Financial Statements of

CRYSTAL WEALTH HIGH YIELD MORTGAGE STRATEGY

For the period from establishment, January 23, 2015, to December 31, 2015

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Contents

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Independent Auditor's Report

To the Unitholders of Crystal Wealth High Yield Mortgage Strategy

We have audited the accompanying financial statements of Crystal Wealth High Yield Mortgage Strategy, which comprise the statement of financial position as at December 31, 2015, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the period from establishment, January 23, 2015, to December 31, 2015, 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 International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained 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 Crystal Wealth High Yield Mortgage Strategy as at December 31, 2015, and its financial performance and its cash flows for the period from establishment, January 23, 2015, to December 31, 2015, in accordance with International Financial Reporting Standards.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Burlington, Ontario
March 30, 2016

CRYSTAL WEALTH HIGH YIELD MORTGAGE STRATEGY
STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2015

ASSETS	
Current assets	
Cash	**$ 93,624**
Mortgage investments at fair value	**1,621,036**
Subscriptions receivable	**59,500**
Accrued interest receivable	**12,486**
Due from related parties (Note 10)	**722,176**
Total assets	**2,508,822**
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	**3,899**
Due to related party (Note 10)	**563,000**
Total liabilities (excluding net assets attributable to holders of redeemable units)	**566,899**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SERIES A UNITS	**$ 1,941,923**
NUMBER OF REDEEMABLE SERIES A UNITS OUTSTANDING (Note 6)	**193,884**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SERIES A UNITS PER UNIT	**$ 10.02**

On behalf of the Manager, Crystal Wealth Management System Limited

"Clayton Smith" Clayton Smith, Director

CRYSTAL WEALTH HIGH YIELD MORTGAGE STRATEGY
STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM ESTABLISHMENT, JANUARY 23, 2015, TO DECEMBER 31, 2015

INCOME	
Mortgage interest and other income	**$ 185,369**
Lender fee income	**33,157**
Unrealized depreciation on mortgage investments at fair value	**(31,341)**
	187,185
EXPENSES (Note 9)	
Administration fees	**16,907**
Interest and bank charges	**10,054**
Legal fees	**1,352**
Management fees	**26,305**
Mortgage service and registration fees	**12,527**
	67,145
INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SERIES A UNITS	**$ 120,040**
INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SERIES A UNITS PER UNIT (Note 11)	**$ 0.91**

CRYSTAL WEALTH HIGH YIELD MORTGAGE STRATEGY
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

FOR THE PERIOD FROM ESTABLISHMENT, JANUARY 23, 2015, TO DECEMBER 31, 2015

NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SERIES A UNITS, BEGINNING OF PERIOD	**$ -**
INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SERIES A UNITS	**120,040**
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	
From net investment income	**(120,048)**
REDEEMABLE UNIT TRANSACTIONS	
Proceeds from issuance of redeemable units	**3,353,886**
Reinvestments of distributions to holders of redeemable units	**141,193**
Amount paid on redemption of redeemable units	**(1,553,148)**
	1,941,931
NET INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SERIES A UNITS FOR THE PERIOD AND END OF PERIOD	**$ 1,941,923**

CRYSTAL WEALTH HIGH YIELD MORTGAGE STRATEGY
STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM ESTABLISHMENT, JANUARY 23, 2015, TO DECEMBER 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets attributable to holders of redeemable Series A units	**$ 120,040**
Adjustments to reconcile increase in net assets attributable to holders of redeemable Series A units to net cash used in operating activities	
Purchase of mortgage investments at fair value	**(2,104,989)**
Proceeds from discharge of mortgage investments at fair value	**452,612**
Unrealized depreciation on mortgage investments at fair value	**31,341**
Interest expense	**9,339**
Changes in operating assets and liabilities	
Subscriptions receivable	**(59,500)**
Accrued interest receivable	**(12,486)**
Accounts payable and accrued liabilities	**3,899**
Net cash used in operating activities	**(1,559,744)**
CASH FLOWS FROM INVESTING ACTIVITY	
Advances to related parties	**(722,176)**
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issuance of redeemable units	**3,353,886**
Amount paid on redemption of redeemable units	**(1,553,148)**
Distributions from net investment income, net of reinvestments	**21,145**
Advances from related party	**563,000**
Interest paid	**(9,339)**
Net cash provided by financing activities	**2,375,544**
NET INCREASE IN CASH FOR THE PERIOD AND CASH, END OF PERIOD	**$ 93,624**

CRYSTAL WEALTH HIGH YIELD MORTGAGE STRATEGY
SCHEDULE OF INVESTMENT PORTFOLIO

DECEMBER 31, 2015

Mortgage Investments at Fair Value - 83.48% (Note 7)

	Cost	**Fair Value**
Residential	$ 1,652,377	**$ 1,621,036**
Other assets, net - 16.52%		**320,887**
Net assets attributable to holders of redeemable Series A units		**$ 1,941,923**

Schedule of Mortgage Investments

Interest Rate (%)			Number of Mortgages	Cost	Fair Value
11.501	to	12.500	3	$ 128,501	$ 128,501
12.501	to	13.500	2	42,669	42,669
13.501	to	14.000	13	577,657	546,316
14.001	to	14.500	8	323,451	323,451
14.501	to	15.000	10	414,540	414,540
15.001	to	15.500	4	165,559	165,559
Total			40	$ 1,652,377	1,621,036

All mortgages have maturities of two years or less and none of the mortgages are insured under the National Housing Act.

Schedule of Maturity

Maturity	Number of Mortgages	Cost	Fair value
2016	31	$ 1,400,302	$ 1,400,302
2017	9	252,075	220,734
	40	$ 1,652,377	$ 1,621,036

1. The Fund

The Crystal Wealth High Yield Mortgage Strategy (the "Fund") is an open-ended unit trust formed under the laws of the Province of Ontario on January 23, 2015 by an amendment to Schedule A to a Master Declaration of Trust dated April 12, 2007, amended and restated as of September 27, 2015. The investment objective of the Fund is to generate a consistently high level of interest income while focusing on preservation of capital by investing primarily in residential second mortgages in Canada. The address of the Fund's registered office is 3385 Harvester Road, Suite 200 Burlington, ON L7N 3N2.

The Fund is not a reporting issuer under securities legislation and, therefore, is relying on National Instrument 81-106 for exemption from the requirement to file financial statements with the applicable securities regulatory authorities.

The Investment Manager of the Fund is Crystal Wealth Management System Limited (the "Manager"). The Manager is responsible for directing the affairs, providing the day-to-day management services and managing the investment portfolio of the Fund.

2. Significant Accounting Policies

Basis of Presentation
The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These audited financial statements for the period from establishment, January 23, 2015, to December 31, 2015, were authorized for issue by the Manager on March 30, 2016.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, and are presented in Canadian dollars, which is the Fund's functional and presentation currency.

New Standards, Interpretations and Amendments not yet Adopted
The following new standards and amendments to existing standards were issued by the IASB:

IFRS 9 Financial Instruments
The final version of IFRS 9, Financial Instruments, was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. The new single principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however, is available for early adoption. In addition, the credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Fund is in the process of assessing the impact of IFRS 9 and has not yet determined when it will adopt the new standard.

2. Significant Accounting Policies (Continued)

New Standards, Interpretations and Amendments not yet Adopted (continued)

IFRS 15 Revenue from Contracts with Customers

IFRS 15 is based on the core principle to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 focuses on the transfer of control. IFRS 15 replaces all of the revenue guidance that previously existed in IFRSs. The effective date for IFRS 15 is January 1, 2017. The Company is in the process of evaluating the impact of the new standard.

IAS 1 Presentation of Financial Statements

The amendments to IAS 1 are a part of a major initiative to improve disclosure requirements in IFRS financial statements. The amendments clarify the application of materiality to note disclosure and the presentation of line items in the primary statements provide options on the ordering of financial statements and additional guidance on the presentation of other comprehensive income related to equity accounted investments. The effective date for these amendments is January 1, 2016. The Fund is currently evaluating the impact of IAS 1 on its financial statements.

The following summarizes the accounting policies of the Fund:

(a) Valuation of mortgage investments

Mortgage investments for which there is no active market are valued at fair value using valuation techniques which include net present value and discounted cash flow models and comparisons with similar instruments for which observable market prices exists. Assumptions and inputs used in valuation techniques include risk-free interest rate, credit spreads as well as prevailing rates of return on similar mortgages. The output of the valuation technique is an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions held by the Fund. Valuations are therefore adjusted where appropriate, to allow for additional factors including interest rate risk, liquidity risk and counter party risk.

The Fund measures the fair value of its mortgage investments at fair value for Trading NAV purposes as described as follows:

2. Significant Accounting Policies (Continued)

(a) Valuation of mortgage investments (continued)

In accordance with the Fund's Offering Memorandum, the Fund continues to calculate its net asset value using the outstanding principal on the Valuation Date. The Manager continues to value mortgage investments at their outstanding principal even if a mortgage is in foreclosure, unless the Manager has incontrovertible proof that the final recovery from the borrower will be less than the outstanding principal, in which case the Manager will reduce the value of the mortgage to the expected recovery amount. This measurement is not consistent with the Fund's fair value measurement policies under IFRS, however, is in accordance with the Fund's offering Memorandum. As at December 31, 2015, there were no differences between the Fund’s Trading NAV and IFRS NAV.

(b) Classification

The Fund classifies its mortgage investments as financial assets at fair value through profit or loss.

This category has two sub-categories: financial assets held for trading; and financial assets designated at fair value through profit or loss at inception.

(i) Financial assets held for trading

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

(ii) Financial assets designated at fair value through profit or loss at inception

Financial assets designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy.

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date. The Fund's mortgage investments have been designated at fair value through profit or loss (FVTPL). The Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount. Cash, subscriptions receivable, accrued interest receivable, due from related parties, accounts payable and accrued liabilities and due to related party are measured at amortized cost. Under this method, the amount required to be received or paid, is discounted, when appropriate, at the contract's effective interest rate.

The Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount. All other financial assets and financial liabilities are measured at amortized cost.

2. Significant Accounting Policies (Continued)

(c) Fair value measurements

Investments at fair value are classified into one of three fair value levels.

The hierarchy of inputs is summarized below:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1),
- 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 2); and,
- Inputs for the asset and liability that are not based on observable market data (unobservable inputs) (Level 3).

All of the Fund’s mortgage investments at fair value were classified as Level 3 at December 31, 2015.

(d) Investment transactions and income recognition

Investment transactions are accounted for on the date an order is executed. Income from mortgage investments is recognized on an accrual basis. Lender fees and interest received in advance on mortgage investments are deferred until the related expenses are incurred. All transaction costs relating to the purchases and sales of mortgage investments are charged to comprehensive income in the year. Realized gains and losses from mortgage investments and unrealized appreciation (depreciation) from mortgage investments are calculated on an average cost basis.

Distributions received from funds are recognized based on the nature of the underlying components such as dividend income, interest income, capital gains, and return of capital.

(e) Offsetting financial instruments

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

(f) Recognition/derecognition

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date. Any gains and losses arising from changes in fair value of the assets or liabilities are recognized in the Statement of Comprehensive Income.

Other financial assets are derecognized only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Fund derecognizes financial liabilities when the Fund's obligations are discharged, cancelled or they expire.

2. Significant Accounting Policies (Continued)

(g) Impairment of financial assets

The Fund assesses at each reporting date whether a financial asset or group of financial assets measured at amortized cost is impaired. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's amortized cost and the present value of estimated future cash flows discounted using the asset's original effective interest rate. Impairment losses on assets measured 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.

(h) Translation of foreign currencies

Transactions in currencies other than the Canadian dollar are translated at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities denominated in currencies other than the Canadian dollar are translated at the applicable exchange rates prevailing at the reporting date. Resulting exchange differences are recognized in the Statement of Comprehensive Income.

(i) Valuation of redeemable fund units

The Fund's units are issued and redeemed at the net asset value per unit, which is determined as of the close of business each week. The net asset value per unit of the Fund is determined by dividing the total market value of the Fund's net assets by the number of units outstanding.

Net asset value per unit of each class is calculated at 4:00 p.m. (Eastern time) each business week by dividing the net assets of each class by its outstanding units. The net assets of each class are computed by calculating the value of that class's proportionate share of the Fund's assets less that class's proportionate share of the Fund's common liabilities, and less class specific liabilities. Expenses directly attributable to a class are charged to that class while common fund expenses are allocated to each class in a reasonable manner as determined by the Manager. Other income, and realized and unrealized gains and losses, are allocated to each class of the Fund based on that class's prorata share of total net asset value of the Fund.

For each unit sold, the Fund received an amount equal to the net asset value per unit on the date of sale, which included in net assets attributable to holders of redeemable units. Units are redeemable at the option of the unitholders at their net asset value on the redemption date. For each unit redeemed, the number of issued and outstanding units is reduced and the net asset value of the Fund is reduced by the related net asset value on the date of redemption.

(j) Net assets attributable to holders of redeemable units per unit

The net assets attributable to holders of redeemable units per unit is calculated by dividing the net assets attributable to holders of redeemable units of a particular class of units by the total number of units of that particular class outstanding at the end of the period.

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

Increase in net assets attributable to holders of redeemable units per unit is based on the increase in net assets attributable to holders of redeemable units attributed to each class of units, divided by the weighted average number of units outstanding of that class during the period.

2. Significant Accounting Policies (Continued)

(l) Income taxes

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). All of the Fund's net income for tax purposes and sufficient capital gains realized in any period are required to be distributed to unitholders such that no tax is payable by the Fund. As a result, the Fund does not record income taxes. Since the Fund does not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statement of Financial Position as a deferred income tax asset.

(m) Related parties

For the purpose of these financial statements, a party is considered related to the Fund if such party or the Fund has the ability to, directly or indirectly, control or exercise significant influence over the other entity's financial and operating decisions, or if the Fund and such party are subject to common significant influence. Related parties may be individuals or other entities.

(n) Critical estimates and judgements

In the application of the Fund's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources.

The most significant estimates that the Fund is required to make relate to the fair value of the mortgage investments. The estimates may include: assumptions regarding local real estate market conditions; interest rates and the availability of credit; cost and terms of financing; the impact of present or future legislation or regulation; prior encumbrances and other factors affecting the mortgage and underlying security of the mortgage investments.

These assumptions are limited by the availability of reliable comparable data, economic uncertainty, ongoing geopolitical concerns and the uncertainty of predictions concerning future events. Credit markets, equity markets, and consumer spending are factors in the uncertainty inherent in such estimates and assumptions. Accordingly, by the nature, estimates of fair value are subjective and do not necessarily result in precise determinations. Should the underlying assumptions change, the estimated fair value could change by a material amount.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects that period, or in the period of the revision of future periods if the revision affects both current and future periods.

3. Reconciliation of Level 3 Fair Value Measurements of Financial Assets

For the period from establishment, January 23, 2015, to December 31, 2015		
Mortgage investments, beginning of period	$	-
Mortgages funded		**2,104,989**
Discharge of mortgage investments		**(452,612)**
Unrealized depreciation on mortgage investments		**(31,341)**
Mortgage investments, end of period	**$**	**1,621,036**

There were no transfers into or out of Level 3 for the period from establishment, January 23, 2015, to December 31, 2015.

4. Financial Instruments and Risk Management

The Fund may be exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, and other price risk). The level of risk depends on the Fund's investment objectives and the types of investments it invests in. The Schedule of Investment Portfolio presents the investments held by the Fund as at December 31, 2015, and groups the investments by asset type, geographic region and/or market segment. All other assets and liabilities are carried at amortized cost; their carrying values are a reasonable approximation of fair value.

The following is a summary of the Fund's main risks:

Credit risk
Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that is entered into with the Fund. A deterioration in the Canadian economy may affect the ability of some borrowers to pay their monthly mortgage payments. The fair value of mortgage investments represents the maximum credit risk as at December 31, 2015, however, the Fund's exposure to credit risk is limited since all mortgages are collateralized by the underlying real estate. The Fund is also exposed to limited credit risk related to the amounts due from related parties.

Liquidity risk
Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligations on time or at a reasonable price. The Fund is exposed to weekly cash redemptions of redeemable units. The units of the Fund are issued and redeemed on demand at the then current Trading NAV per unit at the option of the unitholder. All liabilities are payable within a year. The Fund retains sufficient cash positions to maintain liquidity.

Interest rate risk
Interest rate risk arises from the possibility that changes in market interest rates will affect future cash flows or fair values of financial instruments. Mortgage interest rates are at fixed rates that are not directly impacted by changes in prevailing rates, thereby reducing the Fund's exposure to interest rate risk. Generally, the fair value of mortgage investments is impacted by changes in interest rates, however, given the short duration of the mortgage investments held by the Fund, their fair value approximates carrying values and any changes in prevailing interest rates would not have a significant impact on their fair value.

5. Capital Management

The capital of the Fund is represented by issued redeemable units with no par value. The unitholders are entitled to distributions, if any, and to payment of a proportionate share of the Fund's net asset value per unit upon redemption. The relevant movements are shown on the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units. In accordance with its investment objectives and strategies and the risk management practices outlined in Note 4, the Fund endeavors to invest the subscriptions received in appropriate mortgage investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments where necessary. The Fund does not have any specific capital requirements on the subscription and redemption of units, other than certain minimum subscription requirements.

6. Redeemable Units

Redeemable units of the Fund, which are redeemable at the option of the holder in accordance with the provisions of the Declaration of Trust, do not have any nominal or par value. The Fund is permitted to issue an unlimited number of Series of units and is authorized to issue an unlimited number of units of each series. The redeemable units of the Fund are issued or redeemed on a weekly basis at the net asset value per unit which is determined as of the close of business each week. There are no differences between the NAV per unit of each class of the Fund and the Net Assets Attributable to Holders of Redeemable Units per Unit of each class of the Fund.

Summary of sale and redemption of Series A units:

For the period from establishment, January 23, 2015, to December 31, 2015	
Units, beginning of period	-
Units issued	**333,780**
Units redeemed	**(153,976)**
Units reinvested	**14,080**
Units, end of period	**193,884**

7. Mortgage Investments

The mortgage investments are second mortgages and are secured by the real property to which they relate, bear interest at a weighted average interest rate of 14.28% and mature between 2016 and 2017. The Fund aims to have a loan to value ratio of no more than 90% on an individual mortgage at time of purchase.

Mortgages in arrears

A mortgage is considered past due when a counterparty has not made a payment by the contractual date. As at December 31, 2015, there were no mortgages in arrears.

8. Income Taxes

The Fund qualifies as a mutual fund trust within the meaning of the Income Tax Act (Canada). The Fund is subject to applicable federal and provincial taxes on the amounts of its net income for tax purposes for the period, including net realized taxable capital gains, to the extent such net income for tax purposes has not been paid or made payable to unit holders in the period.

No provision for income taxes is recorded in the financial statements as all income and net realized capital gains are distributed to the unitholders.

9. Management Fees and Expenses

Pursuant to the management agreement between the Fund and the Manager, the Manager is to provide management and investment advisor services to the Fund. For this service, the Fund agrees to pay the Manager a management fee, which is calculated daily and payable monthly based on an annual rate of 2.00% of the net asset value.

To encourage large investments in the Fund, the Manager may reduce the management fee that would be charged to the Fund in respect of units held by an investor making a large investment. The amount of the reduction is distributed by the Fund (the "Management Fee Distribution") to the investor for whose benefit the fees were reduced. All Management Fee Distributions will be reinvested in additional units unless otherwise requested.

The Fund pays expenses related to its operations including professional fees, brokerage commissions, interest and administrative costs relating to the issue and redemption of units as well as the cost of financial and other reports and compliance with all applicable laws, regulations and policies.

10. Related Party Transactions

The following table summarizes amounts due from/to related parties:

	December 31, 2015
Due from related parties	
Crystal Wealth Mortgage Strategy (Formerly Crystal Enhanced Mortgage Fund)	$ 196,940
Crystal Wealth Medical Strategy (Formerly Crystal Wealth Medical Income Fund)	75,113
Crystal Wealth Media Strategy (Formerly Crystal Wealth Strategic Yield Media Fund)	450,123
	$ 722,176
Due to related party	
Crystal Wealth Enlightened Factoring Strategy (Formerly Crystal Enlightened Income Fund)	$ 563,000

10. Related Party Transactions (Continued)

The Funds are related through common directors, trustees, officers and Fund management. The amounts due from/to related parties are unsecured, bear interest at 5% and are due on demand. During the year, the Fund received $1,683 of interest income from related parties and paid $8,123 of interest expense to a related party.

The Fund may invest in any one of the funds that are managed by the Manager ("Underlying Crystal Wealth Funds"). As of December 31, 2015, the Underlying Crystal Wealth Funds include Crystal Wealth Mortgage Strategy (Formerly Crystal Enhanced Mortgage Fund), Crystal Wealth Medical Strategy (Formerly Crystal Wealth Medical Income Fund), Crystal Wealth Enlightened Factoring Strategy (Formerly Crystal Enlightened Income Fund), ACM Income Fund, Crystal Enlightened Resource and Precious Metals Fund, Crystal Wealth Media Strategy (Formerly Crystal Wealth Strategic Yield Media Fund), ACM Growth Fund, Crystal Wealth Retirement One Fund and Crystal Enlightened Bullion Fund.

Included in mortgage interest and other income are $1,046 of interest distributions received from Crystal Wealth Media Strategy (Formerly Crystal Wealth Strategic Yield Media Fund) and $893 of interest distributions received from Crystal Mortgage Strategy (Formerly Crystal Enhanced Mortgage Fund). At December 31, 2015, the Crystal Wealth Mortgage Strategy (Formerly Crystal Enhanced Mortgage Fund) held 39,227 units of the Fund with a fair value of $392,895 and the Crystal Wealth Media Strategy (Formerly Crystal Wealth Strategic Yield Media Fund) held 53,398 units of the Fund with a fair value of $534,830.

No sales or redemption fees will be payable by the Fund in relation to its purchases or redemptions of units of the Underlying Crystal Wealth Funds, and no management fees or incentive fees will be payable by the Fund that would duplicate a fee payable by the Underlying Crystal Wealth Funds for the same service. Such a reduction in management fees is to be facilitated by an additional distribution from the underlying Crystal Wealth Funds to the Fund and is included in mortgage interest and other income.

11. Increase in Net Assets Attributable to Holders of Redeemable Series A Units per Unit

The increase in net assets attributable to holders of redeemable Series A units per unit for the period from establishment, January 23, 2015, to December 31, 2015 is calculated as follows:

	Increase in net assets attributable to holders of redeemable Series A units	Weighted average number of redeemable Series A units outstanding during the period	Increase in net assets attributable to holders of redeemable Series A units per unit
2015	**$ 120,040**	**132,493**	**$ 0.91**