



SEMI-ANNUAL
REPORT

2015

GOLD PARTICIPATION AND INCOME FUND


ASSET MANAGEMENT

Gold Participation and Income Fund

Letter to Unitholders

We are pleased to present the 2015 semi-annual report containing the management report of fund performance and the unaudited financial statements for Gold Participation and Income Fund (the “Fund”).

Gold prices started the year very positively as currency market volatility in Europe led to an increase in demand for gold as a safe haven. The Swiss Central Bank abandoning its currency cap against the Euro coupled with the expectations of the European Central Bank about to announce quantitative easing sent gold prices north of US\$1,300 an ounce. However, the strong U.S. dollar, on expectations of imminent rate hikes by the U.S. Federal Reserve, led to gold price weakening in the subsequent months. Concerns about Greece’s potential exit from the Eurozone and its contagion effects continued to be a deflationary headwind for the price of gold.

During the six months ended June 30, 2015, the Fund paid cash distributions of \$0.16 per unit. The net asset value per unit decreased from \$4.97 at December 31, 2014 to \$4.47 at June 30, 2015. The Fund’s total return, including reinvestment of distributions, was negative 7.2 percent for the period. The net realized gain on options attributable to Strathbridge Selective Overwriting strategy (see “The Fund”) amounted to \$0.01 per unit as compared to a net realized loss on options of \$0.02 per unit a year ago. For a more detailed review of the operations of the Fund, please see the Results of Operations and the Portfolio Manager Report sections.

On January 2, 2015, Strathbridge Asset Management Inc. (the “Manager”) announced that unitholders had approved a proposal to change the investment restrictions and investment strategy of the Fund. Please refer to the Recent Developments section for details of the proposal.

We thank all unitholders for their continued support and encourage unitholders to review the more detailed information contained within the semi-annual report.



John P. Mulvihill
Chairman & CEO
Strathbridge Asset Management Inc.

The Fund

The Fund is a closed-end investment trust designed to provide investors with Canadian dollar exposure to the long-term performance of gold bullion and gold equity securities, while providing monthly distributions. The units are listed on the Toronto Stock Exchange under the ticker symbol GPF.UN.

To accomplish its objectives, the Fund invests in Gold Shares of SPDR Gold Trust (provided that after such purchase no more than an aggregate of 50 percent of the net asset value of the Fund is invested in securities of such issuer) and equity securities selected from the S&P/TSX Global Gold Index (provided that after such purchase, no more than an aggregate of 75 percent of the net asset value of the Fund is invested in such securities). The Fund may also invest in public investment funds including exchange traded funds and other Strathbridge Funds (provided that no more than 15 percent of the net asset value of the Fund may be invested in securities of other Strathbridge Funds) that provide exposure to such securities.

The Fund employs a proprietary investment strategy, Strathbridge Selective Overwriting (“SSO”), to enhance the income generated by the portfolio and to reduce volatility. The Fund may, from time to time, selectively write covered call options in respect of up to a maximum of 25 percent of the securities in the portfolio. In addition, the Fund may write cash covered put options in respect of securities in which it is permitted to invest.

The SSO strategy is a quantitative, technical based methodology that identifies appropriate times to write and/or close out option positions compared to writing continuously and rolling options every thirty days. This proprietary process has been developed over many years through various market cycles. The Manager believes the primary benefit to investors is to maximize the total return of the particular portfolio while reducing the level of volatility of the portfolio, thereby increasing the risk-adjusted return.

Gold Participation and Income Fund

Management Report of Fund Performance

Management Report of Fund Performance

This semi-annual management report of fund performance contains the financial highlights for the six months ended June 30, 2015 of Gold Participation and Income Fund (the “Fund”). The unaudited semi-annual financial statements of the Fund are attached.

Copies of the Fund’s proxy voting policies and procedures, proxy voting disclosure record and quarterly portfolio disclosure may be obtained by calling 1-800-725-7172 toll free, by writing to the Fund at Investor Relations, 121 King Street West, Suite 2600, Standard Life Centre, P.O. Box 113, Toronto, Ontario, M5H 3T9, by email at info@strathbridge.com, or by visiting our website at www.strathbridge.com. You can also request semi-annual or annual reports at no cost by using one of the above methods.

Results of Operations

Distributions

For the six months ended June 30, 2015, cash distributions of \$0.16 per unit were paid to unitholders compared to \$0.20 per unit a year ago.

Since the inception of the Fund on August 7, 2009, the Fund has paid total distributions of \$4.84 per unit, including special year-end distributions of \$0.15 in cash and \$0.97 in units of the Fund.

Revenue and Expenses

For the six months ended June 30, 2015, the Fund’s total revenue was \$0.01 per unit compared to \$0.02 per unit in the prior year. Total expenses were up \$0.05 per unit from the prior year, largely as a result of decreased number of units outstanding during the period. The Fund had a net realized and unrealized gain of \$0.15 per unit in the first six months of 2015 as compared to a net realized and unrealized gain of \$1.10 per unit a year earlier.

Net Asset Value

The net asset value per unit of the Fund decreased 10.1 percent, from \$4.97 at December 31, 2014 to \$4.47 at June 30, 2015. The total net asset value of the Fund decreased \$1.7 million from \$4.8 million at December 31, 2014 to \$3.1 million at June 30, 2015, reflecting unit redemptions of \$1.6 million and cash distributions of \$0.1 million.

Recent Developments

On November 12, 2014, the Board of Advisors approved a proposal to: (i) change the Fund’s investment restrictions so that the Fund may purchase securities of an issuer only if such securities are: (a) gold shares of SPDR Gold Trust (or securities of such other publicly-traded, exchange-listed investment fund that tracks the price of gold which the Manager considers appropriate), provided that after such purchase, no more than an aggregate of 50 percent of the net asset value of the Fund is invested in securities of such issuer; or (b) equity securities (including ADRs and public investment funds including exchange traded funds and other Strathbridge Funds (provided that no more than 15 percent of the net asset value of the Fund may be invested in securities of other Strathbridge Funds) that provide exposure to such securities in accordance with applicable law) in the S&P/TSX Global Gold Index, as modified or reconstituted from time to time, provided that after such purchase, no more than an aggregate of 75 percent of the net asset value of the Fund is invested in such securities; (ii) enable the Fund to invest up to 10 percent of its net assets to purchase call options in respect of the securities in which the Fund is permitted to invest; (iii)

Management Report of Fund Performance

enable the Manager to invest the Fund's portfolio entirely in cash or cash equivalents, denominated in Canadian or U.S. dollars, in its discretion; and (iv) change the Fund's investment strategy to permit the Manager to hedge foreign currency exposure in its discretion when considered appropriate. A joint management information circular was mailed to unitholders of record on November 21, 2014 and a special meeting of unitholders of the Fund was held on December 23, 2014 to consider and vote upon the proposal. On January 2, 2015, the Manager announced that the proposal was approved by the unitholders to change the investment restrictions and investment strategy of the Fund.

International Financial Reporting Standards Accounting Policies

The Fund has adopted International Financial Reporting Standards ("IFRS") accounting policies for the year beginning January 1, 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Fund prepared its financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). Note 5 to the annual financial statements for the year ended December 31, 2014 discloses the impact of the transition to IFRS on the Fund's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Fund's financial statements for the year ended December 31, 2013 prepared under Canadian GAAP.

Related Party Transactions

Strathbridge Asset Management Inc. ("Strathbridge"), as the Investment Manager of the Fund, manages the investment portfolio in a manner consistent with the investment objectives, strategy and criteria of the Fund pursuant to an Investment Management Agreement made between the Fund and Strathbridge dated July 27, 2009.

Strathbridge is the Manager of the Fund pursuant to a Trust Agreement made between the Fund and Strathbridge dated July 27, 2009. As such, Strathbridge is responsible for providing or arranging for required administrative services to the Fund.

Strathbridge is paid the fees described under the Management Fees section of this report.

Independent Review Committee

National Instrument 81-107 - Independent Review Committee for Investment Funds ("NI 81-107") requires all publicly offered investment funds to establish an IRC to whom the Manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, maintaining records in respect of these matters and providing assistance to the IRC in carrying out its functions. The Chief Compliance Officer, designated by the Manager, is in charge of facilitating the fulfillment of these obligations.

The IRC will prepare, for each financial year, a report to securityholders that describes the IRC and its activities during such financial year and includes, if known, a description of each instance when the Manager acted in a conflict of interest matter for which the IRC did not give a positive recommendation or for which a condition, imposed by the IRC, was not met in its recommendation or approval. Members of the IRC are Robert W. Korthals, Michael M. Koerner and Robert G. Bertram.

Gold Participation and Income Fund

Management Report of Fund Performance

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years.

Information for the period ended June 30, 2015 is derived from the Fund's unaudited semi-annual financial statements.

The information for the periods ended December 31 is derived from the Fund's audited annual financial statements.

	Six months ended June 30, 2015
NET ASSETS PER UNIT	
Net Assets, beginning of period⁽¹⁾	\$ 4.97
INCREASE (DECREASE) FROM OPERATIONS	
Total revenue	0.01
Total expenses	(0.19)
Realized gain (loss) for the period	(0.30)
Unrealized gain (loss) for the period	0.45
Total Increase (Decrease) from Operations⁽²⁾	(0.03)
DISTRIBUTIONS	
From net investment income	-
From capital gains	-
Non-taxable distributions	(0.16)
Total Distributions⁽³⁾	(0.16)
Net Assets, end of period⁽¹⁾	\$ 4.47

(1) All per unit figures presented in 2015, 2014 and 2013 are referenced to net assets determined in accordance with IFRS which are derived from the Fund's unaudited financial statements for the six months ended June 30, 2015 and the annual audited financial statements for the year ended December 31, 2014. Net assets per unit for all other prior years were derived from the Fund's audited annual financial statements that were prepared in accordance with Canadian GAAP. Net assets per unit is the difference between the aggregate value of the assets (including the valuation of securities at closing prices for the years beginning on or after January 1, 2013 and for all other prior years at bid prices) and the aggregate value of the liabilities divided by the number of units then outstanding.

	Six months ended June 30, 2015
RATIOS/SUPPLEMENTAL DATA	
Net Asset Value (\$millions)	\$ 3.10
Number of units outstanding	693,277
Management expense ratio ⁽¹⁾	6.65% ⁽⁴⁾
Portfolio turnover rate ⁽²⁾	98.53%
Trading expense ratio ⁽³⁾	0.92% ⁽⁴⁾
Net Asset Value per unit ⁽⁵⁾	\$ 4.47
Closing market price	\$ 4.26

(1) The management expense ratio ("MER") is the sum of all fees and expenses for the stated period, including federal and provincial sales taxes and withholding taxes but excluding transaction fees, divided by the average net asset value. Generally, the MER increases when the Fund becomes smaller in size due to redemptions. The MER for 2014 includes the special resolution expense. The MER for 2014 excluding the special resolution expense is 4.14%. The MER for 2011 includes warrant offering costs and warrant exercise fees. The MER for 2011 excluding warrant offering costs and warrant exercise fees is 2.00%.

(2) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by the average value of the portfolio securities. The Fund employs an option overlay strategy which can result in higher portfolio turnover by virtue of option exercises, when compared to a conventional equity mutual fund.

Gold Participation and Income Fund

Management Report of Fund Performance

As a result of the adoption of IFRS, for June 30, 2015, December 31, 2015 and 2014, the net assets per unit presented in the financial statements and the net asset value per unit calculated weekly are both valued at closing prices. For all other prior years ended December 31, the net assets per unit presented in the financial statements differs from the net asset value per unit calculated weekly, primarily as a result of investments being valued at bid prices for financial statements purposes and at closing prices for weekly net asset value purposes.

		Years ended December 31							
		2014	2013	2012	2011	2010			
\$	5.60	\$	9.82	\$	11.40	\$	13.56	\$	12.14
	0.03		0.05		0.05		0.04		0.03
	(0.28)		(0.27)		(0.29)		(0.38)		(0.32)
	(0.48)		(2.47)		0.02		(0.53)		2.19
	0.72		(1.03)		0.03		(1.52)		0.95
	(0.01)		(3.72)		(0.19)		(2.39)		2.85
	–		–		(0.67)		(0.18)		(0.58)
	–		–		–		–		(0.95)
	(0.38)		(0.49)		(0.04)		(0.67)		–
	(0.38)		(0.49)		(0.71)		(0.85)		(1.53)
\$	4.97	\$	5.60	\$	9.80	\$	11.40	\$	13.56

(2) Total increase (decrease) from operations consists of interest and dividend revenue, realized and unrealized gain (loss), less expenses and is calculated based on the weighted average number of units outstanding during the period. The schedule is not intended to total to the ending net assets as calculations are based on the weighted average number of units outstanding during the period.

(3) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution. For 2010, distributions of \$0.98 were paid in cash and distributions of \$0.55 were paid in units.

		Years ended December 31							
		2014	2013	2012	2011	2010			
\$	4.82	\$	7.92	\$	15.71	\$	32.73	\$	43.78
	969,277		1,413,077		1,599,034		2,870,624		3,226,994
	4.19%		2.94%		2.17%		2.86%		1.95%
	193.53%		136.69%		136.49%		212.19%		212.02%
	0.56%		0.72%		0.49%		0.48%		0.52%
\$	4.97	\$	5.60	\$	9.82	\$	11.40	\$	13.57
\$	4.61	\$	5.38	\$	9.78	\$	11.15	\$	14.20

(3) Trading expense ratio represents total commissions expressed as a percentage of the daily average net asset value during the period.

(4) Annualized.

(5) Net Asset Value per unit is the difference between the aggregate value of the assets including the valuation of securities at closing prices and the aggregate value of the liabilities, divided by the number of units then outstanding.

Gold Participation and Income Fund

Management Report of Fund Performance

Management Fees

Strathbridge, as the Investment Manager of the Fund, is entitled to fees under the Investment Management Agreement calculated monthly as 1/12 of 0.70 percent of the net asset value of the Fund at each month end. Services received under the Investment Management Agreement include the making of all investment decisions in accordance with the investment objectives, strategy and criteria of the Fund. Strathbridge also makes all decisions as to the purchase and sale of securities in the Fund's portfolio and as to the execution of all portfolio and other transactions.

Strathbridge, as the Manager of the Fund, is entitled to fees under the Trust Agreement calculated monthly as 1/12 of 0.10 percent of the net asset value of the Fund at each month end. Services received under the Trust Agreement include providing or arranging for required administrative services to the Fund.

Past Performance

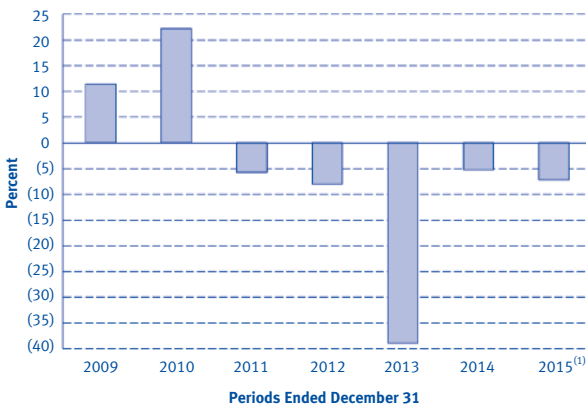
The following chart sets out the Fund's year-by-year past performance. It is important to note that the:

- (1) information shown assumes that all distributions (including deemed distributions based on the intrinsic value of the warrants exercised prior to the expiry date of the warrants) made by the Fund during these periods were reinvested in units of the Fund,
- (2) information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns, and
- (3) past performance of the Fund does not necessarily indicate how it will perform in the future.

Year-By-Year Returns

The following bar chart illustrates how the Fund's total return varied from year to year for each of the past six years and for the six months ended June 30, 2015. The chart also shows, in percentage terms, how much an investment made on January 1 or on August 7, 2009 would have increased or decreased by the end of the fiscal year or June 30, 2015 for the six months ended.

Annual Total Return



⁽¹⁾ For the six months ended June 30, 2015.

Portfolio Manager Report

Gold prices started the year very positively as currency market volatility in Europe led to an increase in demand for gold as a safe haven. The Swiss Central Bank abandoning its currency cap against the Euro coupled with the expectations of the European Central Bank about to announce quantitative easing sent gold prices north of US\$1,300 an ounce. However, the strong U.S. dollar, on expectations of imminent rate hikes by the U.S. Federal Reserve, led to gold price weakening in the subsequent months. Concerns about Greece's potential exit from the Eurozone and its contagion effects continued to be a deflationary headwind for the price of gold.

Gold equities have rebounded with a positive performance in the first half of this year after negative returns in the previous year (especially the latter half of the year). The S&P/TSX Global Gold Index had a total return of 4.1 percent while, in comparison, the SPDR Gold Trust had a total return of negative 1.1 percent over this period. What got lost in the return numbers is that during the month of January the S&P/TSX Global Gold Index had a total return of 33.2 percent while from February to the end of June the total return was negative 21.8 percent. Gold companies continued to try to rein in expenses and most of the cost cutting measures have been seen on capital and exploration expenditures as current production costs are difficult to control. Cuts to capital and exploration expenditures will possibly lead to lower production over the longer term as well as lower reserves hence resulting in even lower market valuations. The S&P/TSX Global Gold Index currently consists of 37 members as opposed to 50 members from a year ago.

The return of the Fund, including reinvestment of distributions, for the six months ended June 30, 2015 was negative 7.2 percent. The Fund ended the period with a cash position of 8.9 percent.

During the six month period, the allocation to the SPDR Gold Trust varied from about 50 percent of the net asset value to no less than 25 percent at the low end with the balance invested in Gold equities and cash. Volatility for the Gold universe which made a 5-year high this past December continued to decline rapidly through to the end of June. On average for the first half of the year, the Fund was written on 7.2 percent of the portfolio and ended June 30, 2015 with just 1.5 percent of the portfolio written. The net realized gain on options attributable to Strathbridge Selective Overwriting ("SSO") strategy amounted to \$0.01 per unit as compared to a net realized loss on options of \$0.02 per unit a year ago.

The U.S. dollar exposure of the Fund was actively hedged back into Canadian dollars throughout the period and ended June with approximately 80 percent of the U.S. dollar exposure hedged.

Gold Participation and Income Fund

Management Report of Fund Performance

Summary of Investment Portfolio

The composition of the portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly portfolio summary, which includes the percentage of net asset value for each holding, and a monthly portfolio list are available on our website at www.strathbridge.com.

Asset Mix

June 30, 2015

	% of Net Asset Value
United States	56.0 %
Canada	30.5 %
Cash	8.9 %
International	6.2 %
Other Assets (Liabilities)	(1.6)%
	100.0 %

Management Report of Fund Performance

Portfolio Holdings

June 30, 2015

	% of Net Asset Value
SPDR Gold Trust	51.6 %
Cash	8.9 %
Agnico-Eagle Mines Limited	6.8 %
Franco-Nevada Corporation	5.8 %
Newmont Mining Corporation	4.3 %
Rangold Resources Limited ADR	3.8 %
NovaGold Resources Inc.	3.2 %
Centerra Gold Inc.	2.7 %
Compania de Minas Buenaventura S.A.A.	2.4 %
Alacer Gold Corp.	2.2 %
Lake Shore Gold Corp.	2.1 %
Asanko Gold Inc.	2.1 %
Rubicon Minerals Corporation	1.9 %
Detour Gold Corporation	1.5 %
Pretium Resources Inc.	1.4 %
B2Gold Corp.	0.9 %

Forward-Looking Statements

This report may contain forward-looking statements about the Fund. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also forward-looking. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to any divergence between what is anticipated and what actually occurs, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technology change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

The above-mentioned list of important factors is not exhaustive. You should consider these and other factors carefully before making any investment decisions and you should avoid placing undue reliance on forward-looking statements. While the Fund currently anticipates that subsequent events and developments may cause the Fund's views to change, the Fund does not undertake to update any forward-looking statements.

Gold Participation and Income Fund

Management's Responsibility for Financial Reporting

The accompanying financial statements of Gold Participation and Income Fund (the "Fund") and all the information in this semi-annual report are the responsibility of the management of Strathbridge Asset Management Inc. (the "Manager") and have been approved by the Fund's Board of Advisors (the "Board").

The financial statements have been prepared by management in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. Management has ensured that the other financial information presented in this semi-annual report is consistent with the financial statements. The significant accounting policies which management believes are appropriate for the Fund are described in Note 3 of the annual financial statements for the year ended December 31, 2014.

The Manager is also responsible for maintaining a system of internal controls designed to provide reasonable assurance that assets are safeguarded and that accounting systems provide timely, accurate and reliable financial information.

The Board meets periodically with management and the independent auditor to discuss internal controls, the financial reporting process, various auditing and financial reporting matters, and to review the annual report, the financial statements and the independent auditor's report. Deloitte LLP, the Fund's independent auditor, has full and unrestricted access to the Board.



John P. Mulvihill
Director
Strathbridge Asset Management Inc.



John D. Germain
Director
Strathbridge Asset Management Inc.

August 7, 2015

Notice to Unitholders

The Fund's independent auditor has not performed a review of these Semi-Annual Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.

Gold Participation and Income Fund

Financial Statements

Statements of Financial Position

As at June 30, 2015 (Unaudited) and December 31, 2014 (Audited)

	Note	June 30, 2015	Dec. 31, 2014
ASSETS			
Financial assets at fair value through profit or loss		\$ 2,871,326	\$ 4,352,358
Derivative assets		5,344	13,069
Dividends receivable		–	666
Cash		276,005	555,326
TOTAL ASSETS		3,152,675	4,921,419
LIABILITIES			
Accrued liabilities		34,787	54,773
Derivative liabilities		19,432	42,889
Accrued management fees	5	2,040	3,281
TOTAL LIABILITIES		56,259	100,943
NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS		\$ 3,096,416	\$ 4,820,476
NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS PER UNIT		\$ 4.4663	\$ 4.9733

The notes are an integral part of the Financial Statements..

Statements of Comprehensive Income

Six months ended June 30 (Unaudited)

	Note	2015	2014
INCOME			
Dividend income		\$ 9,625	\$ 17,758
Net realized gain/(loss) on investments at fair value through profit or loss	3	51,000	(16,696)
Net realized gain/(loss) on options at fair value through profit or loss	3	5,288	(15,316)
Net realized loss on forward exchange contracts at fair value through profit or loss	3	(282,891)	(140,688)
Net change in unrealized gain/loss on investments at fair value through profit or loss	3	342,879	1,359,545
TOTAL INCOME		125,901	1,204,603
EXPENSES			
Management fees	5	14,691	25,490
Service fees		5,883	11,063
Administrative and other expenses		43,212	43,776
Transaction fees	6	17,693	17,500
Custodian fees		17,801	13,729
Audit fees		15,036	13,266
Advisory board fees	5	9,600	10,200
Independent review committee fees	5	3,509	3,491
Legal fees		3,005	2,179
Unitholder reporting costs		6,750	6,072
Harmonized sales tax		8,376	7,985
Withholding taxes		116	226
TOTAL EXPENSES		145,672	154,977
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO EQUITY HOLDERS	7	\$ (19,771)	\$ 1,049,626
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO EQUITY HOLDERS PER UNIT	7	\$ (0.0261)	\$ 0.9744

The notes are an integral part of the Financial Statements.

Gold Participation and Income Fund

Financial Statements

Statements of Changes in Equity

Six months ended June 30, 2015 (Unaudited)

	Note	Unit Capital	Deficit	Total
BALANCE AT JANUARY 1, 2014		\$ 17,604,705	\$ (9,684,564)	\$ 7,920,141
Decrease in Net Assets Attributable to Equity Holders		–	(2,717)	(2,717)
Distributions		–	(381,291)	(381,291)
Value for units redeemed		(5,529,046)	2,813,389	(2,715,657)
BALANCE AT DECEMBER 31, 2014		\$ 12,075,659	\$ (7,255,183)	\$ 4,820,476
Decrease in Net Assets Attributable to Equity Holders		–	(19,771)	(19,771)
Distributions		–	(120,767)	(120,767)
Value for units redeemed		(3,438,524)	1,855,002	(1,583,522)
BALANCE AT JUNE 30, 2015		\$ 8,637,135	\$ (5,540,719)	\$ 3,096,416

The notes are an integral part of the Financial Statements.

Statements of Cash Flows

Six months ended June 30 (Unaudited)

	Note	2015	2014
CASH, BEGINNING OF YEAR		\$ 555,326	\$ 1,428,507
Cash Flows Provided by (Used In) Operating Activities			
Increase/(Decrease) in Net Assets Attributable to Equity Holders		(19,771)	1,049,626
Adjustments to Reconcile Net Cash Provided by (Used In) Operating Activities			
Purchase of investment securities		(3,421,649)	(7,191,230)
Proceeds from disposition of investment securities		5,012,402	8,989,600
Net realized (gain)/loss on investments at fair value through profit or loss		(51,000)	16,696
Net realized (gain)/loss on options at fair value through profit or loss		(5,288)	15,316
Net realized (gain)/loss on forward exchange contracts at fair value through profit or loss		282,891	140,688
Net change in unrealized gain/loss on investments at fair value through profit or loss		(342,879)	(1,359,545)
Net change in unrealized gain/loss on cash (Increase)/decrease in dividends receivable and due from brokers - investments		(9,177)	(6,358)
Increase/(decrease) in accrued liabilities, accrued management fees and due to brokers - investments		666	(67,375)
		(21,227)	46,292
		1,444,739	584,084
Cash Flows Provided by (Used In) Financing Activities			
Unit distributions		(120,767)	(203,720)
Unit redemptions		(1,583,522)	(2,715,657)
		(1,704,289)	(2,919,377)
Net Increase/(Decrease) in Cash During the Period		(279,321)	(1,285,667)
CASH, END OF YEAR		\$ 276,005	\$ 142,840
Dividends received		\$ 10,291	\$ 17,758

The notes are an integral part of the Financial Statements.

Gold Participation and Income Fund

Financial Statements

Schedule of Investments

As at June 30, 2015 (Unaudited)

	Number of Shares	Average Cost	Fair Value	% of Net Assets Attributable to Equity Holders
INVESTMENTS				
Canadian Common Shares				
Materials				
Agnico-Eagle Mines Limited	5,900	\$ 205,246	\$ 209,214	
Alacer Gold Corp.	23,000	68,227	67,390	
Asanko Gold Inc.	28,500	62,965	62,700	
B2Gold Corp.	13,900	29,788	26,549	
Centerra Gold Inc.	11,900	81,898	84,490	
Detour Gold Corporation	3,300	48,247	47,421	
Franco-Nevada Corporation	3,000	160,450	178,710	
Lake Shore Gold Corp.	51,600	65,753	66,048	
NovaGold Resources Inc.	22,900	96,124	98,241	
Pretium Resources Inc.	6,600	48,621	44,616	
Rubicon Minerals Corporation	46,400	63,962	60,320	
Total Materials		931,281	945,699	30.6 %
Total Canadian Common Shares		\$ 931,281	\$ 945,699	30.6 %
Non-North American Common Shares				
Materials				
Compania de Minas Buenaventura S.A.A.	5,800	\$ 85,168	\$ 75,162	
Rangold Resources Limited ADR	1,400	129,312	117,018	
Total Materials		214,480	192,180	6.2 %
Total Non-North American Common Shares		\$ 214,480	\$ 192,180	6.2 %
United States Common Shares				
Materials				
Newmont Mining Corporation	4,600	\$ 131,438	\$ 134,154	4.3 %
Total United States Common Shares		\$ 131,438	\$ 134,154	4.3 %
Exchange-Traded Funds				
SPDR Gold Trust	11,400	\$ 1,574,167	\$ 1,599,293	51.6 %
Total Exchange-Traded Funds		\$ 1,574,167	\$ 1,599,293	51.6 %

The notes are an integral part of the Financial Statements.

Schedule of Investments

As at June 30, 2015 (Unaudited)

	Number of Contracts	Proceeds	Fair Value	% of Net Assets Attributable to Equity Holders
Forward Exchange Contracts				
Bought USD \$345,000, Sold CAD \$426,068 @ 0.80973 - August 12, 2015			\$ 4,902	
Sold USD \$410,000, Bought CAD \$509,232 @ 0.80513 - August 12, 2015			(2,939)	
Sold USD \$400,000, Bought CAD \$494,116 @ 0.80953 - August 12, 2015			(5,559)	
Sold USD \$400,000, Bought CAD \$489,312 @ 0.81747 - September 16, 2015			(10,575)	
Sold USD \$410,000, Bought CAD \$512,853 @ 0.79945 - September 16, 2015			442	
Total Forward Exchange Contracts			\$ (13,729)	(0.4)%
Options				
Written Covered Call Options (100 shares per contract)				
Randgold Resources Limited ADR - July 2015 @ \$70	(5)	\$ (1,343)	\$ (359)	
Total Options		\$ (1,343)	\$ (359)	0.0 %
Adjustment for transaction fees		(3,492)		
TOTAL INVESTMENTS		\$ 2,846,531	\$ 2,857,238	92.3 %
OTHER NET ASSETS			239,178	7.7 %
NET ASSETS ATTRIBUTABLE TO EQUITY HOLDERS			\$ 3,096,416	100.0 %

The notes are an integral part of the Financial Statements.

Gold Participation and Income Fund

Notes to Financial Statements

June 30, 2015

1. Basis of Presentation

The semi-annual financial statements for Gold Participation and Income Fund (the “Fund”) have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as published by the International Accounting Standard (“IAS”) 34 Interim Financial Reporting. However, not all disclosures required by IFRS for annual financial statements have been presented and, accordingly, these semi-annual financial statements should be read in conjunction with the most recently prepared annual financial statements for the year ended December 31, 2014.

These semi-annual financial statements follow the same accounting policies and method of application as the most recent audited financial statements for the year ended December 31, 2014.

These financial statements were approved by the Board of Advisors on August 7, 2015.

2. Risks Associated with Financial Instruments

The various types of risks associated with its investment strategies, financial instruments and markets in which it invests by the Fund remain unchanged from the prior year and are described in Note 7 of the audited financial statements for the year ended December 31, 2014.

Credit Risk

During the periods ended June 30, 2015 and December 31, 2014, the counterparties to the Fund’s derivative financial instruments had a credit rating of A-1 or higher from Standard & Poor’s Ratings Services.

Liquidity Risk

The amounts in the table are the contractual undiscounted cash flows:

	As at June 30, 2015			Total
	Financial Liabilities		< 3 months	
	On Demand			
Accrued liabilities	\$ -	\$ 34,787	\$ 34,787	
Derivative liabilities	-	19,432	19,432	
Accrued management fees	-	2,040	2,040	
	\$ -	\$ 56,259	\$ 56,259	

	As at December 31, 2014			Total
	Financial Liabilities		< 3 months	
	On Demand			
Accrued liabilities	\$ -	\$ 54,773	\$ 54,773	
Redemptions payable	-	42,889	42,889	
Accrued management fees	-	3,281	3,281	
	\$ -	\$ 100,943	\$ 100,943	

Market Risk

(a) Currency Risk

The table below indicates the foreign currencies to which the Fund had significant exposure to as at June 30, 2015 and December 31, 2014 in Canadian dollar terms, and the notional amounts of foreign

Notes to Financial Statements

June 30, 2015

exchange forward contracts. The table also illustrates the potential impact on the net assets attributable to equity holders if the Canadian dollar had strengthened or weakened by 5 percent in relation to each of the other currencies, with all other variables held constant.

As at June 30, 2015
U.S. Currency Exposure

	U.S. Currency Exposure			Impact on Net Assets Attributable to Equity Holders		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
	\$(1,523,928)	\$ 1,925,268	\$ 401,340	\$ (76,196)	\$ 96,263	\$ 20,067
% of Net Assets Attributable to Equity Holders	(49)%	62%	13%	(2)%	3%	1%

As at December 31, 2014
U.S. Currency Exposure

	U.S. Currency Exposure			Impact on Net Assets Attributable to Equity Holders		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
	\$(3,017,630)	\$ 3,048,738	\$ 31,108	\$ (150,882)	\$ 152,437	\$ 1,555
% of Net Assets Attributable to Equity Holders	(63)%	63%	0%	(3)%	3%	0%

(b) Price Risk

Approximately 93 percent (December 31, 2014 - 90 percent) of the Fund's net assets attributable to equity holders held at June 30, 2015 were publicly traded equities. If equity prices on the exchange increased or decreased by 5 percent as at June 30, 2015, the net assets attributable to equity holders would have increased or decreased by \$0.1 million (December 31, 2014 - \$0.2 million) respectively or 4.6 percent (December 31, 2014 - 4.5 percent) of the net assets attributable to equity holders all other factors remaining constant. In practice, actual trading results may differ and the difference could be material.

Concentration Risk

Concentration risk arises as a result of the concentration of exposures with the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the Fund's concentration risk:

	June 30, 2015	Dec. 31, 2014
United States	60.4%	65.2%
Canada	32.9%	30.0%
International	6.7%	4.8%
	100.0%	100.0%

Fair Value Measurement

The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2015 and December 31, 2014.

Gold Participation and Income Fund

Notes to Financial Statements

June 30, 2015

	As at June 30, 2015				Total
	Level 1	Level 2	Level 3		
Canadian Common Shares	\$ 945,699	\$ -	\$ -	\$ -	\$ 945,699
Non-North American					
Common Shares	192,180	-	-	-	192,180
United States Common Shares	134,154	-	-	-	134,154
Exchange-Traded Funds	1,599,293	-	-	-	1,599,293
Forward Exchange Contracts	-	(13,729)	-	-	(13,729)
Options	(359)	-	-	-	(359)
	\$ 2,870,967	\$ (13,729)	\$ -	\$ -	\$ 2,857,238

	As at December 31, 2014				Total
	Level 1	Level 2	Level 3		
Canadian Common Shares	\$ 1,304,952	\$ -	\$ -	\$ -	\$ 1,304,952
Non-North American					
Common Shares	210,810	-	-	-	210,810
United States Common Shares	350,220	-	-	-	350,220
Exchange-Traded Funds	2,486,376	-	-	-	2,486,376
Forward Exchange Contracts	-	(36,544)	-	-	(36,544)
Options	1,332	5,392	-	-	6,724
	\$ 4,353,690	\$ (31,152)	\$ -	\$ -	\$ 4,322,538

There were no transfers between Level 1 and Level 2 during the six months ended June 30, 2015 and during the year ended December 31, 2014.

3. Financial Instruments by Category

The following tables present the carrying amounts of the Fund's financial instruments by category as at June 30, 2015 and December 31, 2014.

	As at June 30, 2015				Total
	Financial Instruments at Designated at Inception	Financial Instruments at FVTPL Held for Trading	Financial Instruments at Amortized Cost		
Assets					
Non-derivative financial assets	\$ 2,871,326	\$ -	\$ -	\$ -	\$ 2,871,326
Derivative assets	-	5,344	-	-	5,344
Cash	-	-	276,005	-	276,005
	\$ 2,871,326	\$ 5,344	\$ 276,005	\$ -	\$ 3,152,675
Liabilities					
Accrued liabilities	\$ -	\$ -	\$ 34,787	\$ -	\$ 34,787
Derivative liabilities	-	19,432	-	-	19,432
Accrued management fees	-	-	2,040	-	2,040
	\$ -	\$ 19,432	\$ 36,827	\$ -	\$ 56,259

Notes to Financial Statements

June 30, 2015

	As at December 31, 2014				Total
	Financial Instruments at FVTPL		Financial Instruments at Amortized Cost		
	Designated at Inception	Held for Trading			
Assets					
Non-derivative financial assets	\$ 4,352,358	\$ -	\$ -	\$ -	\$ 4,352,358
Derivative assets	-	13,069	-	-	13,069
Dividends receivable	-	-	666	-	666
Cash	-	-	555,326	-	555,326
	\$ 4,352,358	\$ 13,069	\$ 555,992	\$ -	\$ 4,921,419
Liabilities					
Accrued liabilities	\$ -	\$ -	\$ 54,773	\$ -	\$ 54,773
Derivative liabilities	-	42,889	-	-	42,889
Accrued management fees	-	-	3,281	-	3,281
	\$ -	\$ 42,889	\$ 58,054	\$ -	\$ 100,943

The following table presents the net gain/(loss) on financial instruments at FVTPL by category for the six months ended June 30, 2015 and 2014.

	June 30, 2015	June 30, 2014
Net Realized Gain/(Loss) on Financial Instruments at FVTPL		
Designated at Inception	\$ 51,000	\$ (16,696)
Held for Trading	(277,603)	(156,004)
	(226,603)	(172,700)
Net Change in Unrealized Gain/Loss on Financial Instruments at FVTPL		
Designated at Inception	311,672	1,266,178
Held for Trading	31,207	93,367
	342,879	1,359,545
Net Gain on Financial Instruments at FVTPL	\$ 116,276	\$ 1,186,845

4. Units

For the six months ended June 30, 2015, cash distributions paid to unitholders were \$120,767 (June 30, 2014 - \$230,720) representing a payment of \$0.16 (June 30, 2014 - \$0.20) per unit.

During the six months ended June 30, 2015, 276,000 (June 30, 2014 - 443,800) units were redeemed with a total retraction value of \$1,583,522 (June 30, 2014 - \$2,715,657).

During the six months ended June 30, 2015 and year ended December 31, 2014, unit transactions are as follows:

	June 30, 2015	Dec. 31, 2014
Units outstanding, beginning of year	969,277	1,413,077
Units redeemed	(276,000)	(443,800)
Units outstanding, end of period	693,277	969,277

5. Related Party Transactions

(a) Management Fees

Total management fees for the six months ended June 30, 2015 were \$14,691 (June 30, 2014 - \$25,490).

Gold Participation and Income Fund

Notes to Financial Statements

June 30, 2015

(b) Board of Advisors' Remuneration

Total remuneration paid to the external members of the Board of Advisors for the six months ended June 30, 2015 were \$9,600 (June 30, 2014 - \$10,200).

(c) Independent Review Committee Fees

Total remuneration paid to the external members of the Independent Review Committee for the six months ended June 30, 2015 were \$3,509 (June 30, 2014 - \$3,491).

6. Brokerage Commissions and Soft Dollars

The ascertainable soft dollar value received as a percentage of total transaction fees paid during the six months ended June 30, 2015 and 2014 is disclosed below:

	June 30, 2015	June 30, 2014
Soft Dollars	\$ 10,646	\$ 5,899
Percentage of Total Transaction Fees	60.2%	33.7%

7. Increase/(Decrease) in Net Assets Attributable to Equity Holders per Unit

The Increase/(Decrease) in Net Assets Attributable to Equity Holders per Unit for the six months ended June 30, 2015 and 2014 is calculated as follows:

	June 30, 2015	June 30, 2014
Increase/(Decrease) in Net Assets Attributable to Equity Holders	\$ (19,771)	\$ 1,049,626
Weighted Average Number of Units Outstanding during the Period	758,846	1,077,162
Increase/(Decrease) in Net Assets Attributable to Equity Holders per Unit	\$ (0.0261)	\$ 0.9744

Investment Funds Managed by Strathbridge Asset Management Inc.

UNIT TRUSTS

Canadian Utilities & Telecom Income Fund (UTE.UN)
Core Canadian Dividend Trust (CDD.UN)
Gold Participation and Income Fund (GPF.UN)
Low Volatility U.S. Equity Income Fund (LVU.UN)
NDX Growth & Income Fund (NGI.UN)
Top 10 Canadian Financial Trust (TCT.UN)
U.S. Financials Income Fund (USF.UN)

SPLIT SHARES

Premium Income Corporation (PIC.PR.A/PIC.A)
S Split Corp. (SBN.PR.A/SBN)
Top 10 Split Trust (TXT.PR.A/TXT.UN)
World Financial Split Corp. (WFS.PR.A/WFS)

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