

Semi-Annual Financial Statements of

**CRYSTAL ENLIGHTENED RESOURCE &
PRECIOUS METALS FUND**

*June 30, 2016
(Unaudited)*

**CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS
FUND**

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June 30, 2016

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**CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND
STATEMENTS OF FINANCIAL POSITION**

AS AT	June 30 2016 (unaudited) \$	December 31 2015 (audited) \$
ASSETS		
Current assets		
Cash and cash equivalents	314,711	211,226
Investments at fair value (Note 2)	2,433,019	2,259,903
Accounts receivable	5,137	5,214
Receivable for investment securities sold	-	74,975
Total assets	<u>2,752,867</u>	<u>2,551,318</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	<u>3,288</u>	<u>5,079</u>
Total liabilities (excluding net assets attributable to holders of redeemable units)	3,288	5,079
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SERIES A UNITS	<u><u>2,749,579</u></u>	<u><u>2,546,239</u></u>
NUMBER OF REDEEMABLE SERIES A UNITS OUTSTANDING (Note 5)	<u><u>654,053</u></u>	<u><u>691,514</u></u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SERIES A UNITS PER UNIT	<u><u>4.20</u></u>	<u><u>3.68</u></u>

On behalf of the Manager, Crystal Wealth Management System Limited

"Clayton Smith" (Signed) Director

CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30

	2016 (unaudited) \$	2015 (unaudited) \$
INCOME		
Interest income (Note 8)	76,947	116,488
Net realized (loss) gain on sale of investments	(137,751)	62,054
Net change in unrealized (depreciation) appreciation	451,620	(77,957)
Foreign exchange (loss)	(5,039)	(12,147)
	<u>385,777</u>	<u>88,437</u>
EXPENSES (Note 7)		
Transaction costs	2,188	5,830
Interest and bank charges	810	2,901
Management fees	26,487	35,477
Administration fees	10,786	34,727
	<u>40,271</u>	<u>78,936</u>
INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SERIES A UNITS		
	<u>345,506</u>	<u>9,501</u>
INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SERIES A UNITS PER UNIT (Note 9)		
	<u>0.52</u>	<u>0.01</u>

CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND
STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO
HOLDERS OF REDEEMABLE UNITS
FOR THE SIX MONTHS ENDED JUNE 30

	2016 (unaudited) \$	2015 (unaudited) \$
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD	<u>2,546,239</u>	<u>3,372,934</u>
INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	<u>345,506</u>	<u>9,501</u>
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income	<u>(12)</u>	<u>-</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from redeemable units issued	47,915	52,385
Reinvestments of distributions to holders of redeemable units	14	-
Redemption of redeemable units	<u>(190,083)</u>	<u>(224,761)</u>
NET DECREASE FROM REDEEMABLE UNIT TRANSACTIONS	<u>(142,154)</u>	<u>(172,376)</u>
NET INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	<u>203,340</u>	<u>(162,875)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD	<u>2,749,579</u>	<u>3,210,059</u>

The accompanying notes are an integral part of these financial statements

CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30

	2016 (unaudited) \$	2015 (unaudited) \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets attributable to holders of redeemable units	345,506	9,501
Adjustments for		
Net realized loss on sale of investments	137,751	-
Net change in unrealized depreciation (appreciation)	(451,620)	56,777
Purchase of investments	(2,062,791)	(1,803,031)
Proceeds on disposal of investments	2,194,923	1,884,694
Decrease in receivable for investment securities sold	74,975	
Net realized loss on foreign exchange	5,039	-
Decrease in accounts receivable	77	-
(Decrease) increase in accounts payable and accrued liabilities	(1,791)	3,599
	<u>245,651</u>	<u>151,542</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of fund units	47,915	52,385
Redemption of fund units	(190,083)	(224,761)
Distributions from net investment income, net of reinvestments	2	-
	<u>(142,166)</u>	<u>(172,377)</u>
NET INCREASE (DECREASE) IN CASH DURING THE PERIOD	103,485	(20,835)
CASH, BEGINNING OF PERIOD	<u>211,226</u>	<u>214,946</u>
CASH, END OF PERIOD	<u>314,711</u>	<u>194,111</u>

The accompanying notes are an integral part of these financial statements

CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND
SCHEDULE OF INVESTMENT PORTFOLIO
AS AT JUNE 30, 2016
(unaudited)

	No. of Shares	\$Cost	\$Fair Value
DEBENTURES - 4.8%			
Inca One 06/15/17	82,500	82,500	82,500
Northern Vertex 5% Conv 05/31/2021	50,000	50,000	50,000
TOTAL DEBENTURES		132,500	132,500
CANADIAN EQUITIES AND MUTUAL FUNDS - 80.6%			
Almaden Minerals Ltd	14,000	19,907	29,400
Almadex Minerals Ltd	8,400	-	3,318
Astorius Resources Ltd	69,500	10,770	4,518
Chieftain Metals Inc	69,351	19,831	11,096
Warrants - Colorado Resources Ltd 17 May 18	71,430	-	-
Colorado Resources Ltd Restricted	71,430	25,001	29,286
Crystal Enlightened Bullion Fund	25,246	257,869	282,489
Crystal Wealth Enlightened Factoring Strategy	62,551	614,906	621,537
Crystal Wealth Media Strategy	32,841	332,240	331,391
First Mining Finance Corp	34,700	25,231	26,372
Warrants - Garmatex Mar 30 2017	70,000	35,000	35,000
Inca One Gold Corp	447,745	78,060	22,387
Largo Resources Ltd	8,000	20,320	3,760
Miranda Gold Corp	347,735	51,429	31,296
Montan Mining Corp	625,000	25,000	15,625
Warrants - Montan Mining Corp 10 May 18	312,500	-	-
Mountainstar Gold Inc	333,833	50,048	3,338
Novo Resources Corp	312,260	257,032	312,260
Warrants - Novo Resources Corp 9 Jul 16	166,667	100,000	165,000
Pacific Booker Minerals Inc	51,200	359,071	53,248
Pilot Gold Inc	33,640	34,663	24,894
Riverside Resources Inc	114,250	44,471	47,985
Rubicon Minerals Corp	33,800	29,445	1,690
Rye Patch Gold Corp	104,000	17,160	47,840
Latin American Minerals Inc	250,000	25,000	52,500
Warrant - Latin American Minerals Inc 10 Jun 18	250,000	-	15,000
Warrants - Novo Res Corp 8 Mar 18	166,667	-	23,333
Warrants - Alamos Gold Inc	9,305	30,241	4,606

CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND

SCHEDULE OF INVESTMENT PORTFOLIO

AS AT JUNE 30, 2016

(unaudited)

	No. of Shares	\$Cost	\$Fair Value
CANADIAN EQUITIES AND MUTUAL FUNDS (continued)			
Warrants - Garmatex Tech 30 Mar 17	35,000	-	-
Warrants - Inca One Gold 22 Dec 20	200,000	-	-
Warrants - Mountainstar 31 Aug 17	166,667	-	-
Warrants - Novo Res Corp 24 Jul 17	96,160	-	18,270
TOTAL CANADIAN EQUITIES AND MUTUAL FUNDS		2,462,694	2,217,440
FOREIGN EQUITIES - 3.3%			
Advanced Voice Recognition	1,788,000	95,357	11,630
Market Vectors Junior Gold Miners	955	49,514	52,925
Advanced Voice Recognition Restricted	244,500	13,039	1,590
Silver Lake Resources	50,990	153,554	25,393
TOTAL FOREIGN EQUITIES		311,464	91,538
FUTURES CONTRACTS - (0.0%)			
\$100,000 CAD/USD Futures Contract Maturing 20 Sep 16	2	(6)	(4,947)
Total OTHER-Long		(6)	(4,947)
OPTIONS - Short - 0.0%			
Jnug Us 01/19/18 P27	(500)	(9,588)	(3,512)
Total OTHER-Short		(9,588)	(3,512)
Total Investment Portfolio		2,897,064	2,433,019
Other Assets, Net - 11.5%			316,560
Net Assets Attributable to Holders of Redeemable Units			2,749,579

The accompanying notes are an integral part of these financial statements

CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
JUNE 30, 2016

1. The Fund

The Crystal Enlightened Resource and Precious Metals Fund (the "Fund") is an open-ended mutual fund trust formed under the laws of the Province of Ontario on August 14, 2009 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 positive absolute annual returns by investing primarily in securities with economic exposure to the global resource and precious metals sector. 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

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

These unaudited financial statements for the period ended June 30, 2016 were authorized for issue by the Manager on August 29, 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:

CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
JUNE 30, 2016

2. Significant Accounting Policies (Continued)

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.

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.

The following summarizes the accounting policies of the Fund:

CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
JUNE 30, 2016

2. Significant Accounting Policies (Continued)

(a) Valuation of investments

The fair value of financial assets and financial liabilities traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices. In accordance with the provisions of the Fund's Offering Memorandum, investment positions are valued based on the last traded market price for the purpose of determining the net asset per unit for subscriptions and redemptions. For financial reporting purposes, the Fund 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. If the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

(i) Futures contracts

Foreign exchange forward contracts, which are held as hedges for capital investments, are valued on each business day at the gain or loss that would be realized if the position in the contracts were closed out.

The unrealized appreciation (depreciation) on futures contracts is included in investments at fair value on the Statements of Financial Position and included in "Net change in unrealized appreciation (depreciation) on investments at fair value" during the applicable year in the Statements of Comprehensive Income. Upon closing of the contracts, the gain or loss is included in "Net realized gain (loss) on sale of investments at fair value" on the Statements of Comprehensive Income.

(ii) Warrant contracts

Warrant contracts are valued on each business day at the gain or loss that would be realized if the position in the contracts were closed out.

The unrealized appreciation (depreciation) on warrant contracts is included as investments at fair value on the Statements on Financial Position and included in "Net change in unrealized appreciation (depreciation) on investments at fair value" during the applicable year in the Statements of Comprehensive Income. Upon closing of the contracts, the gain or loss is included in "Net realized gain (loss) on sale of investments at fair value" on the Statements of Comprehensive Income.

CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
JUNE 30, 2016

2. Significant Accounting Policies (Continued)

(b) Classification

The Fund classifies its 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. Derivatives are also categorized as held for trading.

(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 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, receivable for investment securities sold, accounts receivable, and accounts payable and accrued liabilities 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.

(c) Fair value measurements

Investments at fair value are each 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).

CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
JUNE 30, 2016

2. Significant Accounting Policies (Continued)

All of the Fund's investments at fair value were classified as Level 1 at June 30, 2016 and December 31, 2015.

(d) Investment transactions and income recognition

Investment transactions are accounted for on the trade date and any unsettled sales or purchases of investments are reflected as receivable for investment securities sold or payable for investment securities purchased. Interest income is accrued daily and dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions and unrealized appreciation (depreciation) of 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 Statements 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.

The Fund recognizes financial assets or financial liabilities designated as trading securities on the trade date, the date it commits to purchase or sell short the instruments. From this date any gains and losses arising from changes in fair value of the assets or liabilities are recognized in the Statements 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, canceled or they expire. Financial liabilities arising from the redeemable units issued by the Fund are presented at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

(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 had 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.

CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
JUNE 30, 2016

2. Significant Accounting Policies (Continued)

(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. 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 Statements 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 assets 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. 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 attributable to holders of redeemable units in 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 the particular class outstanding at the end of the period.

(k) Increase (decrease) 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 decrease 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.

(l) Income taxes

The Fund qualifies as 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 Statements of Financial Position as a deferred income tax asset. Refer to Note 6 for unused losses.

CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
JUNE 30, 2016

2. Significant Accounting Policies (Continued)

(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 judgments

In the application of the Fund's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Fund has concluded that unlisted open-ended investment funds in which it invests, but that it does not consolidate, meet the definition of structured entities because; The voting rights in the funds are not dominate rights in deciding who controls them as they relate to administrative tasks only; each fund's activities are restricted by is offering memorandum; and The funds have narrow and well-defined objectives to provide investment opportunities to investors.

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.

CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
JUNE 30, 2016

3. 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, currency risk, and other price risk). The level of risk depends on the Fund's investment objectives and the types of securities it invests in. The Schedule of Investment Portfolio presents the investments held by the Fund as at June 30, 2016, 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 it has entered into with a fund. The Fund is exposed to credit risk as at June 30, 2016 and December 31, 2015 through its investments in the Underlying Crystal Wealth Funds, as presented in the notes of the Underlying Crystal Wealth Funds' financial statements. This risk has not changed from the previous year.

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's assets are primarily invested in securities that are traded in an active market and can be readily disposed of as liquidity needs arise. This risk has not changed from the previous year.

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. It arises when the Fund invests in interest-bearing financial instruments. Interest rates pertaining to the investments in the Crystal Wealth Enlightened Factoring Strategy and the Crystal Wealth Medical Strategy are at fixed rates that are not directly impacted by changes in prevailing rates, thereby reducing the Fund's exposure to interest rate risk. As at June 30, 2016 and December 31, 2015, the Fund did not have any significant exposure to interest rate risk. This risk has not changed from the previous year.

CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
JUNE 30, 2016

3. Financial Instruments and Risk Management (Continued)

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Schedule of Investment Portfolio identifies all securities denominated in foreign currencies. In addition, the Fund had \$71,340 of USD cash (December 31, 2015 - \$105,739) and \$161 of AUD bank indebtedness (December 31, 2015 - \$163 bank indebtedness) on June 30, 2016, offset in the cash.

If the Canadian Dollar had strengthened or weakened by 5% relative to other foreign currencies, with all other variables held constant, the net assets of the Fund would have increased or decreased, respectively, by approximately \$441 (December 31, 2015 - \$8,400). In practice, actual results may differ from this sensitivity analysis and the difference could be material. This risk has not changed from the previous year.

Other price risk

Other price risk is 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 risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market. All investments present a risk of loss of capital. The Manager manages the Fund's market risk on a daily basis in accordance with the Fund's investment objectives and policies. The maximum risk resulting from financial instruments is equivalent to their fair value. This risk has not changed from the previous year.

The impact on net assets attributable to holders of redeemable units of the Fund due to a 5 percent change would be approximately \$59,881 as at June 30, 2016 (December 31, 2015 - \$113,000).

The historical correlation may not be representative of the future correlation, and, accordingly, the future impact on net assets attributable to holders of redeemable units could be materially different.

4. 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 proportionate share of the Fund's net asset value per unit upon redemption. The relevant movements are shown on the Statements of Changes in net Assets Attributable to Holders of Redeemable Units. In accordance with its investment objectives and strategies and the risk management practices outlines in Note 3, the Fund endeavors to invest the subscriptions received in appropriate 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.

CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
JUNE 30, 2016

5. 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 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 sales and redemption units for the period ended

Series A	Jun 30 2016	Dec 31 2015
Units, beginning of period	691,514	783,271
Units issued	12,046	16,257
Units redeemed	(49,511)	(108,039)
Units reinvested	4	25
	<u>654,053</u>	<u>691,514</u>
Units outstanding, end of period		

6. Income Taxes

The Fund has non-capital loss carry forwards of \$189,955, which expire commencing in 2030. In addition, the Fund has net capital losses of \$1,169,039 which can be carried forward indefinitely and applied to future capital gains.

7. 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 charge 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.

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8. Related Party Transactions

The Fund may invest in any one of the funds that are managed by the Manager ("Underlying Crystal Wealth Funds"). As of June 30, 2016, the Underlying Crystal Wealth Funds include Crystal Wealth Mortgage Strategy, Crystal Wealth Medical Strategy, Crystal Wealth Enlightened Factoring Strategy, ACM Growth Fund, ACM Income Fund, Crystal Wealth Media Strategy, Crystal Wealth High Yield Mortgage Strategy, Crystal Wealth Retirement One Fund, Crystal Enlightened Bullion Fund, Crystal Wealth Infrastructure Strategy, Crystal Wealth Enlightened Hedge Fund, Crystal Wealth Specialty Lending, Absolute Sustainable Dividend Fund and Absolute Sustainable Property Fund.

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 investment income of the Fund.

Included in interest income are \$20,979 (2015 - \$63,877) of interest distributions and \$5,696(2015 - \$11,696) of management fee distributions received from Crystal Wealth Media Strategy, \$40,513 (2015 - \$19,500) of interest distributions and \$6,218 (2015 - \$Nil) of management fee distributions received from Crystal Wealth Enlightened Factoring Strategy, and \$Nil (2015 - \$Nil) of interest distributions and \$2,708 (2015 - \$Nil) of management fee distributions received from Crystal Enlightened Bullion Fund. As at June 30, 2016, the Fund held 32,841 (December 31, 2015 - 81,688) units of the Crystal Wealth Media Strategy with a fair value of \$331,391 (December 31, 2015 - \$826,733), which represents 12.05% (December 31, 2015 - 32.48%) of the total net asset value of the Fund, 62,551 units (December 31, 2015 - 57,838) of the Crystal Wealth Enlightened Factoring Strategy with a fair value of \$621,537 (December 31, 2015 - \$569,562) which represents 22.6% (December 31, 2015 - 22.38%) of the total net asset value, and 25,246 units (December 31, 2015 - 20,017) of the Crystal Enlightened Bullion Fund with a fair value of \$282,489 (December 31, 2015 - \$199,635) which represents 10.3%(December 31, 2015 - 7.84%) of the total net asset value.

9. Increase in Net Assets Attributable to Holders of Redeemable Units

The increase in net assets attributable to holders of redeemable Series A units per unit for the periods ended June 30, 2016 and 2015 is calculated as follows:

	Increase in net assets attributable to holders of redeemable Series A Units	Weighted average of redeemable units Series A units outstanding during the year	Increase in net assets attributable to holders of redeemable Series A units per unit
2016	\$ 345,506	662,054	\$ 0.52
2015	\$ 9,501	759,636	\$ 0.01

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10. Involvement with Unconsolidated Structured Entities

The table below describes the types of structured entities that the Fund does not consolidate but in which they hold an interest.

June 30, 2016			
Fund	Total Net Asset Value of Investee Fund	Investment fair value	% of net assets attributable to holders of redeemable Series A units
Crystal Enlightened Bullion Fund	\$ 516,024	\$ 282,489	54.7%
Crystal Wealth Enlightened Factoring Strategy	28,773,118	621,537	2.2%
Crystal Wealth Media Strategy	50,230,635	331,391	0.7%

December 31, 2015			
Fund	Total Net Asset Value of Investee Fund	Investment fair value	% of net assets attributable to holders of redeemable Series A units
Crystal Enlightened Bullion Fund	\$ 337,757	\$ 282,489	83.6%
Crystal Wealth Enlightened Factoring Strategy	21,075,418	621,537	2.95%
Crystal Wealth Media Strategy	49,757,147	331,391	0.67%

The Fund has determined that the Fund, (Investee Fund') in which it invests are unconsolidated structured entities. This represents a significant judgement by the Fund and generally because decision making about the Investee Fund's investing activities is not governed by voting rights held by the Fund and other investors.

The Investee Fund finances their operations by issuing redeemable shares which are puttable at the holder's option, and entitle the holder to a proportional stake in the respective fund's net assets. The Fund holds redeemable shares in the Investee Fund.

The change in fair value of the Investee Fund is included in the Statements of Comprehensive Income in 'Net changes in unrealized appreciation (depreciation) on investments at fair value'.

During the period, the Fund did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support.