

For operating purposes, units issued and outstanding are considered to be the capital of the Fund. The Fund’s capital therefore comprises net assets attributable to holders of redeemable units of $30,026,533 (December 31, 2014 – $31,195,490). The Fund’s objectives in managing its capital are to provide unitholders with monthly cash distributions and the opportunity to participate in gains in the value of the investment portfolio. The Fund manages its capital taking into consideration the risk characteristics of its holdings. In order to manage its capital structure, the Fund may adjust the amount of distributions paid to unitholders, return capital to unitholders, increase or decrease its level of borrowing if applicable, or purchase units for cancellation.

9. DISTRIBUTIONS TO UNITHOLDERS

Distributions, as declared on the Fund’s behalf by the Manager, are made on a monthly basis to unitholders of record on the last business day of each month, payable by the fifteenth business day of the following month. For the six months ended

NOTES TO FINANCIAL STATEMENTS (unaudited)
June 30, 2015 (continued)

June 30, 2015, the Fund declared total distributions of $0.30 (2014 – $0.30) per Class A unit and US$0.30 (2014 – US$0.30) per Class U unit, which amounted to $875,442 (2014 – $1,103,884) for Class A units and US$98,027 (2014 – US$118,632) for Class U units. Under the Fund's distribution reinvestment plan ("DRIP"), unitholders may elect to reinvest monthly distributions on Class A units in additional Class A units of the Fund which are purchased on the open market. For the six months ended June 30, 2015, distributions of $110,039 were reinvested in 11,857 Class A units of the Fund which were purchased on the open market (2014 – $111,487 reinvested in 11,929 Class A units of the Fund).

10. EXPENSES

Management fees and other reasonable expenses incurred in the operations of the Fund are charged as expenses in the Statements of Comprehensive Income of the Fund, and include expenses paid by the manager on behalf of the Fund and subsequently recharged to the Fund as described in note 11.

The Fund pays for all other expenses incurred in connection with the operation and administration of the Fund, including: all costs of portfolio transactions, fees payable to third party services providers, custodial fees, legal, accounting, audit and valuation fees and expenses, expenses of the members of the Independent Review Committee ("IRC"), expenses related to compliance with National Instrument 81-107, fees and expenses relating to the voting of proxies by a third party, costs of reporting to unitholders, registrar, transfer and distribution agency costs, printing and mailing costs, listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements, taxes, brokerage commissions, costs and expenses relating to the issue of units of the Fund, costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies and all amounts paid on account of indebtedness.

11. RELATED PARTY TRANSACTIONS

In accordance with the Declaration of Trust, the Manager is entitled to an annual management fee aggregating to 1.55% per annum of the Net Asset Value of the Fund, comprised of 1.15% per annum of the Net Asset Value of the Class A and Class U units of the Fund, calculated weekly and paid monthly in arrears, plus an amount to be paid by the Manager to registered dealers equal to the service fee of 0.40% per annum of the Net Asset Value of the Fund, calculated quarterly and paid as soon as practicable after the end of each calendar quarter, plus applicable taxes.

For the six months ended June 30, 2015, the Fund expensed management fees of $266,147 (2014 – $335,649). As at June 30, 2015, the Fund had management fees payable of $65,465 (December 31, 2014 – $67,322) included in accrued liabilities.

On an ongoing basis, the Manager pays on behalf of the Fund, and subsequently recharges to the Fund, certain expenses of the Fund. For the six months ended June 30, 2015 the Fund expensed IRC fees of $17,014 (2014 – $16,860) and audit fees of $388 (2014 – nil), as well as investor relations costs of $9,381 (2014 – $11,123) and insurance premiums prepaid of $89 (2014 – $297) (both included in 'Other administrative expenses') which were paid and recharged by the manager. As at June 30, 2015 the Fund owed the Manager $960 for recharged expenses (December 31, 2014 – $2,051) included in accrued liabilities.

Units held by the Manager and its affiliates represent 4.0% of the Class A units outstanding at June 30, 2015 (December 31, 2014 – 3.8%).

12. BROKERAGE COMMISSIONS ON SECURITIES TRANSACTIONS

During the six months ended June 30, 2015 the Fund paid $12,244 (2014 – $18,395) in brokerage commissions and other transaction costs for portfolio transactions. There are no soft dollar commissions.

13. SECURITIES LENDING

The Fund has entered into a securities lending program with CIBC Mellon Global Securities Services Company, which has a DBRS credit rating of AA / R-1 / Stable and a Moody's credit rating of Aa3 / P-1 / Stable, as lending agent. Securities lending transactions involve the temporary exchange of securities for collateral with a commitment to deliver the same securities and collateral on a specified future date. Income is earned in the form of fees paid by the counterparty and is recognised on the accrual basis in the Statements of Comprehensive Income. The Fund retains the risks and rewards of ownership of the securities loaned, and therefore these securities do not qualify for derecognition and therefore remain on the Statements of Financial Position of the Fund during the loan period. The risks and rewards of ownership include any

NOTES TO FINANCIAL STATEMENTS (unaudited)
June 30, 2015 (continued)

gains or losses in market value of the securities, the ability to sell the securities, and any dividends or distributions on the securities for which the ex-dividend dates fall within the loan period.

The Fund receives collateral of at least 102% of the value of securities on loan. Should a borrower default on a securities loan, the Fund is entitled to the associated collateral. The Fund is not exposed to the risks and rewards of ownership of the collateral therefore the collateral is not included on the Fund's Statements of Financial Position. Collateral may comprise: cash; debt that is issued or guaranteed by the Government of Canada or a province thereof, by the Government of the United States of America or of one of the states of the United States of America or of a sovereign state of the G7 countries, or of Austria, Belgium, Denmark, Finland, Netherlands, Sweden or Switzerland, or a permitted supranational agency of Organisation for Economic Coordination and Development countries; debt that is issued or guaranteed by a financial institution whose short-term debt is rated A-1 or R-1 or equivalent and includes bankers acceptances, banker bearer deposit notes, or irrevocable letters of credit; corporate debt or corporate commercial paper; or convertible securities.

The aggregate fair value of securities loaned (which equals their carrying amount) and the aggregate fair value of the associated collateral under securities lending transactions as at June 30, 2015 and December 31, 2014 are as follows:

As at June 30, 2015		As at December 31, 2014	
Fair value of securities loaned	**Fair value of collateral**	Fair value of securities loaned	Fair value of collateral
$ 8,189,607	$ 8,669,539	$ 10,187,583	$ 10,742,248

The collateral consists of debt that is issued or fully and unconditionally guaranteed as to the principal and interest by the government of Canada, a province of Canada, the government of the United States of America or the government of a sovereign state of G7 countries, and corporate debt.

14. FOREIGN CURRENCY FORWARD CONTRACTS

The Fund has entered into rolling 30 day foreign currency forward contracts, with a financial institution which has a DBRS credit rating of AA / R-1 / Negative, and a Moody's credit rating of Aa3 / P-1 / Negative, in the management of currency risk associated with its investment in foreign securities (prior to July 2014, the Fund entered into 90 rolling day contracts with the same counterparty). Under these contracts, the Fund agrees to pay a fixed U.S. dollar amount in return for a fixed Canadian dollar amount at a fixed future date. The objective is to protect the Class A unitholders of the Fund from the possibility of capital losses on U.S. currency denominated investments due to increases in the value of the Canadian dollar. Substantially all of the U.S. dollar value of the portfolio attributable to the Class A Units is hedged back to the Canadian dollar through its U.S. denominated foreign currency forward contract. However, credit and market risks associated with foreign currency forward contracts potentially expose the Fund to losses as well as gains.

The Fund is subject to enforceable master netting arrangements in the form of International Swaps and Derivatives Association agreements with the counterparty to the foreign currency forward contracts. The value of the amount to be received (purchased) by the Fund, which represents a financial asset of the Fund, is offset with the value of the amount to be paid (sold) by the Fund, which represents a financial liability to the Fund, and the net amount is presented as unrealized appreciation or depreciation on foreign currency forward contract in the Statements of Financial Position.

As at June 30, 2015, the Fund held the following foreign currency forward contract:

Gross financial liability			**Gross financial asset**			
Notional value	**Currency**	**Fair value CAD**	**Notional value**	**Currency**	**Settlement date**	**Unrealized appreciation**
(20,200,000)	USD	(25,228,144)	25,229,800	CAD	July 29, 2015	1,656

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June 30, 2015 (continued)

As at December 31, 2014, the Fund held the following foreign currency forward contract:

Gross financial liability			Gross financial asset			
Notional value	**Currency**	**Fair value CAD**	**Notional value**	**Currency**	**Settlement date**	**Unrealized depreciation**
(25,000,000)	USD	(28,962,025)	28,712,000	CAD	January 14, 2015	(250,025)

15. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS

a) Risk factors

The Fund's investment activities expose it to a variety of risks associated with financial instruments.

The Manager seeks to maximize the returns derived for the level of risk to which the Fund is exposed and to minimize potential adverse effects on the Fund's performance by employing professional and experienced portfolio managers, by daily monitoring of the Fund's positions and market events, and by diversifying the investment portfolio within the constraints of the investment objectives and restrictions. The Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment objectives and restrictions, internal guidelines and securities regulations.

b) Credit risk

The Fund is exposed to credit risk, which 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 carrying amount of the Fund's assets represents the maximum credit risk exposure as at June, 2015 and December 31, 2014.

All transactions in listed securities are settled upon delivery using approved brokers. The trade will fail if either party fails to meet its obligations. 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 Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities at a future date. All counterparties are subject to a stringent examination of creditworthiness which includes a financial assessment of the company, a review of qualitative factors including management and corporate governance, comparison to similar companies and consideration of ratings assigned by external ratings agencies, and the value of collateral must be at least 102% of the fair value of the securities loaned. Therefore credit risk associated with these transactions is considered minimal.

The Fund also enters into foreign currency forward contracts as described in note 14.

The Fund limits its exposure to credit loss by dealing with counterparties, including the lending agent and foreign currency forward contract counterparty, of high credit quality (see notes 13 and 14). To maximize the credit quality of its investments, the Fund's Manager performs ongoing credit evaluations based upon factors surrounding the credit risk of counterparties, historical trends and other information. Given that the Fund is primarily invested in equities, credit risk is not considered significant.

c) 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 (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. The Manager aims to moderate this risk through a careful selection and diversification of securities and other financial instruments within the limits of the Fund's investment objectives and strategy. The maximum risk of loss resulting from financial instruments is equivalent to their fair value.

The Fund is exposed to price risk from its investment in income trusts and equity securities. As at June 30, 2015, had the prices of these securities increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately $2,674,051 (December 31, 2014 –

NOTES TO FINANCIAL STATEMENTS (unaudited)
June 30, 2015 (continued)

$3,146,760) or 8.8% (December 31, 2014 – 10.1%) of total net assets. In practice, the actual results may differ and the impact could be material.

d) Liquidity risk
Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Fund is exposed to liquidity risk through the monthly and annual redemption of its units and targeted monthly distributions, because there may be insufficient trade volumes in the markets for the securities of the Fund or because the securities may be subject to legal or contractual restrictions on their resale. The Fund receives notice of at least 21 business days prior to the date of an annual redemption of units and at least 19 business days prior to a monthly redemption date, and has up to 15 business days after the annual or monthly redemption date to settle the redemptions, which provides the Manager time to liquidate securities to fund the redemptions, although there remains a risk that the required funds cannot be obtained. All other liabilities of the Fund mature in six months or less. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily disposed of.

e) Interest rate risk
Interest rate risk arises on interest-bearing financial instruments. As at June 30, 2015 and December 31, 2014, the Fund had no significant exposure to interest rate risk as it did not hold any interest bearing securities.

f) Currency risk
Currency risk arises on financial instruments denominated in foreign currencies. Fluctuations in foreign exchange rates impact the valuation of assets and liabilities denominated in foreign currencies. The Fund is invested primarily in publicly traded U.S. securities denominated in U.S. dollars and limits the currency risk associated with the Class A units through the use of foreign currency forward contracts. Substantially all of the U.S. dollar value of net assets attributable to the Class A Units is covered by a foreign currency forward contract in which the Fund sells the U.S. dollars for a specified amount of Canadian dollars at a future date. The Fund's Class U Units are redeemable in U.S. dollars, therefore not subject to substantial foreign currency exposure. The net assets attributable to the Class U units exclude unrealized gains or losses from foreign currency forward contract.

As at June 30, 2015, the Fund's direct exposure to currency risk associated with the Class A units, including the effects of the foreign currency forward contract, was as follows:

	Class A currency risk exposed holdings			
Currency	**Monetary**	**Non-monetary**	**Net Class A exposure**	**As a percentage of Class A net assets**
U.S. dollars	$26,217,260	(25,228,144)	$ 989,116	3.74%

As at December 31, 2014, the Fund's direct exposure to currency risk associated with the Class A units, including the effects of the foreign currency forward contract, was as follows:

	Class A currency risk exposed holdings			
Currency	**Monetary**	**Non-monetary**	**Net Class A exposure**	**As a percentage of Class A net assets**
U.S. dollars	$(28,787,853)	28,132,888	$ (654,965)	(2.38%)

As at June 30, 2015 had the U.S. dollar exchange rate increased or decreased by 5% with all other variables held constant, the net exposure to currency risk associated with the Class A units would have increased or decreased the net assets of the Fund attributable to the Class A units by $204,104 or 0.74% (December 31, 2014 – $32,748 or 0.12%). In practice, the actual exchange rate fluctuations may differ and the impact could be material.

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June 30, 2015 (continued)

g) 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, expressed in terms of percentage of net assets invested by sector, as at June 30, 2015 and December 31, 2014:

Market Segment	June 30, 2015	December 31, 2014
Consumer Discretionary	**10.6%**	16.3%
Financial Services	**12.8%**	10.9%
Health Care	**7.5%**	8.6%
Industrial	**25.9%**	25.2%
Information Technology	**9.4%**	11.0%
Materials	**5.5%**	10.1%
Real Estate	**12.9%**	13.0%
Telecommunication Services	**4.5%**	5.7%

h) Fair value hierarchy

The Fund classifies fair value measurements within a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Manager has the ability to access at the measurement date;

Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3 Inputs that are unobservable. The determination of fair value requires significant management judgment or estimation.

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The following fair value hierarchy table presents information about the Fund's financial instruments measured at fair value as of June 30, 2015 and December 31, 2014:

June 30, 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Equities	**$ 26,740,513**	**$ –**	**$ –**	**$ 26,740,513**
Unrealized appreciation on foreign currency forward contract	**–**	**1,656**	**–**	**1,656**
	$ 26,740,513	**1,656**	**$ –**	**$ 26,742,169**

December 31, 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Equities	$ 31,467,602	$ –	$ –	$ 31,467,602
Unrealized depreciation on foreign currency forward contract	–	(250,025)	–	(250,025)
	$ 31,467,602	(250,025)	$ –	$ 31,217,577

The measurement of the fair value of the Class A units disclosed in note 3 a) uses Level 1 inputs, being the quoted price of the Class A units on the Toronto Stock Exchange.

NOTES TO FINANCIAL STATEMENTS (unaudited)
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The measurement of the gross financial liability arising under the Fund's foreign exchange forward contracts as disclosed in note 14 uses Level 2 inputs, being the current USD spot exchange rate and the current 30 day USD forward exchange rate. An interpolation is performed to obtain the fair value of the liability as of the reporting date.

There were no transfers between the levels during the six months ended June 30, 2015 and 2014.

16. FINANCIAL INSTRUMENTS BY CATEGORY

The Fund's investments and its foreign currency forward contracts have been designated at FVTPL at inception, its derivative assets and liabilities are HFT, its redeemable units are recorded at their redemption amounts and all other financial assets and liabilities are at amortized cost, less any impairment, as applicable.

The following table presents the net gains (losses) on financial instruments recorded at FVTPL by category for the periods ended June 30, 2015 and 2014:

	2015	**2014**
Financial assets at FVTPL:		
HFT	**$(1,642,169)**	$ –
Designated at inception	**2,444,554**	5,064,343
Total financial assets at FVTPL	**802,385**	5,064,343
Financial liabilities at FVTPL:		
HFT	**–**	(2,630,086)
Total	**$ 802,385**	$ 2,434,257

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