LDIC North American Energy Infrastructure Fund

Financial Statements

December 31, 2013

Independent auditors' report

To the Unitholders of
LDIC North American Energy Infrastructure Fund
(the "Fund")

We have audited the accompanying financial statements of the Fund, which comprise the statements of investment portfolio and net assets as at December 31, 2013, the statements of operations and changes in net assets for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors 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 management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Ernst & Young LLP
Chartered Accountants
Licensed Public Accountants

Toronto, Canada
March 5, 2014

LDIC North American Energy Infrastructure Fund
Statement of Investment Portfolio
As at December 31, 2013

Par Value/ Number of Shares	Description	Maturity Date	Coupon Rate	Average Cost ($)	Fair Value ($)	% of Net Assets
	Bonds					
	Corporate Bonds					
270,000	Canadian Energy Services & Technology Corp.	17-Apr-20	7.375%	$ 278,963	279,900	
270,000	Tervita Corp.	15-Nov-18	9.000%	284,025	276,750	
				562,988	556,650	4.5
	Foreign Bonds					
USD 250,000	Calfrac Holdings LP	01-Dec-20	7.500%	259,432	270,937	2.2
	Total Bonds			822,420	827,587	6.7
	Equities - Canada					
	Energy					
13,670	AltaGas Ltd.			517,387	557,326	
8,290	Calfrac Well Services Ltd.			271,067	256,658	
10,880	Canadian Energy Services & Technology Corp.			173,889	251,110	
13,410	Crescent Point Energy Corp.			508,937	552,894	
60,760	Essential Energy Services Ltd.			175,464	176,812	
19,185	Gibson Energy Inc.			485,718	525,669	
21,360	Inter Pipeline Ltd.			525,046	551,729	
6,950	Keyera Corp.			422,428	443,827	
4,000	MEG Energy Corp.			118,998	122,440	
14,000	Macro Enterprises Inc.			95,360	88,480	
15,380	North American Energy Partners Inc.			94,687	92,895	
19,970	Parkland Fuel Corp.			362,448	368,846	
10,990	Pembina Pipeline Corp.			366,334	411,246	
248,210	Petrowest Corp.			181,245	268,067	
6,990	Suncor Energy Inc.			232,639	260,168	
				4,531,647	4,928,167	39.6
	Industrials					
5,010	Badger Daylighting Ltd.			267,265	427,102	
8,140	Black Diamond Group Ltd.			191,649	244,200	
96,850	ENTREC Corp.			138,178	163,676	
10,210	TransForce Inc.			216,431	257,905	
28,670	WesternOne Inc.			226,986	216,459	
				1,040,509	1,309,342	10.5
	Financials					
9,600	Canadian Western Bank			285,976	371,040	3.0
	Equities - United States					
1,545	Chicago Bridge & Iron Co.			101,855	136,430	
16,270	General Electric Co.			409,725	484,549	
7,800	Kinder Morgan Inc.			296,010	298,266	
5,460	Quanta Services Inc.			154,684	183,029	
2,430	Trinity Industries Inc.			104,491	140,737	
				1,066,765	1,243,011	10.0
	Total Equities			6,924,897	7,851,560	63.1
	Transaction costs			(6,142)		
	Total Investments			7,741,175	8,679,147	69.8
	Other Assets Less Liabilities				3,749,512	30.2
	Net Assets Representing Unitholders' Equity				$ 12,428,659	100.0

LDIC North American Energy Infrastructure Fund
Statement of Net Assets
As at December 31, 2013

		2013
Assets		
Investments - at fair value	$	8,679,147
Cash		3,566,681
Due from manager		29,705
Accrued interest and dividends		39,452
Subscriptions receivable		172,734
		12,487,719
Liabilities		
Accrued expenses		45,534
Management fees payable		13,526
		59,060
Net Assets representing Unitholders' Equity	$	12,428,659
Net Assets per Class [note 4]		
Class A	$	3,718,861
Class F	$	8,709,798
Net Assets per Unit		
Class A	$	10.98
Class F	$	11.08

Approved on behalf of LDIC Inc., as manager of the LDIC North American Energy Infrastructure Fund

/s/Michael B. Decter
Michael B. Decter, Director

/s/Graham Scott
Graham Scott, Director

LDIC North American Energy Infrastructure Fund
Statement of Operations
For the period from April 12, 2013 to December 31, 2013

		2013
Investment Income		
Dividend income	$	141,184
Interest Income		30,616
	$	171,800
Expenses		
Management fees		70,697
Other expenses		37,046
Audit fees		16,859
Securityholder reporting costs		12,531
Legal fees		8,991
Valuation fees		5,642
Independent Review Committee fees		3,330
Dividend expense		1,450
Filing fees		412
Custodian fees		625
		157,583
Fees waived and expenses absorbed by manager		(29,705)
		127,878
Net Investment Income		43,922
Realized and Unrealized Gain (Loss) on Investments		
Net realized gain on sale of investments		133,428
Net realized loss on foreign exchange		(4,832)
Change in unrealized appreciation in value of investments		937,973
Change in unrealized appreciation of foreign currency		14,177
Transaction costs		(12,669)
Net Gain on Investments		1,068,077
Increase in Net Assets from Operations	$	1,111,999
Increase in Net Assets from Operations for the period		
Class A	$	320,989
Class F	$	791,010
Increase in Net Assets from Operations per unit for the period*		
Class A	$	1.40
Class F	$	1.62

* Computed based on the weighted average units outstanding during the period.

LDIC North American Energy Infrastructure Fund
Statement of Changes in Net Assets
For the period from April 12, 2013 to December 31, 2013

2013

	Class A	Class F	Total
Net Assets at beginning of period	$ -	$ -	$ -
Increase in Net Assets from Operations	320,989	791,010	1,111,999
Capital Unit Transactions			
Amount received from sale of units	3,439,433	7,934,596	11,374,029
Amount paid on units redeemed	(34,618)	(13,119)	(47,737)
Amount received from reinvestment of distribution	48,241	122,384	170,625
	3,453,056	8,043,861	11,496,917
Distributions to Investors			
From net investment income	(9,103)	(20,631)	(29,734)
From net realized capital gains	(35,964)	(83,968)	(119,932)
Return of capital	(10,117)	(20,474)	(30,591)
	(55,184)	(125,073)	(180,257)
Increase in Net Assets for the period	3,397,872	7,918,788	11,316,660
Net Assets at end of period	$ 3,718,861	$ 8,709,798	$ 12,428,659

1. Establishment of Trust

The LDIC North American Energy Infrastructure Fund (the “Fund”) is a mutual fund trust created under the laws of the Province of Ontario by Declaration of Trust dated April 12, 2013. LDIC Inc. (the ‘Manager”) is the Trustee and Manager of the Fund.

The investment objective of the Fund is principally to provide long-term capital appreciation with the potential for income, by investing primarily in equity securities (including common shares and warrants), fixed-income investments and other income-producing securities of issuers based in North America.

The Fund is authorized to issue an unlimited number of Class A and Class F units. The capital received by the Fund is utilized within the investment mandate of the Fund. This includes the ability to make liquidity to satisfy unitholders’ unit redemption requirements upon the unitholders’ request. The Fund is not subject to any externally imposed capital requirements.

The Fund may create an unlimited number of classes of units, and may offer and sell an unlimited number of series of units of each class. Currently, the Fund offers Class A units and Class F units.

Class A units are designed for retail investors. Dealers through whom Class A units are purchased will receive initial commissions payable by the investor, and on-going service fees (also called “trailer fees” or “trailing commissions”) from the Manager on behalf of the Fund.

Class F units are designed for investors who participate in fee-based investment programs offered by their dealers. Class F units are only available to investors whose dealer has entered into an agreement with the Manager to make Class F units available to clients of that dealer.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Part V of the Canadian generally accepted accounting principles (“Canadian GAAP”). In applying Canadian GAAP, management makes estimates and assumptions that may affect the amounts of assets, liabilities, income and expenses reported in these financial statements. The most significant estimates relate to the valuation of investments. Actual results may differ from the estimates.

(a) Foreign currency translation

Foreign currency purchases and sales of investments and foreign currency dividend and interest income and expenses are translated to Canadian dollars at the rate of exchange prevailing at the time of the transactions.

Foreign exchange gains (losses) on purchases and sales of investments in foreign currencies are included in the Statement of Operations – Net realized gain (loss) on foreign exchange.

The fair value of investments and other assets and liabilities, denominated in foreign currencies, are translated to Canadian dollars at the rate of exchange prevailing on each valuation day.

(b) Financial instruments

The Fund’s financial instruments consist of cash, investments, subscriptions receivable, due from manager, accrued interest and dividends, management fees payable, due to Manager, accrued expenses, redemptions payable to unitholders, distributions payable and due to investment dealers. Accrued interest and dividends, dividends payable and amounts due from manager are designated as loans and receivables and recorded at amortized cost. Amounts due to investment dealers, management fee payable, due to Manager, redemption payable to unitholders, distributions payable and accrued expenses are designated as financial liabilities and reported at amortized cost. Amortized cost approximates fair value for these assets and liabilities due to their short term nature. Cash and cash equivalents is comprised of cash on deposit with commercial banks.

(c) Fair value measurements

CICA 3862, Financial Instruments – Disclosures establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments. The hierarchy of inputs is summarized below:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Changes in valuation methods may result in transfers into or out of an investment's assigned level.

A valuation hierarchy table has been included at Note 10 Fair Value Disclosure.

(d) Valuation of Investments

The Net Assets of an investment fund for financial reporting purposes are calculated in accordance with Canadian GAAP. Section 14.2 of National Instrument 81-106 Investment Fund Continuous Disclosure ("NI 81-106") issued by the Canadian Securities Administrators, requires an investment fund to calculate its daily Net Asset Value for the purchase and redemption of units based on the fair value of the investment fund's assets and liabilities as determined using the closing price of investments which differs from the valuation techniques under Canadian GAAP.

The differences between the Net Assets per unit and the Net Asset Value ("NAV") per unit is due to different pricing methodologies used to calculate the Net Assets for financial statements and the Net Asset Value for fund pricing purposes. For investments that are traded in an active market where quoted prices are readily and regularly available, Canadian GAAP requires bid prices (for investments held) and ask prices (for investments sold short) to be used in the fair valuation of investments for financial statements, rather than the use of closing sale prices currently used for the purpose of determining Net Asset Value for fund pricing purposes. For investments that are not traded in an active market, Canadian GAAP requires the use of specific valuation techniques, rather than the use of valuation techniques by virtue of general practice in the investment funds industry. These changes account for the difference between Net Assets per unit and Net Asset Value per unit (Note 3).

The fair value of investments was determined as follows:

(i) Securities traded in an active market are valued at the at their bid and ask prices for long and short investments, respectively through recognized public stock exchanges or through recognized investment dealers on the valuation date. Securities with no available bid and ask prices are valued at the closing sale prices.

(ii) Securities not traded in an active market are valued using valuation techniques, on such basis and in such manner established by the Manager.

(e) Transaction costs

Transaction costs, such as brokerage commissions incurred in the purchase and sale of securities are expensed, and are included in "Transaction costs" in the Statement of Operation.

(f) Unit valuation and valuation date

Units are issued and redeemed on a continuing basis at the Net Asset Value per unit which is determined for each class of units of each Fund on each valuation day. For each Fund, a "valuation day" is any day that the Toronto Stock Exchange is open for business, unless the Fund is not accepting orders to purchase, switch or redeem units on that day (in the circumstances described in the simplified prospectus for the Fund in the section called “Purchases, switches, and redemptions”). To determine the Net Asset Value per unit for a class of units of a Fund, the Manager or its agent determines the value of the proportionate share of the assets of the Fund attributable to the particular class less the liabilities of the Fund attributed to only that class and the proportionate share of the common liabilities of the Fund allocated to that class. This amount is then divided by the total number of units of that class then held by investors.

(g) Investment transactions

Investment transactions are accounted for on the trade date. All income, net realized gains (losses), unrealized appreciation (depreciation) in the value of investments and transaction costs are attributable to investments and derivative instruments which are deemed held for trading.

(h) Revenue recognition

- Interest income is recorded on the accrual basis.
- Dividend income is recorded on the ex-dividend date and is net of withholding taxes.
- Realized gains and losses on investments and unrealized appreciation (depreciation) in the value of investments are calculated with reference to the average cost of the related investments.

(i) Increase/(decrease) in net assets from operations per unit

The increase/(decrease) in Net Assets from operations per unit in the Statement of Operation represents the net increase/(decrease) in Net Assets from operations for the period attributed to the class of units, divided by the weighted average units outstanding during the period of that class of units.

3. Reconciliation of Net Assets to Net Asset Value

The Net Assets per unit calculated in accordance with Canadian GAAP for financial statements and the Net Asset Value per unit for fund pricing purposes of an investment fund as at December 31, 2013 is follows:

	Net Asset Value per Unit	Net Assets per Unit
As at December 31, 2013		
Class A	$10.99	$10.98
Class F	$11.09	$11.08

4. Unitholders’ Equity

The units of the Fund are issued and redeemed at their Net Asset Value per Unit. The Net Asset Value per Unit is determined on a daily basis by dividing the Fund's Net Asset Value by the total number of units of the Fund that are outstanding on such valuation date. The Fund has no restrictions or specific capital requirements on the issuance and redemptions of units. In accordance with its investment objectives, strategies, and risk management practices, the Fund endeavours to invest the amounts received on issuance of units in appropriate investments in order to maximize unitholder value and maintain financial strength while preserving sufficient liquidity to meet redemptions.

During the period, unit transactions of the Fund were as follows:

	Class A	Class F
Outstanding at the beginning of the period	**-**	**-**
Subscriptions	**337,357**	**775,618**
Reinvestment of distributions	**4,679**	**11,764**
Redemptions	**(3,263)**	**(1,264)**
Outstanding at the end of the period	**338,773**	**786,118**

5. Management Fees, Expenses and Manager's Investment in the Fund

The Manager provides investment and administrative services to the Fund. In consideration for these services the Manager receives a fee based on a percentage of the Net Assets of the Fund calculated daily and payable monthly, as follows:

Class A - 2.00% per annum

Class F - 1.00% per annum

The Fund is responsible for the payment of all expenses relating to its operations and the carrying on of its business. These expenses included, but are not limited to, administration and accounting costs, the costs of any back-office service provider retained by the Manager, transaction costs, audit and legal fees, custodial fees, index licensing fees, regulatory filing fees, the costs of preparing and distributing annual and semi-annual financial statements, prospectuses, unitholder reports and investor communications. At times, the Manager may pay a portion of the expenses otherwise payable by the Fund.

The Fund will pay a performance fee to LDIC Inc., plus applicable taxes, at the end of each fiscal year. The performance fee will be 10% of the amount by which the class NAV at the end of the fiscal year (adding back the amounts of any distributions paid on the units of the Fund) (the "**ending NAV"**) exceeds the target NAV (the **"target NAV**"). The target NAV is calculated by multiplying the Class NAV, net of performance fees paid, as at the last performance fee payment date (the **"beginning NAV**") by the sum of one plus the return of the Fund's "benchmark" (the "**benchmark return**") over the same period.

Michael Decter, an officer and director of the Manager of the Fund, made an initial investment of $150,000 on April 26, 2013 to start up the Fund. As at December 31, 2013, the Manager of the Fund and certain directors and officers of the Manager held a total of 149,642 Class F units of the Fund.

6. Taxation of the Fund and Allocation to Unitholders

The Fund qualifies as mutual fund trust as defined in the *Income Tax Act* (Canada) (the "Act"). Pursuant to the terms of the Declaration of Trust, the Fund pays or makes payable in the calendar year to the unitholders all the net income and such portion of the net capital gains which will result in the Fund paying no tax under the current provisions of the Act. As a result, under existing tax legislation, the net income and net capital gains are taxable in the hands of the unitholders of the Fund. Accordingly, no provision for Canadian income taxes has been made in these financial statements.

7. Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended was $12,669.

8. Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended was nil.

9. Financial Risk Management

In the normal course of operations, the Fund's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (defined as interest rate risk, currency risk and other price risk). The value of investments in a Fund's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions and market news related to specific securities in the portfolio. The level of risk depends on the Fund's objectives and the type of securities it holds. In order to mitigate risk, depending on conditions, the Manager diversifies the portfolio based on criteria such as asset class, country, industry and currency. Significant risks that are relevant to the Fund are discussed below.

(a) Other market risk

Other price risk represents the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate 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.

The Fund is exposed to other price risk from investments in equities. As at December 31, 2013, approximately 63.2% of the Fund's Net Assets were held directly in equities. If equity prices on the exchanges increased or decreased by 5% as at December 31, 2013, the Net Assets of the Fund would have increased or decreased by approximately $392,578 or 3.2% of the Net Assets, all other factors remaining constant. In practice, the actual results may differ and the difference could be material.

(b) Currency risk

Currency risk is the risk that the fair value of financial instruments denominated in currencies other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate because of changes in foreign exchange rates.

	December 31, 2013	
	Currency Exposure ($)	**Percentage of Net Assets (%)**
U.S. Dollar	**2,421,779**	**19.5**

As at December 31, 2013, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies represented in the portfolio, with all other variables remaining constant, Net Assets would have decreased or increased by approximately $121,089 of Net Assets. In practice, the actual results may differ and the difference could be material.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arises on interest-bearing financial instruments. Due to the short-term nature of the Fund's interest-bearing financial instruments (predominately cash and cash equivalents), the Fund is not subject to significant amounts of risk from fluctuations in the prevailing levels of market interest rates.

As at December 31, 2013, the Fund's direct exposure to debt instruments by maturity was as follows:

		Less than 1 year ($)	1 - 5 years ($)	More than 5 years ($)	Total ($)
Interest Rate Exposure	**December 31, 2013**	**-**	**276,750**	**550,837**	**827,587**

As at December 31, 2013, should interest rates have decreased or increased by 0.25% with all other variables remaining constant, the increase or decrease in Net Assets for the period would amount to approximately $8,288. In practice, the actual trading results may differ and the difference could be material.

(d) Credit risk

Credit risk represents the potential loss that the Fund would incur if counterparties failed to perform in accordance with the terms of their obligations to the Fund. The Manager only trades with approved counterparties and monitors reporting that includes approved counterparty listings, trade volumes and exposure reports. The risk of default is considered minimal, as delivery of securities sold is only made once the Fund has received payment. Payment is made on a purchase once the securities have been received by the Fund. The trade will fail if either party fails to meet its obligation. The Fund maintains all of its cash and cash equivalents at the custodian or in overnight deposits with approved counterparties and ensures that appropriate collateral is received.

As at December 31, 2013, the Fund had directly invested in debt instruments with the following Standard and Poor's credit ratings:

Portfolio by rating category	As a % of Net Assets December 31, 2013
B	**6.7%**

(e) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its obligations associated with its financial liabilities. The Fund's primary exposure to liquidity risk relates to its unitholders' right to redeem their units on any Valuation Date. Liquidity risk is managed by retaining sufficient cash and cash equivalent positions and investing the majority of its assets in portfolio investments that are traded in an acive market and can be readily disposed. There can be no assurance that an active trading market for the investments will exist at all times, or that the prices at which the securities trade accurately reflect their values. Thin trading in a security could make it difficult to liquidate holdings quickly. The Manager considers market depth and the relationship between liquidity and size of the position as part of the criteria for approval of a new investment and in its periodic reevaluation of the investment.

10. Fair Value Disclosure

The Fund's financial instruments recorded at fair value have been categorised based upon a fair value hierarchy in accordance with the amendment to CICA 3862. (For the general discussion of the disclosure see Note 2). The following fair value hierarchy table presents information about the Fund's financial instruments measured at fair value on a recurring basis as of December 31, 2013.

	Financial Assets at Fair Value as at December 31, 2013			
	Level 1 ($)	**Level 2 ($)**	**Level 3 ($)**	**Total ($)**
Equities	7,851,560	-	-	7,851,560
Bonds	-	827,587	-	827,587
	7,851,560	827,587	-	8,679,147

11. Capital Management

The Fund's investment objective is primarily to provide long-term capital appreciation with the potential for income, by investing primarily in equity securities, fixed income investments and other income-producing securities based in North America.

The capital of the Fund is divided into 2 classes, Class A and Class F with each class having an unlimited number of units. The units issued and outstanding represent the capital of the Fund and unit holders are entitled to distributions when declared. The distributions are based on the Manager's estimate of the actual income for the year. For the period ended December 31, 2013, the Fund had made a distribution of $0.225/unit to its outstanding unit holders. Distributions are automatically reinvested or paid in cash if opted by the unitholders.

The Fund manages its capital in accordance with the investment objectives and strategies and the risk management practices outlined in Note 9 under Financial Risk Management. The Manager actively monitors the cash position and financial performance to ensure sufficient liquidity to meet operating expenses, distributions, and redemptions.

12. International Financial Reporting Standards

Investment companies that are publicly accountable enterprises, or investment funds to which National Instrument 81-106 *Investment Fund Continuous Disclosure* is applicable, are required to adopt International Financial Reporting Standards ("IFRS") for the first time for interim and annual financial statements relating to annual periods beginning on or after January 1, 2014. As a result, the Fund will adopt IFRS beginning January 1, 2014 and publish its first financial statements, prepared in accordance with IFRS, for the semi-annual period ending June 30, 2014. The 2014 semi-annual and annual financial statements will include 2013 comparative financial information and an opening Statement of Net Assets as at April 12, 2013, also prepared in accordance with IFRS.

The Manager continues to execute its transition plan to complete the changeover to IFRS for the Fund in 2014 and comply with the required timetable for continuous disclosure. As at December 31, 2013, the impact to the financial statements based on the Manager's assessment of the differences between current Canadian GAAP and IFRS are as follows:

- IFRS 13 *Fair Value Measurement* permits the use of mid-market prices or other pricing conventions that are used by market participants as a practical expedient for fair value measurements within a bid-ask spread. The Fund will adopt accounting policies for valuation of investments to utilize mid-market prices that align more closely with the calculation of net asset value (NAV) used to price unitholder transactions (Transaction NAV). As a result, net assets for current financial reporting purposes (GAAP NAV) may be impacted and is expected to align with Transaction NAV, eliminating the need for a NAV per unit reconciliation. The impact to the Statement of Financial Position as at December 31, 2013 is disclosed in these financial statements in the reconciliation of net assets per unit.

- IFRS 10 *Consolidated Financial Statements* provides an exception to the consolidation requirements and requires an investment entity to account for its subsidiaries at fair value through profit or loss. The Manager has concluded that the Fund meets the definition of an investment entity as at April 12, 2013 and throughout the year ended December 31, 2013.

- Units of the Fund are puttable instruments and are required to be presented as equity or liability, depending on certain criteria. As at April 12, 2013 and throughout the year ended December 31, 2013, units of the Fund did not meet the criteria to be classified as equity. As a result, unitholders' equity will be presented as a liability in the Statements of Financial Position.

- IFRS requires the presentation of a statement of Cash Flows, including comparatives for 2013. The Fund has not previously presented this statement as permitted by Canadian GAAP. In addition, other statements presented will be renamed as follows:

Canadian GAAP	IFRS
Statements of Net Assets	Statements of Financial Position
Statements of Operations	Statements of Comprehensive Income
Statements of Changes in Net Assets	Statements of Changes in Financial Position
Statement of Investment Portfolio	Schedule of Investment Portfolio

- Other reclassifications, presentation differences and additional disclosures will also be required in the financial statements to comply with the new requirements under IFRS.