Financial Statements of

THE McELVAINE INVESTMENT TRUST

Years ended December 31, 2014 and 2013

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INDEPENDENT AUDITORS' OPINION

To the Unitholders of The McElvaine Investment Trust

We have audited the accompanying financial statements of The McElvaine Investment Trust, which comprise the statements of financial position as at December 31, 2014, December 31, 2013 and January 1, 2013, the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the years ended December 31, 2014 and December 31, 2013, and notes, comprising a summary of significant accounting policies and other explanatory information.

The Manager's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an 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 our 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, we consider 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 the Manager, 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 McElvaine Investment Trust as at December 31, 2014, December 31, 2013 and January 1, 2013, and its financial performance and its cash flows for the years ended December 31, 2014 and December 31, 2013, in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Accountants

March 30, 2015
Vancouver, Canada

THE McELVAINE INVESTMENT TRUST

Statements of Financial Position

	December 31, 2014	December 31, 2013 (Restated - note 12)	January 1, 2013 (Restated - note 12)
Assets			
Cash	$ 5,852,464	$ 11,357,431	$ 8,362,163
Interest and dividends receivable	132,980	117,404	61,436
Derivative assets:			
Forwards	43,174	79,973	511,011
Options	82,946	3,191	59,694
	126,120	83,164	570,705
Investments	29,700,443	26,143,636	28,198,730
	$ 35,812,007	$ 37,701,635	$ 37,193,034
Liabilities			
Other accrued liabilities	$ 87,799	$ 77,933	$ 66,913
Subscriptions received in advance	9,000	-	-
Balances due to brokers	-	394,016	-
Redemptions payable	-	1,127,562	222,497
Derivative liabilities:			
Forwards	-	169,265	99,046
	$ 96,799	$ 1,768,776	$ 388,456
Net assets attributable to holders of redeemable units	$ 35,715,208	$ 35,932,859	$ 36,804,578
Represented by:			
Series A	$ 1,643	$ 51,767	$ 43,965
Series B	35,153,130	35,181,019	36,171,555
Series F	82,379	77,825	65,353
Series X	478,056	622,248	523,705
	$ 35,715,208	$ 35,932,859	$ 36,804,578
Net assets attributable to holders of redeemable units per unit:			
Series A	$ 16.40	$ 15.73	$ 13.36
Series B	21.36	20.15	16.90
Series F	8.98	8.48	7.12
Series X	8.53	8.08	6.80

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

Approved on behalf of the Manager:

______________________________ Director

THE McELVAINE INVESTMENT TRUST

Statements of Comprehensive Income

Years ended December 31, 2014 and 2013

	Note	2014	2013
			(Restated - note 12)
Revenue:			
Interest income		$ 194,999	$ 120,206
Dividend income		629,813	458,284
Net foreign currency gain		95,089	77,589
Changes in fair value of investments and derivatives:	4		
Net realized gain (loss)		649,185	(982,109)
Net change in unrealized appreciation		1,133,834	7,541,248
Total revenue		2,702,920	7,215,218
Expenses:			
Management fees	5	401,988	370,672
Brokerage commissions		60,786	62,368
Trustee, custodial and legal		52,654	55,361
Audit fees		32,850	52,525
Withholding taxes	6	5,328	2,458
Other		672	36,654
Total operating expenses		554,278	580,038
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		2,148,642	6,635,180
Distributions to holders of redeemable units:			
From net investment income		251,398	-
From net realized gains on investments and derivatives		-	-
		251,398	-
Increase in net assets attributable to holders of redeemable units		$ 1,897,244	$ 6,635,180
Increase in net assets attributable to holders of redeemable units:			
Series A		$ 2,136	$ 7,802
Series B		1,860,938	6,516,363
Series F		3,974	12,472
Series X		30,196	98,543
		$ 1,897,244	$ 6,635,180
Increase in net assets attributable to holders of redeemable units per unit:			
Series A		$ 0.71	$ 2.37
Series B		1.10	3.27
Series F		0.43	1.36
Series X		0.41	1.29

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

THE McELVAINE INVESTMENT TRUST

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2014 and 2013

	Series A	Series B	Series F	Series X	Total
Balance, December 31, 2013	$ 51,767	$ 35,181,019	$ 77,825	$ 622,248	$ 35,932,859
Increase in net assets attributable to holders of redeemable units	2,136	1,860,938	3,974	30,196	1,897,244
Redeemable unit transactions:					
Issue of redeemable units	-	352,394	-	-	352,394
Reinvestment of distributions	12	247,441	580	3,365	251,398
Redemption of redeemable units	(52,272)	(2,488,662)	-	(177,753)	(2,718,687)
Net decrease from redeemable unit transactions	(52,260)	(1,888,827)	580	(174,388)	(2,114,895)
Balance, December 31, 2014	$ 1,643	$ 35,153,130	$ 82,379	$ 478,056	$ 35,715,208

Restated – note 12	Series A	Series B	Series F	Series X	Total
Balance, December 31, 2012	$ 43,965	$ 36,171,555	$ 65,353	$ 523,705	$ 36,804,578
Increase in net assets attributable to holders of redeemable units	7,802	6,516,363	12,472	98,543	6,635,180
Redeemable unit transactions:					
Issue of redeemable units	-	1,482,499	-	-	1,482,499
Redemption of redeemable units	-	(8,989,398)	-	-	(8,989,398)
Net decrease from redeemable unit transactions	-	(7,506,899)	-	-	(7,506,899)
Balance, December 31, 2013	$ 51,767	$ 35,181,019	$ 77,825	$ 622,248	$ 35,932,859

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

THE McELVAINE INVESTMENT TRUST

Statements of Cash Flows

Years ended December 31, 2014 and 2013

	Note	2014	2013
			(Restated - note 12)
Cash provided by (used in):			
Operating activities:			
Increase in net assets attributable to holders of redeemable units		$ 1,897,244	$ 6,635,180
Adjustments for:			
Interest income		(194,999)	(120,206)
Dividend income		(629,813)	(458,284)
Foreign currency gain		(95,089)	(77,589)
Net realized gain (loss) from investments and derivatives		(649,185)	982,109
Net change in unrealized appreciation (depreciation) from investments and derivatives		(1,133,834)	(7,541,248)
Proceeds from sale of investments		11,213,579	18,281,765
Purchase of investments		(13,159,638)	(9,339,740)
Net realized gains (losses) on forward contracts settled		(39,950)	229,968
Net increase (decrease) in other accrued liabilities		9,866	11,020
Net increase (decrease) in subscriptions received in advance		9,000	-
Net increase (decrease) in balances due to brokers		(394,016)	394,016
Net increase (decrease) in redemptions payable		(1,127,562)	905,065
		(4,294,397)	9,902,056
Interest received		192,417	82,282
Dividends received		616,819	440,239
		(3,485,161)	10,424,577
Financing activities:			
Proceeds from issue of redeemable units		352,394	1,482,500
Distributions to holders of redeemable units from net investment income		251,398	-
Payments on redemption of redeemable units		(2,718,687)	(8,989,398)
		(2,114,895)	(7,506,898)
Net increase (decrease) in cash		(5,600,056)	2,917,679
Cash, beginning of year		11,357,431	8,362,163
Effect of exchange rate fluctuations on cash		95,089	77,589
Cash, end of year		$ 5,852,464	$ 11,357,431

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

THE McELVAINE INVESTMENT TRUST

Schedule of Investment Portfolio

Year ended December 31, 2014

	Coupon rate (%)	Maturity date	Number of shares / par value	Cost	Fair value
Canadian - Equities:					
Blackberry Ltd.			100,000	$ 785,535	$ 1,274,000
Carmanah Technologies Corp.			602,900	797,392	1,754,440
Deans Knight Income and Growth Fund			44,800	4,928	-
Dundee Corp., Class A			100,000	1,408,588	1,281,000
Glacier Media Inc.			2,800,000	5,420,420	4,214,000
Goodfellow Inc.			25,000	243,935	241,500
Legumex Walker Inc.			500,000	1,571,535	1,325,000
Maxim Power Corp.			126,900	314,312	333,746
MBAC Fertilizer Corp., warrants			1,000,000	49,925	20,000
Noranda Income Fund			641,800	1,444,374	1,700,770
Opta Minerals Inc.			40,100	49,226	75,388
Orca Exploration Group Inc., Class B			210,700	965,659	611,030
Rainmaker Entertainment Inc.			1,900,000	3,968,585	342,000
Sprott Resource Corp.			250,000	508,650	470,000
The Caldwell Partners International Inc., Class A			1,000,000	836,863	1,480,000
Torstar Corp., Class B			225,000	1,260,937	1,467,000
Touchstone Exploration Inc.			146,000	107,590	45,990
Village Farms International Inc.			1,000,000	1,868,824	850,000
Total Canadian equities				21,607,278	17,485,864
United States - Equities					
Navient Corp.			50,000	$ 908,298	$ 1,253,480
Symphony International Holdings Ltd.			1,000,000	813,486	939,675
Voya Financial Inc.			50,000	1,040,505	2,458,237
WL Ross Holding Corp.			25,000	278,179	297,564
Total United States equities				3,040,468	4,948,956
Foreign - Equities					
Anglo American PLC			50,000	$ 1,064,276	$ 1,084,658
Bank of Cyprus PCL			500,000	162,245	150,898
NBNK Investments PLC			640	38,468	44,525
RHJ International SA			500,000	3,791,246	3,235,542
Total foreign equities				5,056,235	4,515,623
Canada - Corporate Bonds					
Rainmaker Entertainment Inc.	9.00%	March 31, 2016	2,500	$ 2,500,000	$ 2,750,000
Total corporate bonds				2,500,000	2,750,000
Total investment Portfolio				$32,203,981	$ 29,700,443
Derivatives:					
Forward contracts (Schedule 1)					$ 43,174
Options (Schedule 2)					82,946
Other Net Assets					5,888,645
Total Net Assets					$ 35,715,208

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

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Schedule of Foreign Currency Forward Contracts

Schedule 1

Year ended December 31, 2014

December 31, 2014:

Currency to be received at inception	Currency to be delivered at inception	Currency to be delivered at December 31	Settlement date	Fair value
EUR 2,500,000	CAD 3,563,775	CAD 3,520,601	January 15, 2015	$ 43,174
Net unrealized gain				$ 43,174

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

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Schedule of Option Contracts

Schedule 2

Year ended December 31, 2014

December 31, 2014:

Number of contracts	Description	Expiration date	Cost	Fair value
500	Proshares Ultrashort S&P500 @ $30 Call option	January 16, 2015	$ 132,119	$ 82,946

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

1. Reporting entity:

The McElvaine Investment Trust (the "Trust") is a unit trust governed by the laws of British Columbia, which was formed pursuant to a Declaration of Trust dated September 27, 1996, as amended May 15, 2002, January 1, 2008 and April 23, 2012 (collectively, the "Trust Agreement"), between McElvaine Investment Management Ltd. as manager and the Trust. Prior to April 23, 2012, RBC Dexia Investor Services Trust ("RBC Dexia") acted as trustee of the Trust pursuant to the Trust Agreement. Effective April 23, 2012, McElvaine Investment Management Ltd. was appointed as the replacement trustee of the Trust following the resignation of RBC Dexia. The Trust is managed by McElvaine Investment Management Ltd. (the "Manager" or "Investment Counsel"), which also provides investment counseling services. The address of the Trust's registered office is at Suite 219, 2187 Oak Bay Avenue, Victoria, British Columbia.

The Trust is an open-ended investment Trust with a fundamental investment objective to achieve long-term capital appreciation by acquiring primarily securities that are trading below their intrinsic value. The Manager intends to invest the Trust's assets primarily in common shares of publically-traded companies. However, the Manager may make any type of investment that is believed to be consistent with the Trust's investment objective. There will be periods of time where a substantial portion of the Trust's assets will be held in the form of cash, short-term money market instruments or other fixed income instruments.

2. Basis of preparation:

(a) Statement of compliance:

The financial statements of the Trust have been prepared in compliance with International Financial Reporting Standards ("IFRS"). This is the first time that the Trust has prepared its financial statements in accordance with IFRS, and IFRS 1 (*First - Time Adoption of International Financial Reporting Standards*) has been applied. The Trust previously prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). Details of transition from Canadian GAAP to IFRS are provided in note 12. The financial statements were authorized for issue by the Manager on March 30, 2015.

(b) Basis of measurement:

The financial statements have been prepared on a historical cost basis except for investments and derivatives, which are measured at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Trust's functional currency.

(d) Use of estimates and judgment:

The preparation of financial statements in conformity with IFRS requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected.

3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Cash:

Cash is comprised of cash on deposit with financial institutions.

(b) Financial instruments:

(*i*) Recognition and measurement:

Financial instruments are required to be classified into one of the following categories: held-for-trading, fair value through profit or loss ("FVTPL"), available-for-sale, loans and receivables, assets held-to-maturity, and other financial liabilities. All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as held-for-trading or fair value through profit or loss in which case transaction costs are expensed as incurred.

Financial assets and financial liabilities held-for-trading or at fair value through profit or loss are recognized initially on the trade date, which is the date on which the Trust becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated. The Trust derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

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

The Trust has not classified any of its financial instruments as available-for-sale or assets held-to-maturity.

(*ii*) Held-for-trading and fair value through profit and loss:

Financial instruments classified as held-for-trading or FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statement of comprehensive income in the period in which they occur. The Trust's derivative financial assets and derivative financial liabilities are classified as held-for-trading. The Trust's investments in securities are designated as FVTPL.

3. Significant accounting policies (continued):

(b) Financial instruments (continued):

(*ii*) Held-for-trading and fair value through profit and loss (continued):

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 and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Trust uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Trust's policy is to recognize 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.

The fair value of financial assets and liabilities that are not traded in an active market, including derivative instruments, is determined using valuation techniques. Valuation techniques also include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and others commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

(*iii*) Loans and receivables:

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement of loans and receivables is at amortized cost, less any impairment losses. The Trust classifies cash, dividends receivable and interest receivable as loans and receivables.

(*iv*) Other financial liabilities:

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost. The Trust's other financial liabilities are comprised of balances due to broker, redemptions payable, and other accrued liabilities.

(c) Redeemable units:

The Trust classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The redeemable units, which are classified as financial liabilities at FVTPL and measured at redemption amount, provide investors with the right to require redemption, subject to available liquidity, for cash at a unit price based on the Trust's valuation policies at each redemption date. Distributions to holders of redeemable units are recognized in comprehensive income when they are authorized and no longer at the discretion of the Manager.

3. Significant accounting policies (continued):

(d) Foreign exchange:

The financial statements of the Trust are denominated in Canadian dollars. Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses are recognized in the statement of comprehensive income.

(e) Income recognition:

Interest income shown on the statement of comprehensive income represents interest received by the Trust accounted for on an accrual basis. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined on the average cost basis of the respective investments.

(f) Income taxes:

The Trust qualifies as a unit trust under the Income Tax Act (Canada). All of the Trust's net income for tax purposes and net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Trust. As a result, the Trust does not record income taxes.

(g) New standards and interpretations not yet adopted:

A number of new standards, amendments to standards and interpretations are not yet effective for year ended December 31, 2014, and have not been applied in preparing these financial statements. None of these will have a significant effect on the financial statement of the Trust, with the possible exception of IFRS 9, *Financial Instruments*.

The IFRS 9 deals with recognition, derecognition, classification and measurement of financial statements and its requirements and represent a significant change from the existing requirements in IAS 39, *Financial Instruments: Recognition and Measurement*, in respect of financial assets. The standard contains two primary measurement categories for financial assets: amortized cost and fair value. A financial asset would be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale and loans and receivables.

The standard is effective for fiscal years beginning January 1, 2018, but early adoption is permitted. The Trust's Manager is currently in the process of evaluating the potential effect of this standard. The standard is not expected to have a significant impact on the financial statements since the Trust's financial assets are currently measured at fair value or amortized cost.

4. Net gain (loss) from financial instruments at fair value through profit or loss:

		2014		2013
Net gain (loss) from financial instruments held for trading:				
Derivative financial instruments	$	252,904	$	(112,261)
Net gain (loss) from financial assets designated as fair value through profit or loss:				
Investments		2,035,923		6,671,401
	$	1,783,019	$	6,559,140
Net gain (loss) from financial instruments at fair value through profit or loss:				
Realized	$	649,185	$	(982,109)
Unrealized		1,133,834		7,541,248
	$	1,783,019	$	6,559,140

5. Related party transactions:

Management fees:

The Trust pays a monthly fee to the Manager for management and administration services rendered, based on the NAV of the respective series (prior to the calculation of any performance incentive fees, described below, on the last business day of the preceding month). The monthly fee payable to the Manager is based upon the following rates:

Series A	1/12 of 2.0% per annum
Series B	1/12 of 1.0% per annum
Series F	1/12 of 1.0% per annum
Series X	1/12 of 1.2% per annum

Performance fees:

The Trust will pay the Manager a performance incentive fee for its services as a portfolio advisor at a rate of 20% (the “Incentive Fee Rate”) on the following basis:

(a) For Series A, payable annually on any increase in the Series A NAV during the fiscal year (adjusted for contributions and redemptions of Series A units and for any shortfall, as described below) in excess of a 12% return (the “Series A Hurdle Rate”).

(b) For Series B and F, payable annually on any increase in the respective series NAV during the fiscal year (adjusted for contributions and redemptions of the respective series units and for any shortfall, as described below) in excess of a 6% return (the “Series B and F Hurdle Rate”).

5. Related party transactions (continued):

Performance fees (continued):

The Trust will pay the Manager a performance incentive fee for its services as a portfolio advisor at a rate of 20% (the “Incentive Fee Rate”) on the following basis (continued):

(c) If in any fiscal year the increase in a series NAV is less than the respective hurdle rate (a shortfall), the difference will be carried forward to the next fiscal year and, after adjustment for series redemptions, deducted from any increase in the NAV in the performance incentive fee calculation of the respective series of the Trust for that year.

(d) For Series X, payable quarterly on any increase in the Series X NAV during a calendar quarter (adjusted for redemptions and distributions on Series X units), but no fee is payable unless the Series X NAV at the end of the calendar quarter is greater than the highest quarter-end Series X NAV previously achieved by the Trust.

The performance incentive fee, if any, is estimated and accrued monthly during a fiscal year for the purpose of calculating the net assets per series and per unit at the end of each month, but is paid to the Investment Counsel annually within one month of the fiscal year-end of the Trust in either cash or units, at the discretion of the Investment Counsel.

The adjusted shortfall carried forward in respect of each of Series A, B and F of the Trust at December 31, 2014 and 2013, as applicable, was as follows:

	2014	2013
Series A	$ -	$ -
Series B	14,106,067	15,157,009
Series F	39	-

Performance fees of nil (2013 - $2,141) were earned by the Investment Counsel in respect to Series F for the year ended December 31, 2014, all of which were waived by the Investment Counsel.

No performance fee was paid in respect of Series X of the Trust during the year ended December 31, 2014 and 2013 as the Series X NAV did not exceed the highest quarter-end Series X NAV previously achieved by the Trust.

Unit holdings:

At December 31, 2014, 29,053 Series B redeemable units (2013 - 27,388 Series B redeemable units) were held by directors and close family members of the investment manager.

At December 31, 2014, 100 Series A and 20,000 Series B redeemable units (2013 – 100 Series A and 26,934 Series B redeemable units) were held by the investment manager and its parent company.

5. Related party transactions (continued):

Investments:

Rainmaker Entertainment Inc. and Glacier Media Inc. are related to the Trust by virtue of having directors in common. During the years ended December 31, 2014 and 2013 the following transactions occurred between the Trust and these related parties:

	2014	2013
Rainmaker Entertainment Inc.:		
Interest and dividend receivable	$ 50,236	$ 44,153
Investments, as at December 31	3,092,000	2,504,000
Proceeds from sale of investments	-	355,123
Purchase of investments	(300,000)	(2,200,000)
Interest income	195,551	120,197
Changes in fair value of investments:		
Net realized gain (loss)	-	(7,062,431)
Net change in unrealized appreciation (depreciation)	288,000	6,685,821
Glacier Media Inc.:		
Interest and dividend receivable	56,000	36,000
Investments, as at December 31	4,214,000	2,430,000
Proceeds from sale of investments	-	694,512
Purchase of investments	(1,340,050)	-
Dividend income	223,000	148,000
Changes in fair value of investments:		
Net realized gain (loss)	-	(212,236)
Net change in unrealized appreciation (depreciation)	443,950	(491,253)

6. Withholding tax expense:

Certain dividend and interest income received by the Trust is subject to withholding tax imposed in the country of origin. During the year, the average withholding tax rate was 0.65% (2013 - 0.42%).

7. Redeemable units:

Pursuant to the Trust Agreement, the Trust is authorized to issue an unlimited number of units in three distinct series of units and prior to February 26, 2009 offered a fourth series of unit. Each series of unit is described further below:

- Series A units are available to all investors. Dealers may charge a commission or fee of up to 2% of the total purchase of Series A units. These units may be redesigned at the discretion of the unitholder as Series F units.
- Series B units are available only from the Manager. These units may qualify for redesignation by the unitholder as Series A or F units.

7. Redeemable units (continued):

- Series F units are available to investors having fee-based accounts with a qualifying dealer and to qualifying groups of investors. These units may qualify for redesignation by the unitholder as Series A units.
- Prior to February 26, 2009, Series X units were designated as "Series A units". As of their redesignation date, Series X units are no longer offered for sale to the public.

The unit transactions for the Trust during the year ended December 31 are as follows:

December 31, 2014	Outstanding redeemable units, beginning of year	Redeemable units issued	Redeemable units redeemed	Redeemable units issued on reinvestment of distributions	Consolidation of redeemable units	Outstanding redeemable units, end of year
Series A	3,290	-	(3,190)	1	(1)	100
Series B	1,746,246	16,736	(117,596)	11,582	(11,582)	1,645,386
Series F	9,175	-	-	65	(65)	9,175
Series X	77,045	-	(20,987)	395	(395)	56,058
	1,835,756	16,736	(141,773)	12,043	(12,043)	1,710,719

December 31, 2013	Outstanding redeemable units, beginning of year	Redeemable units issued	Redeemable units redeemed	Redeemable units issued on reinvestment of distributions	Consolidation of redeemable units	Outstanding redeemable units, end of year
Series A	3,290	-	-	-	-	3,290
Series B	2,140,627	77,606	(471,987)	-	-	1,746,246
Series F	9,175	-	-	-	-	9,175
Series X	77,045	-	-	-	-	77,045
	2,230,137	77,606	(471,987)	-	-	1,835,756

8. Capital management:

The redeemable units issued by the Trust represent the capital of the Trust. The Trust is not subject to any internally or externally imposed restrictions on its capital. The Trust's objectives in managing the redeemable units are to ensure a stable base to maximize returns to all investors, and to manage liquidity risk arising from redemptions.

9. Financial risk management:

(a) Risk management framework:

The Trust may be exposed to a variety of financial risks. The Trust's exposures to financial risks are concentrated in its investment holdings, including derivative instruments. The Schedule of Investment Portfolio groups securities by asset type and geographic region. The Manager manages the potential effects of these financial risks on the Trust's performance by overseeing and regularly monitoring the Trust's position and market events, and diversifies the investment portfolio within the constraints of the investment guidelines. The fundamental investment objective of the Trust is to provide long-term capital appreciation by acquiring primarily securities that are trading below their intrinsic value.

(b) 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 Trust, resulting in a financial loss to the Trust. It arises principally from debt securities held, and also from derivative financial assets, cash, and other receivables due to the Trust. The carrying value of these financial instruments as recorded in the statements of financial position reflects the Trust's maximum exposure to credit risk.

Credit risk is managed by the Manager through a careful selection of securities and diversification of the Trust's portfolio. The Manager monitors the Trust's overall market positions on a daily basis and investment positions are maintained within an established range.

As at December 31, 2014 and 2013, the Trust was exposed to credit risk through its investment in Rainmaker Entertainment Inc. debentures, which are not rated. As of December 31, 2014, this investment represented 7.7% (December 31, 2013 - 6.1%) of the net assets of the Trust. In the Manager's opinion, the Trust does not have significant exposure to credit risk.

(c) Liquidity risk:

Liquidity risk is the risk that the Trust will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Trust's policy and the Manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, including estimated redemptions of shares, without incurring unacceptable losses or risking damage to the Trust's reputation.

The Trust's prospectus provides for the monthly subscription and redemption of units and it is therefore exposed to the liquidity risk of meeting unitholder redemptions at each redemption date.

The Trust primarily invests in investments in listed securities that are considered to be readily realizable because they are traded on major Canadian and American stock exchanges. In addition, the Trust retains sufficient cash and deposit positions to maintain liquidity. The Trust may, from time to time, enter into over-the-counter derivative contracts or invest in unlisted securities, which are not traded in an organized market and may be illiquid.

9. Financial risk management (continued):

(c) Liquidity risk (continued):

The Trust's non-derivative liabilities are generally expected to be due and paid within 90 days, with the exception of net assets attributable to holders of redeemable units. Redeemable units are redeemable on demand at the holder's option, however does not represent significant liquidity risk as holders of these instruments typically retain them for the medium to long term.

There were no derivative liabilities outstanding as at December 31, 2014. Derivative liabilities as at December 31, 2013 matured within one month of the year-end of the Trust.

(d) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Trust's income or the fair value of its holdings of financial instruments.

(*i*) Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. The Trust's primary interest rate risk relates to the investment of cash and deposits. From time to time, the Trust may also hold convertible debt securities of portfolio investees that the Trust will expect to be converted into equity investments. On this basis, the fair value of these investments is derived primarily from the fair value of the underlying equity of the portfolio investee. As at December 31, 2014, the Trust was exposed to interest rate risk through its investment in Rainmaker Entertainment Inc. debentures, which represented 7.7% (2013 - 6.1%) of the net assets of the Trust. In the Manager's opinion, the Trust does not have significant exposure to interest rate risk.

(*ii*) Currency risk:

Currency risk is the risk that the value of financial instruments denominated in currencies other than the functional currency of the Trust will fluctuate due to changes in foreign exchange rates.

The Trust's currency risk is managed on a daily basis by the Manager in accordance with the policies and procedures in place. The Trust may use foreign currency contracts to hedge some foreign currency exposure and engage in the buying and selling of currencies through forward contracts in order to achieve the desired currency exposure. At the reporting date, the carrying value of the Trust's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

December 31, 2014	Investments	Cash	Net other assets	Derivatives	Total
Canadian dollar	$ 20,235,864	$ 3,086,981	$ 36,181	$ 3,563,775	$ 26,922,801
US dollar	4,948,956	2,765,483	-	82,946	7,797,385
Euro	3,386,440	-	-	(3,520,601)	(134,161)
British pound	1,129,183	-	-	-	1,129,183
	$ 29,700,443	$ 5,852,464	$ 36,181	$ 126,120	$ 35,715,208

9. Financial risk management (continued):

(d) Market risk (continued):

(*ii*) Currency risk (continued):

December 31, 2013	Investments	Cash	Net other liabilities	Derivatives	Total
Canadian dollar	$ 16,438,642	$ 5,564,216	$ (1,088,091)	$ 5,821,704	$ 26,736,471
US dollar	4,514,663	5,793,215	(394,016)	3,191	9,917,053
Euro	3,244,431	-	-	(4,393,865)	(1,149,434)
Japanese yen	1,904,723	-	-	(1,517,131)	387,592
British pound	41,177	-	-	-	41,177
	$ 26,143,636	$ 11,357,431	$ (1,482,107)	$ (86,101)	$ 35,932,859

As at December 31, 2014 and 2013, had the Canadian dollar strengthened or weakened by 5% in relation to all foreign currencies, with all other factors remaining constant, net assets would have increased or decreased by approximately $439,620 (2013 - increased or decreased by approximately $459,819). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(*iii*) Other price risk:

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result 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 or its issuer or factors affecting all instruments traded in the market.

Investment Counsel manages price risk on a daily basis. Investment Counsel moderates this risk through a careful selection of securities and other financial instruments within the parameters of the investment strategy of the Trust. Except for written options and securities sold short, the maximum risk resulting from financial instruments is equivalent to their fair values as set forth in the Trust's statement of financial position. Possible losses from written options and securities sold short can be unlimited.

The geographical breakdown of securities is disclosed in the Trust's Schedule of Investment Portfolio.

As at December 31, 2014 and 2013, had the respective benchmark of the Trust increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately $2.7 million (2013 - $2.4 million) or 7.6% (2013 - 6.6%) of net assets attributable to redeemable units.

10. Fair value of financial instruments:

(a) Valuation models:

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Trust determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Trust measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1*:* inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2*:* inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3*:* inputs that are unobservable.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The Trust uses widely recognized valuation models for determining the fair value of common and more simple financial instruments, such as forward contracts and options that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as forward contracts. The availability of observable market prices and model inputs reduces the need for management judgment and estimation and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments, the Trust uses proprietary valuation models, which are usually developed from recognized valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments and selection of appropriate discount rates.

10. Fair value of financial instruments (continued):

(a) Valuation models (continued):

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties; to the extent that the Trust believes that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Trust and the counterparty where appropriate. For measuring derivatives that might change classification from being an asset to a liability or vice versa, such as interest rate swaps, fair values include adjustment for both own credit risk and counterparty credit risk.

Model inputs and values are calibrated against historical data and published forecasts and, when possible, against current or recent observed transactions and broker quotes. This calibration process is inherently subjective and it yields ranges of possible inputs and estimates of fair value, and management judgment is required to select the most appropriate point in the range.

(b) Fair value hierarchy - financial instruments measured at fair value:

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position.

All fair value measurements below are recurring.

2014	Level 1	Level 2	Level 3	Total
Equities	$ 26,950,443	$ -	$ -	$ 26,950,443
Bonds	-	2,750,000	-	2,750,000
Derivatives	-	126,120	-	126,120
	$ 26,950,443	$ 2,876,120	$ -	$ 29,826,563

2013	Level 1	Level 2	Level 3	Total
Equities	$ 23,943,636	$ -	$ -	$ 23,943,636
Bonds	-	-	2,200,000	2,200,000
Derivatives	-	(86,101)	-	(86,101)
	$ 23,943,636	$ (86,101)	$ 2,200,000	$ 26,057,535

The carrying amount of the Trust's net assets attributable to redeemable units also approximates fair value as they are measured at the redemption amount and are classified as Level 2 in the fair value hierarchy.

There were no transfers between Level 1 and Level 2 during the years ended December 31, 2014 or 2013.

10. Fair value of financial instruments (continued):

(b) Fair value hierarchy - financial instruments measured at fair value (continued):

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

2014		Bonds
Balance, beginning of the year	$	2,200,000
Total gains or losses recognized in profit or loss		-
Purchases		300,000
Sales		-
Transfers into Level 3		-
Transfers out of Level 3		2,500,000
Change in unrealized appreciation/depreciation		-
Balance, end of year	$	-
Total unrealized gains or losses for the period included in profit or loss relating to financial assets and liabilities held at the reporting date	$	-

2013		Bonds
Balance, beginning of the year	$	-
Total gains or losses recognized in profit or loss		-
Purchases		2,200,000
Sales		-
Transfers into Level 3		-
Transfers out of Level 3		-
Balance, end of year	$	2,200,000
Total unrealized gains or losses for the period included in profit or loss relating to financial assets and liabilities held at the reporting date	$	-

(c) Significant unobservable inputs used in measuring fair value:

The table below sets out information about significant unobservable inputs used at year-end in measuring financial instruments categorized as Level 3 in the fair value hierarchy.

2013

Description		Fair value	Valuation technique	Unobservable input	Amount	Sensitivity to change in significant unobservable input
Bonds	$	2,200,000	Investment cost / enterprise value	Enterprise value	2,200,000	The estimated fair value would increase if enterprise value increased

10. Fair value of financial instruments (continued):

(c) Significant unobservable inputs used in measuring fair value (continued):

Enterprise value represents the amount that market participants would pay when purchasing the company. The Manager determines this value based on comparable arm's length transactions in shares of the respective company. If the enterprise value were to increase or decrease by 10%, this would result in increase or decrease the investment fair value by $220,000.

There is no Level 3 investment held by the Trust as at December 31, 2014.

(d) Financial instruments not measured at fair value:

The carrying value of cash, interest receivable, dividend receivable, balances due to broker, redemptions payable and other accrued liabilities, approximates their fair value given their short-term nature. These financial instruments are classified as Level 2 in the fair value hierarchy because while prices are available, there is no active market for these instruments.

11. Income taxes:

As at December 31, 2014, the Trust had net capital loss carry forwards of approximately $245,198 (2013 - $1,058,039) available for utilization against capital gains in future years. Such net capital losses are available to be carried forward indefinitely. The Trust does not have any non-capital losses to carry forward.

12. Transition to IFRS:

The nature and the effect of the Trust's transition to IFRS is summarized below.

(a) Transition elections:

The only voluntary exemption adopted by the Trust upon transition was the ability to designate a financial asset or financial liability at "FVTPL" upon transition to IFRS. All financial assets designated at FVTPL upon transition were previously carried at fair value under Canadian GAAP as required by Accounting Guideline 18, *Investment Companies*, accordingly no adjustments to measurement were required.

(b) Statement of cash flows:

Under Canadian GAAP, the Trust was exempt from providing a statement of cash flows. IAS 1 requires that a complete set of financials include a statement of cash flows for the current and comparative periods, without exception. As a result, the Trust has presented the required statement of cash flows.

(c) Reconciliation of equity and comprehensive income as previously reported under Canadian GAAP to IFRS:

Equity	December 31, 2013	January 1, 2013
Equity as reported under Canadian GAAP	$ 35,748,337	$ 36,449,304
Revaluation of investments at FVTPL (refer to note (e) below)	(184,522)	(355,274)
Net assets attributable to holders of redeemable units	$ 35,932,859	$ 36,804,578

12. Transition to IFRS (continued):

(c) Reconciliation of equity and comprehensive income as previously reported under Canadian GAAP to IFRS (continued):

Comprehensive income		Year ended December 31, 2013
Comprehensive income as reported under Canadian GAAP	$	6,805,932
Revaluation of investments at FVTPL (refer to note (e) below)		(170,752)
Increase in net assets attributable to holders of redeemable units	$	6,635,180

(d) Classification of redeemable units issued by the Trust:

On transition to IFRS, the Manager has reassessed whether the Trust's units meet the criteria in IAS 32 for classification as equity. Under Canadian GAAP, the Trust accounted for its redeemable units as equity. Under IFRS, IAS 32 requires that units or shares of an entity which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as financial liability. The Trust's units do not meet the criteria in IAS 32 for classification as equity and therefore, have been reclassified as financial liabilities on transition to IFRS.

(e) Revaluation of investments at FVTPL:

Under Canadian GAAP, the Trust measured the fair values of its investments in accordance with Section 3855, *Financial Instruments - Recognition and Measurement*, which required the use of bid prices for long positions and ask prices for short positions, to the extent such prices are available. Under IFRS, the Trust measures the fair values of its investments using the guidance in IFRS 13, *Fair Value Measurement* ("IFRS 13"), which requires that if an asset or a liability has a bid price and an ask price, then its fair value is to be based on a price within the bid-ask spread that is most representative of fair value.

It also allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurements within a bid-ask spread. As a result, upon adoption of IFRS an adjustment was recognized to increase the carrying amount of the Trust's investments by $355,274 at January 1, 2013 and $184,522 as at December 31, 2013. The impact of this adjustment was to increase the Trust's decrease in net assets attributable to holders of redeemable units by $170,752 for the year ended December 31, 2013.

(f) Reclassification adjustments:

In addition to the measurement adjustments noted above, the Trust reclassified withholding taxes upon transition in order to conform to its financial statement presentation under IFRS. Withholding taxes of $2,458 for the year ended December 31, 2013, which were previously netted against dividend income under Canadian GAAP, have been reclassified and presented separately as expense under IFRS.