

Financial Statements of

# **LANDRY FUNDS**

Years ended December 31, 2015 and 2014

# LANDRY FUNDS

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# LANDRY FUNDS

Directory

Years ended December 31, 2015 and 2014

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## **MANAGER'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The following financial statements have been prepared by the Manager, Landry Investment Management Inc. The Manager is responsible for the integrity, objectivity and reliability of the data and declaration presented.

The Manager has taken all necessary measures to ensure that the financial information conveyed is relevant and reliable. The financial statements were prepared in accordance with International Financial Reporting Standards (as described in Notes 2 and 3) using information available and includes certain amounts that are based on the Manager's best estimates and judgment.

Approved on behalf of Landry Investment Management Inc.



Jean-Luc Landry

President & Chief Executive Officer



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## INDEPENDENT AUDITORS' REPORT

To the Unitholders of

Landry Canadian Equity Fund  
Landry U.S. Equity Fund  
Landry Global Equity Fund  
(collectively the "Funds")

We have audited the accompanying financial statements of the Funds, which comprise the statements of financial position as at December 31, 2015 and December 31, 2014, the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the years then ended, and notes, comprising 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform 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 our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



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*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2015 and December 31, 2014, and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

*KPMG LLP\**

March 21, 2016

Montréal, Canada

# LANDRY CANADIAN EQUITY FUND

Statements of Financial Position  
(In Canadian dollars)

December 31, 2015 and 2014

	2015	2014
<b>Assets</b>		
Current assets:		
Investments	\$ 13,737,185	\$ 16,756,661
Cash and cash equivalents	1,262,132	32,925
Amounts receivable relating to portfolio assets sold	2,319,185	–
Amounts receivable relating to accrued dividends	21,633	37,578
Prepaid expenses	3,467	4,433
	<u>17,343,602</u>	<u>16,831,597</u>
<b>Liabilities</b>		
Current liabilities:		
Accrued expenses	37,020	33,323
Amounts payable for units redeemed	–	14,087
Accrued management fees	8,059	9,282
Amounts payable for portfolio assets purchased	3,079,762	–
	<u>3,124,841</u>	<u>56,692</u>
Net assets attributable to holders of redeemable units	<u>\$ 14,218,761</u>	<u>\$ 16,774,905</u>

	2015		2014	
	Number of units issued and outstanding	Net assets attributable to holders of redeemable units	Number of units issued and outstanding	Net assets attributable to holders of redeemable units
Class A	4,858	\$ 51,813	4,858	\$ 56,336
Class F	435,154	8,218,675	460,211	9,332,362
Class I	56,835	733,151	77,099	1,056,808
Class J	559,064	5,215,122	638,534	6,329,399

	2015	2014
Net assets attributable to holders of redeemable units per unit:		
Class A	\$ 10.67	\$ 11.60
Class F	18.89	20.28
Class I	12.90	13.71
Class J	9.33	9.91

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

Approved on behalf of Landry Investment Management Inc.:



Jean-Luc Landry  
President & Chief Executive Officer



Benoit Perraton Brillon, CFA  
Chief Investment Officer & Director

# LANDRY CANADIAN EQUITY FUND

Statements of Comprehensive Income  
(In Canadian dollars)

Years ended December 31, 2015 and 2014

	2015	2014
<b>Revenue:</b>		
Dividend revenue	\$ 280,086	\$ 415,299
Interest revenue	–	1,717
Short-term trading fees	–	1,897
Income tax refund	2,509	11,664
Foreign exchange gain (loss)	63	759
Net realized gain (loss) on investments	(388,080)	1,990,515
Net change in unrealized gain (loss) on investments	(464,376)	(910,483)
<b>Total revenue</b>	<b>(569,798)</b>	<b>1,511,368</b>
<b>Expenses:</b>		
Management fees (note 11)	96,892	104,167
Independent Review Committee fees	7,629	7,629
Trustee fees	12,409	11,244
Administrative costs (note 8)	120,034	191,346
Other fees	111	2,503
Transaction costs	56,123	57,153
<b>Total operating expenses</b>	<b>293,198</b>	<b>374,042</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ (862,996)</b>	<b>\$ 1,137,326</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>		
Class A	\$ (4,523)	\$ 2,425
Class F	(552,201)	432,437
Class I	(42,610)	85,725
Class J	(263,662)	616,739
<b>Increase (decrease) in net assets attributable to holders of redeemable units, per unit:</b>		
Class A	\$ (0.93)	\$ 0.51
Class F	(1.33)	1.03
Class I	(0.69)	1.05
Class J	(0.55)	0.85

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



# LANDRY CANADIAN EQUITY FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units  
(In Canadian dollars)

Years ended December 31, 2015 and 2014

2015		Class A	Class F	Class I	Class J	Total
Balance, beginning of year	\$	56,336	\$ 9,332,362	\$ 1,056,808	\$ 6,329,399	\$ 16,774,905
Increase (decrease) in net assets attributable to holders of redeemable units		(4,523)	(552,201)	(42,610)	(263,662)	(862,996)
Redeemable unit transactions:						
Issue of redeemable units		–	3,237,184	32,908	–	3,270,092
Net transfer of units from (to) other funds		–	(1,149,385)	–	1,149,385	–
Redemption of redeemable units		–	(2,649,285)	(313,955)	(2,000,000)	(4,963,240)
Net increase (decrease) from redeemable unit transactions		–	(561,486)	(281,047)	(850,615)	(1,693,148)
Balance, end of year	\$	51,813	\$ 8,218,675	\$ 733,151	\$ 5,215,122	\$ 14,218,761

2014		Class A	Class F	Class I	Class J	Total
Balance, beginning of year	\$	84,197	\$ 6,571,462	\$ 1,216,289	\$ 7,612,658	\$ 15,484,606
Increase (decrease) in net assets attributable to holders of redeemable units		2,425	432,437	85,725	616,739	1,137,326
Redeemable unit transactions:						
Issue of redeemable units		–	3,983,432	–	–	3,983,432
Reinvestments of distributions		3,390	588,827	62,011	380,786	1,035,014
Redemption of redeemable units		(30,286)	(1,654,969)	(243,523)	(1,900,000)	(3,828,778)
Net increase (decrease) from redeemable unit transactions		(26,896)	2,917,290	(181,512)	(1,519,214)	1,189,668
Distributions:						
Net investment income		–	–	(57)	(271)	(328)
Realized gains on portfolio assets sold		(3,390)	(588,827)	(63,637)	(380,513)	(1,036,367)
Net increase (decrease) from distributions		(3,390)	(588,827)	(63,694)	(380,784)	(1,036,695)
Balance, end of year	\$	56,336	\$ 9,332,362	\$ 1,056,808	\$ 6,329,399	\$ 16,774,905

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

# LANDRY CANADIAN EQUITY FUND

Statements of Cash Flows  
(In Canadian dollars)

Years ended December 31, 2015 and 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (862,996)	\$ 1,137,326
Adjustments for:		
Foreign exchange (gain) loss	(63)	(759)
Net realized (gain) loss on investments	388,080	(1,990,515)
Net change in unrealized (gain) loss on investments	464,376	910,483
Dividend revenue	(280,086)	(415,299)
Interest revenue	–	(1,717)
Prepaid expenses	966	(4,431)
Accrued expenses	3,697	4,327
Accrued management fees	(1,223)	3,587
Dividends received	296,031	414,068
Interests received	–	1,717
Proceeds from sale of investments	21,172,816	25,349,376
Purchases of investments	(18,245,219)	(25,537,047)
	2,936,379	(128,884)
Financing activities:		
Proceeds from issuance of redeemable units	3,270,092	3,983,432
Payments on redemption of redeemable units	(4,977,327)	(3,915,459)
Distributions paid	–	(1,681)
	(1,707,235)	66,292
Net increase (decrease) in cash and cash equivalents during the year	1,229,144	(62,592)
Cash and cash equivalents, beginning of year	32,925	94,758
Foreign exchange gain (loss) on cash and cash equivalents	63	759
Cash and cash equivalents, end of year	\$ 1,262,132	\$ 32,925
Cash and cash equivalents comprised of:		
Cash	\$ 1,250,107	\$ 31,254
Cash equivalents	12,025	1,671
	\$ 1,262,132	\$ 32,925

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

# LANDRY CANADIAN EQUITY FUND

Schedule of Investment Portfolio  
(In Canadian dollars)

December 31, 2015

Shares/units	Security	Average cost	Fair value
<b>Canadian equities (96.6%)</b>			
Financial services (23.0%)			
8,200	Bank of Montreal	\$ 649,820	\$ 640,256
4,100	Bank of Nova Scotia	265,700	229,477
3,000	Brookfield Property Partners L.P.	75,002	96,660
3,500	Canadian Apartment Properties REIT	86,948	93,940
4,400	Canadian Imperial Bank of Commerce	437,046	401,236
3,500	Colliers International Group Inc.	203,529	216,055
3,500	Industrial Alliance Insurance and Financial Services Inc.	157,339	154,455
4,700	Onex Corp.	366,208	398,654
2,400	Power Corp. of Canada	71,226	69,456
8,300	Royal Bank of Canada	622,373	615,445
8,200	Sun Life Financial Inc.	342,493	353,830
		3,277,684	3,269,464
Materials (13.7%)			
1,100	Agrium Inc.	131,949	136,037
9,000	Alamos Gold Inc., Class A	43,834	40,950
1,900	CCL Industries Inc., Class B	321,993	426,303
6,300	Centerra Gold Inc.	48,538	41,517
9,500	Detour Gold Corp.	143,479	136,895
12,100	First Quantum Minerals Ltd.	89,990	62,678
36,100	IAMGOLD Corp.	84,899	71,117
21,500	Kinross Gold Corp.	57,263	53,965
10,300	Lundin Mining Corp.	42,358	39,140
8,600	Norbord Inc.	228,134	231,770
32,100	OceanaGold Corp.	91,007	84,744
6,700	Potash Corp. of Saskatchewan Inc.	170,093	158,790
6,700	Stella-Jones Inc.	327,038	351,817
12,500	Tech Resources Ltd., Class B	85,636	66,750
16,200	Yamana Gold Inc.	42,966	41,634
		1,909,177	1,944,107
Information Technology (12.6%)			
15,000	Celestica Inc.	223,707	229,500
2,600	CGI Group Inc., Class A	147,557	144,040
1,000	Constellation Software Inc.	391,290	576,880
20,600	Descartes Systems Group Inc. (The)	516,288	573,504
3,200	DH Corp.	126,028	101,184
2,300	Enghouse Systems Ltd.	172,399	170,982
		1,577,269	1,796,090
Energy (11.9%)			
14,400	Bankers Petroleum Ltd.	34,900	14,688
17,100	Baytex Energy Corp.	76,569	76,608
14,000	Canadian Natural Resources Ltd.	447,086	423,080
9,400	Cenovous Energy Inc.	201,561	164,500
11,200	Crescent Point Energy Corp.	175,856	180,544
10,200	Ensign Energy Services Inc.	99,730	75,276
22,600	Gran Tierra Energy Inc.	78,661	68,026
5,100	Raging River Exploration Inc.	45,115	42,687
13,600	Suncor Energy Inc.	492,072	485,792
40,300	Surge Energy Inc.	119,669	85,033
7,700	Whitecap Resources Inc.	87,901	69,839
		1,859,120	1,686,073
Balance carried forward		8,623,250	8,695,734

# LANDRY CANADIAN EQUITY FUND

Schedule of Investment Portfolio (continued)  
(In Canadian dollars)

December 31, 2015

Shares/units	Security	Average cost	Fair value
<b>Canadian equities (96.6%)</b>			
Balance brought forward		\$ 8,623,250	\$ 8,695,734
Industrials (10.6%)			
2,500	Badger Daylighting Ltd.	64,048	61,050
19,500	Bombardier Inc., Class B	43,095	26,130
3,500	Canadian National Railway Co.	263,387	270,725
6,200	SNC-Lavalin Group Inc.	263,949	254,944
6,200	Stantec Inc.	216,490	212,784
6,300	Toromont Industries Ltd.	196,392	198,765
5,000	Transcontinental Inc., Class A	87,582	86,300
1,600	Westjet Airlines Ltd.	34,805	32,576
8,700	WSP Global Inc.	394,452	369,837
		1,564,200	1,513,111
Consumer Staples (8.5%)			
8,000	Alimentation Couche-Tard Inc., Class B	414,894	487,280
4,100	Loblaw Cos. Ltd.	235,357	267,894
11,600	Metro Inc., Class A	387,781	449,384
		1,038,032	1,204,558
Consumer Discretionary (7.2%)			
3,000	Cineplex Inc.	143,400	142,650
5,400	Dollarama Inc.	320,728	431,676
1,700	Linamar Corp.	115,185	127,041
2,500	Magna International Inc., Class A	138,904	140,300
3,400	Thomson Reuters Corp.	155,363	178,194
		873,580	1,019,861
Health Care (4.8%)			
3,600	Concordia Healthcare Corp.	338,341	203,544
54,600	ProMetic Life Sciences Inc.	181,643	183,456
2,100	Valeant Pharmaceuticals International Inc.	341,094	295,176
		861,078	682,176
Telecommunications Services (2.6%)			
5,700	Manitoba Telecom Services Inc.	173,670	169,689
4,400	Rogers Communications Inc., Class B	208,733	209,968
		382,403	379,657
Utilities (1.7%)			
5,600	Emera Inc.	236,007	242,088
Total Canadian equities		13,578,550	13,737,185

# LANDRY CANADIAN EQUITY FUND

Schedule of Investment Portfolio (continued)  
(In Canadian dollars)

December 31, 2015

Shares/units	Security	Average cost	Fair value
Total Canadian equities brought forward		\$ 13,578,550	\$ 13,737,185
Transaction costs		(17,964)	-
Total investment portfolio (96.6%)		<u>\$ 13,560,586</u>	13,737,185
Cash and cash equivalents (8.9%)			1,262,132
Other assets less liabilities (-5.5%)			(780,556)
Net assets attributable to holders of redeemable units at fair value (100.0%)			\$ 14,218,761

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

# LANDRY CANADIAN EQUITY FUND

Fair Value of Financial Instruments  
(In Canadian dollars)

The following is a summary of the inputs used as of December 31, 2015 and 2014 in valuing the fund's investments carried at fair value:

	2015	2014
	Level 1 quoted prices in active markets for identical assets	Level 1 quoted prices in active markets for identical assets
Investments:		
Equities	\$ 13,737,185	\$ 16,756,661
Total investments	\$ 13,737,185	\$ 16,756,661

There were no significant transfers made between Level 1 and Level 2 as a result of changes in the availability of quoted market prices or observable market inputs during the years presented. In addition, there were no investments or transactions classified in Level 2 and Level 3 as of December 31, 2015 and 2014.

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

# LANDRY U.S. EQUITY FUND

Statements of Financial Position  
(In U.S. dollars)

December 31, 2015 and 2014

	2015	2014
<b>Assets</b>		
Current assets:		
Investments	\$ 14,457,371	\$ 13,540,940
Cash and cash equivalents	594,560	210,859
Amounts receivable relating to portfolio assets sold	–	53,471
Amounts receivable relating to accrued dividends	10,799	16,935
Prepaid expenses	4,068	3,728
	15,066,798	13,825,933
<b>Liabilities</b>		
Current liabilities:		
Accrued expenses	17,945	14,815
Accrued management fees	14,733	13,611
	32,678	28,426
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 15,034,120</b>	<b>\$ 13,797,507</b>

	2015		2014	
	Number of units issued and outstanding	Net assets attributable to holders of redeemable units	Number of units issued and outstanding	Net assets attributable to holders of redeemable units
Class A	17,330	\$ 195,715	26,379	\$ 303,625
Class F	821,604	14,530,398	725,867	13,193,556
Class I	24,099	301,889	23,525	300,326
Class J	623	6,118	–	–

	2015	2014
Net assets attributable to holders of redeemable units, per unit:		
Class A	\$ 11.29	\$ 11.51
Class F	17.69	18.18
Class I	12.53	12.77
Class J	9.82	–

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

Approved on behalf of Landry Investment Management Inc.:



Jean-Luc Landry  
President & Chief Executive Officer



Benoit Perraton Brillon, CFA  
Chief Investment Officer & Director

# LANDRY U.S. EQUITY FUND

Statements of Comprehensive Income  
(In U.S. dollars)

Years ended December 31, 2015 and 2014

	2015	2014
<b>Revenue:</b>		
Dividend revenue	\$ 320,422	\$ 200,752
Short-term trading fees	–	614
Foreign withholding taxes	(27,187)	(27,027)
Foreign exchange gain (loss)	(2,142)	(113)
Net realized gain (loss) on investments	889,444	900,779
Net change in unrealized gain (loss) on investments	(669,444)	430,236
<b>Total revenue</b>	<b>511,093</b>	<b>1,505,241</b>
<b>Expenses:</b>		
Management fees (note 11)	166,037	147,153
Independent Review Committee fees	1,672	4,283
Trustee fees	10,100	9,069
Administrative costs (note 8)	136,013	138,132
Other fees	84	2,209
Transaction costs	25,127	28,142
<b>Total operating expenses</b>	<b>339,033</b>	<b>328,988</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ 172,060</b>	<b>\$ 1,176,253</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>		
Class A	\$ 1,154	\$ 15,700
Class F	162,751	1,135,369
Class I	8,263	25,184
Class J	(108)	–
<b>Increase (decrease) in net assets attributable to holders of redeemable units, per unit:</b>		
Class A	\$ 0.05	\$ 0.73
Class F	0.22	1.68
Class I	0.35	1.12
Class J	(0.17)	–

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



# LANDRY U.S. EQUITY FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units  
(In U.S. dollars)

Years ended December 31, 2015 and 2014

2015	Class A	Class F	Class I	Class J	Total
Balance, beginning of year	\$ 303,625	\$ 13,193,556	\$ 300,326	\$ –	\$ 13,797,507
Increase (decrease) in net assets attributable to holders of redeemable units	1,154	162,751	8,263	(108)	172,060
Redeemable unit transactions:					
Issue of redeemable units	–	2,122,098	–	–	2,122,098
Reinvestments of distributions	4,255	606,874	13,444	–	624,573
Net transfer of units from (to) other funds	–	(6,226)	–	6,226	–
Redemption of redeemable units	(108,918)	(941,781)	(6,700)	–	(1,057,399)
Net increase (decrease) from redeemable unit transactions	(104,663)	1,780,965	6,744	6,226	1,689,272
Distributions:					
Realized gains on portfolio assets sold	(4,401)	(606,874)	(13,444)	–	(624,719)
Balance, end of year	\$ 195,715	\$ 14,530,398	\$ 301,889	\$ 6,118	\$ 15,034,120

2014	Class A	Class F	Class I	Total
Balance, beginning of year	\$ 206,897	\$ 7,663,149	\$ 307,810	\$ 8,177,856
Increase (decrease) in net assets attributable to holders of redeemable units	15,700	1,135,369	25,184	1,176,253
Redeemable unit transactions:				
Issue of redeemable units	100,000	6,159,149	–	6,259,149
Reinvestments of distributions	11,832	749,095	19,677	780,604
Redemption of redeemable units	(15,050)	(1,760,712)	(32,668)	(1,808,430)
Net increase (decrease) from redeemable unit transactions	96,782	5,147,532	(12,991)	5,231,323
Distributions:				
Realized gains on portfolio assets sold	(15,754)	(752,494)	(19,677)	(787,925)
Balance, end of year	\$ 303,625	\$ 13,193,556	\$ 300,326	\$ 13,797,507

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

# LANDRY U.S. EQUITY FUND

Statements of Cash Flows  
(In U.S. dollars)

Years ended December 31, 2015 and 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 172,060	\$ 1,176,253
Adjustments for:		
Foreign exchange loss	2,142	113
Net realized (gain) loss on investments	(889,444)	(900,779)
Net change in unrealized (gain) loss on investments	669,444	(430,236)
Dividend revenue	(320,422)	(200,753)
Prepaid expenses	(340)	(3,728)
Accrued expenses	3,130	4,175
Accrued management fees	1,122	5,866
Proceeds from sale of investments	24,260,268	21,160,542
Purchases of investments	(24,903,228)	(25,289,092)
Dividends received	326,558	189,070
	(678,710)	(4,288,569)
Financing activities:		
Proceeds from issuance of redeemable units	2,122,098	6,259,207
Payments on redemption of redeemable units	(1,057,399)	(1,808,430)
Distributions paid to holders of redeemable units	(146)	(7,321)
	1,064,553	4,443,456
Net increase (decrease) in cash and cash equivalents during the year	385,843	154,887
Cash and cash equivalents, beginning of year	210,859	56,085
Foreign exchange gain (loss) on cash and cash equivalents	(2,142)	(113)
Cash and cash equivalents, end of year	\$ 594,560	\$ 210,859
Cash and cash equivalents comprised of:		
Cash	\$ 594,216	\$ 176,736
Cash equivalents	344	34,123
	\$ 594,560	\$ 210,859

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

# LANDRY U.S. EQUITY FUND

Schedule of Investment Portfolio  
(In U.S. dollars)

December 31, 2015

Shares/units	Security	Average cost	Fair value
<b>U.S. equities (92.8%)</b>			
<b>Consumer Discretionary (23.6%)</b>			
800	Amazon.com Inc.	\$ 424,929	\$ 540,712
200	AutoZone Inc.	156,490	148,382
900	Expedia Inc.	115,194	111,870
4,500	GameStop Corp., Class A	197,538	126,180
1,400	Gannett Co. Inc.	20,118	22,806
3,200	Goodyear Tire & Rubber Co. (The)	97,705	104,544
2,300	Hasbro Inc.	177,477	154,928
1,200	Home Depot Inc.	153,844	158,700
1,100	McDonald's Corp.	125,136	129,954
700	Mohawk Industries Inc.	134,740	132,573
1,700	Netflix Inc.	197,296	194,446
5,800	Nike Inc., Class B	380,505	362,500
1,800	O'Reilly Automotive Inc.	397,826	456,156
200	Priceline Group Inc. (The)	256,218	254,990
7,600	Starbucks Corp.	414,134	456,228
2,400	Under Armour Inc., Class A	241,412	193,464
		3,490,562	3,548,433
<b>Information Technology (22.9%)</b>			
9,400	Activision Blizzard Inc.	308,434	363,874
3,300	Apple Inc.	281,266	347,358
1,200	Cognizant Technology Solutions Corp., Class A	77,846	72,024
4,900	Electronic Arts Inc.	288,216	336,728
1,016	Equinix Inc.	290,928	307,238
2,400	Facebook Inc.	258,210	251,184
1,500	First Solar Inc.	80,208	98,985
3,400	Fiserv Inc.	290,160	310,964
6,800	HP Inc.	95,235	80,512
3,600	Juniper Networks Inc.	109,197	99,360
1,400	KLA Tencor Corp.	93,680	97,090
8,100	NVIDIA Corp.	255,564	266,976
2,300	Paychex Inc.	125,344	121,647
8,600	Total System Service Inc.	393,762	428,280
2,900	VeriSign Inc.	255,681	253,344
		3,203,731	3,435,564
<b>Financial services (13.5%)</b>			
3,500	American International Group Inc.	200,851	216,895
3,700	Assurant Inc.	308,765	297,998
10,600	Bank of America Corp.	177,851	178,398
3,600	Cincinnati Financial Corp.	219,456	213,012
66	Four Corners Property Trust Inc.	1,310	1,595
4,300	Hartford Financial Services Group Inc. (The)	174,635	186,878
2,800	JPMorgan Chase & Co.	174,120	184,884
1,300	PNC Financial Services Group Inc.	112,469	123,903
5,000	Progressive Corp. (The)	155,217	159,000
1,800	SunTrust Banks Inc.	76,142	77,112
2,100	Torchmark Corp.	119,062	120,036
1,800	Travelers Cos. Inc. (The)	186,816	203,148
2,100	Unum Group	77,399	69,909
		1,984,093	2,032,768
	Balance carried forward	8,678,386	9,016,765

# LANDRY U.S. EQUITY FUND

Schedule of Investment Portfolio (continued)  
(In U.S. dollars)

December 31, 2015

Shares/units	Security	Average cost	Fair value
<b>U.S. equities (92.8%)</b>			
Balance brought forward		\$ 8,678,386	\$ 9,016,765
Consumer Staples (9.7%)			
2,000	Campbell Soup Co.	102,943	105,100
2,000	Constellation Brands Inc., Class A	225,345	284,880
1,000	Costco Wholesale Corp.	163,796	161,500
2,500	Hormel Foods Corp.	154,919	197,700
2,500	Molson Coors Brewing Co. Class B	233,496	234,800
900	Monster Beverage Corp.	125,073	134,064
7,500	Reynolds American Inc.	327,511	346,125
		1,333,083	1,464,169
Health Care (5.9%)			
600	Becton, Dickinson & Co.	91,026	92,454
1,500	Dentsply International Inc.	92,024	91,275
2,200	Edwards Lifesciences Corp.	173,410	173,756
1,500	Eli Lilly and Co.	130,277	126,390
900	Gilead Sciences Inc.	94,958	91,071
1,500	Johnson & Johnson	153,801	154,080
300	Regeneron Pharmaceuticals Inc.	161,227	162,861
		896,723	891,887
Materials (4.9%)			
4,800	Avery Dennison Corp.	298,536	300,768
900	E.I. du Pont de Nemours & Co.	59,920	59,940
900	Martin Marietta Materials Inc.	156,085	122,922
2,700	Newmont Mining Corp. Holding Co.	63,405	48,573
2,200	Vulcan Materials Co.	203,209	208,934
		781,155	741,137
Energy (4.8%)			
1,300	Apache Corp.	73,825	57,811
2,300	Chevron Corp.	218,287	206,908
1,300	Hess Corp.	93,865	63,024
1,700	National-Oilwell Varco Inc.	64,420	56,933
1,100	Tesoro Corp.	106,184	115,907
3,100	Valero Energy Corp.	181,752	219,201
		738,333	719,784
Industrials (4.8%)			
400	General Dynamics Corp.	57,823	54,944
400	Lockheed Martin Corp.	90,551	86,860
400	Northrop Grumman Corp.	68,006	75,524
900	Roper Industries Inc.	162,256	170,811
700	Snap-On Inc.	116,636	120,001
3,300	Southwest Airlines Inc.	155,805	142,098
1,100	United Continental Holdings Inc.	64,476	63,030
		715,553	713,268
Balance carried forward		13,143,233	13,547,010

# LANDRY U.S. EQUITY FUND

Schedule of Investment Portfolio (continued)  
(In U.S. dollars)

December 31, 2015

Shares/units	Security	Average cost	Fair value
<b>U.S. equities (92.8%)</b>			
	Balance brought forward	\$ 13,143,233	\$ 13,547,010
400	Telecommunications Services (2.0%) Alphabet Inc., Class C	302,466	303,552
3,200	Utilities (0.7%) PPL Corp.	111,411	109,216
Total U.S. equities		13,557,110	13,959,778
<b>Foreign equities (3.3%)</b>			
1,000	Financials (1.8%) ACE Ltd.	116,608	116,850
4,100	XL Group PLC	155,639	160,638
		272,247	277,488
1,300	Consumer Discretionary (0.9%) Royal Caribbean Cruises Ltd.	122,437	131,573
700	Materials (0.4%) LyondellBasell Industries NV, Class A	68,155	60,830
1,800	Energy (0.2%) Ensco PLC	28,181	27,702
Total foreign equities		491,020	497,593
Transaction costs		(6,319)	-
Total investment portfolio (96.1%)		<u>\$ 14,041,811</u>	14,457,371
Cash and cash equivalents (4.0%)			594,560
Other assets less liabilities (-0.1%)			(17,811)
Net assets attributable to holders of redeemable units at fair value (100.0%)			<u>\$ 15,034,120</u>

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

# LANDRY U.S. EQUITY FUND

Fair Value of Financial Instruments  
(In U.S. dollars)

The following is a summary of the inputs used as of December 31, 2015 and 2014 in valuing the fund's investments carried at fair value:

	2015	2014
	Level 1 quoted prices in active markets for identical assets	Level 1 quoted prices in active markets for identical assets
Investments:		
Equities	\$ 14,457,371	\$ 13,540,940
Total investments	\$ 14,457,371	\$ 13,540,940

There were no significant transfers made between Level 1 and Level 2 as a result of changes in the availability of quoted market prices or observable market inputs during the years presented. In addition, there were no investments or transactions classified in Level 2 and Level 3 as of December 31, 2015 and 2014.

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

# LANDRY GLOBAL EQUITY FUND

Statements of Financial Position  
(In U.S. dollars)

December 31, 2015 and 2014

	2015	2014
<b>Assets</b>		
Current assets:		
Investments	\$ 13,162,478	\$ 11,471,471
Cash and cash equivalents	764,910	-
Derivatives	1,108	14,196
Margin deposits	64,183	86,696
Amounts receivable relating to portfolio assets sold	-	243,002
Amounts receivable relating to accrued dividends	16,327	12,527
Prepaid expenses	9,690	8,217
	14,018,696	11,836,109
<b>Liabilities</b>		
Current liabilities:		
Bank overdraft	-	44,979
Accrued expenses	17,747	12,510
Accrued management fees	12,803	10,771
Amounts payable for portfolio assets purchased	-	170,268
	30,550	238,528
Net assets attributable to holders of redeemable units	\$ 13,988,146	\$ 11,597,581

	2015		2014	
	Number of units issued and outstanding	Net assets attributable to holders of redeemable units	Number of units issued and outstanding	Net assets attributable to holders of redeemable units
Class A	957	\$ 10,453	5,916	\$ 63,141
Class F	1,359,234	12,946,827	1,253,939	11,534,440
Class J	104,280	1,030,866	-	-

	2015	2014
Net assets attributable to holders of redeemable units, per unit:		
Class A	\$ 10.92	\$ 10.67
Class F	9.53	9.20
Class J	9.89	-

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

Approved on behalf of Landry Investment Management Inc.:



Jean-Luc Landry  
President & Chief Executive Officer



Benoit Perraton Brillon, CFA  
Chief Investment Officer & Director

# LANDRY GLOBAL EQUITY FUND

Statements of Comprehensive Income  
(In U.S. dollars)

Years ended December 31, 2015 and 2014

	2015	2014
<b>Revenue:</b>		
Dividend revenue	\$ 149,149	\$ 151,752
Interest for distribution purposes	(65)	–
Short-term trading fees	800	3,031
Foreign withholding taxes	(16,479)	(20,980)
Foreign exchange gain (loss)	6,938	(3,337)
Income tax refund	3,811	4,684
Realized gain from futures contracts	73,555	65,495
Net realized gain (loss) on investments	571,673	627,660
Net change in unrealized gain (loss) on investments and derivatives	(136,547)	(51,628)
<b>Total revenue</b>	<b>652,835</b>	<b>776,677</b>
<b>Expenses:</b>		
Management fees (note 11)	76,353	66,563
Independent Review Committee fees	2,679	2,679
Trustee fee	13,614	15,479
Custodial fee	40	–
Administrative costs (note 8)	115,274	123,138
Other fees	629	2,890
Transaction costs	35,138	36,401
<b>Total operating expenses</b>	<b>243,727</b>	<b>247,150</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ 409,108</b>	<b>\$ 529,527</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>		
Class A	\$ 839	\$ 2,916
Class F	420,200	526,611
Class J	(11,931)	–
<b>Increase (decrease) in net assets attributable to holders of redeemable units, per unit:</b>		
Class A	\$ 0.59	\$ 0.37
Class F	0.31	0.43
Class J	(0.11)	–

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



# LANDRY GLOBAL EQUITY FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units  
(In U.S. dollars)

Years ended December 31, 2015 and 2014

2015	Class A	Class F	Class J	Total
Balance, beginning of year	\$ 63,141	\$ 11,534,440	\$ –	\$ 11,597,581
Increase (decrease) in net assets attributable to holders of redeemable units	839	420,200	(11,931)	409,108
Redeemable unit transactions:				
Issue of redeemable units	–	2,920,907	–	2,920,907
Net transfer of units from (to) other funds	–	(1,042,797)	1,042,797	–
Redemption of redeemable units	(53,527)	(885,923)	–	(939,450)
Net increase (decrease) from redeemable unit transactions	(53,527)	992,187	1,042,797	1,981,457
Balance, end of year	\$ 10,453	\$ 12,946,827	\$ 1,030,866	\$ 13,988,146
2014		Class A	Class F	Total
Balance, beginning of year		\$ 109,491	\$ 9,067,066	\$ 9,176,557
Increase (decrease) in net assets attributable to holders of redeemable units		2,916	526,611	529,527
Redeemable unit transactions:				
Issue of redeemable units		964	4,107,748	4,108,712
Redemption of redeemable units		(50,230)	(2,166,985)	(2,217,215)
Net increase (decrease) from redeemable unit transactions		(49,266)	1,940,763	1,891,497
Balance, end of year		\$ 63,141	\$ 11,534,440	\$ 11,597,581

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

# LANDRY GLOBAL EQUITY FUND

Statements of Cash Flows  
(In U.S. dollars)

Years ended December 31, 2015 and 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 409,108	\$ 529,527
Adjustments for		
Foreign exchange (gain) loss	(6,938)	3,337
Net realized (gain) loss on investments	(571,673)	(627,660)
Net change in unrealized (gain) loss on investments	123,459	71,302
Dividend revenue	(149,149)	(151,752)
Margin deposits	22,513	(63,794)
Accrued expenses	5,237	(330)
Prepaid expenses	(1,473)	(4,336)
Accrued management fees	2,032	2,436
Derivatives	13,088	(19,674)
Proceeds from sale of investments	11,388,039	12,244,124
Purchases of investments	(12,558,098)	(14,457,778)
Dividends received	145,349	150,870
	(1,178,506)	(2,323,728)
Financing activities:		
Proceeds from issuance of redeemable units	2,920,907	4,108,712
Payments on redemption of redeemable units	(939,450)	(2,217,215)
	1,981,457	1,891,497
Net increase (decrease) in cash and cash equivalents during the year	802,951	(432,231)
(Bank overdraft) cash and cash equivalents, beginning of year	(44,979)	390,589
Foreign exchange gain (loss) on cash and cash equivalents	6,938	(3,337)
Cash and cash equivalents (bank overdraft), end of year	\$ 764,910	\$ (44,979)
Cash and cash equivalents (bank overdraft) comprised of:		
Cash (bank overdraft)	\$ 684,851	\$ (44,979)
Cash equivalents	80,059	-
	\$ 764,910	\$ (44,979)

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

# LANDRY GLOBAL EQUITY FUND

Schedule of Investment Portfolio  
(In U.S. dollars)

December 31, 2015

Shares/units	Security	Average cost	Fair value
<b>Global equities (94.1%)</b>			
United States of America (53.2%)			
100	Alphabet Inc., Class C	\$ 62,315	\$ 75,888
500	Amgen Inc.	80,837	81,165
100	AutoZone Inc.	75,705	74,191
700	Facebook Inc.	66,482	73,262
8,700	Freeport-McMoRan Inc., Class B	56,096	58,899
700	Johnson & Johnson	71,764	71,904
388,352	Landry U.S. Equity Fund, Class F	5,752,980	6,868,161
2,500	Murphy Oil Corp.	55,865	56,125
800	Royal Caribbean Cruises Ltd.	58,728	81,638
		6,280,772	7,441,233
Japan (8.7%)			
300	Aozora Bank Ltd.	960	1,059
7,000	Fujikura Ltd.	38,700	38,489
40,400	iShares MSCI Japan ETF	467,030	489,648
3,000	Kyowa Hakko Kirin Co. Ltd.	43,984	47,934
3,000	Mitsubishi Motors Corp.	25,977	25,782
6,400	Mitsubishi UFJ Financial Group Inc.	40,720	40,428
20,000	Mizuho Financial Group Inc.	40,380	40,633
2,600	Nippon Telegraph & Telephone Corp.	89,860	104,908
3,000	Nisshin Seifun Group Inc.	49,157	49,736
6,000	Obayashi Corp.	57,700	56,018
30,600	Pioneer Corp.	75,724	85,529
5,000	SCREEN Holdings Co. Ltd.	36,427	37,462
20,600	Sojitz Corp.	44,799	44,000
200	Sumitomo Chemical Co. Ltd.	1,117	1,170
8,900	Tokyo Electric Power Co. Inc. (The)	59,798	51,906
3,000	Toyo Seikan Group Holdings Ltd.	57,800	56,619
23,000	Ube Industries Ltd.	39,862	49,319
		1,169,995	1,220,640
United Kingdom (5.1%)			
1,700	Ashtead Group PLC	27,932	28,141
1,700	Berkeley Group Holdings PLC	94,014	92,748
9,500	BP PLC	65,738	49,750
22,100	Direct Line Insurance Group PLC	130,387	133,225
1,000	easyJet PLC	27,293	25,740
5,300	Halma PLC	68,828	67,820
8,400	iShares MSCI United Kingdom ETF	162,279	135,576
7,200	J Sainsbury PLC	28,023	27,565
22,400	Man Group PLC	58,846	58,155
1,800	Provident Financial PLC	71,186	89,656
		734,526	708,376
Balance carried forward		8,185,293	9,370,249

# LANDRY GLOBAL EQUITY FUND

Schedule of Investment Portfolio (continued)  
(In U.S. dollars)

December 31, 2015

Shares/units	Security	Average cost	Fair value
<b>Global equities (94.1%)</b>			
Balance brought forward		\$ 8,185,293	\$ 9,370,249
Germany (4.9%)			
12,800	ADVA AG Optical Networking	138,393	155,189
400	Allianz AG, Registered	65,891	71,328
500	Aurubis AG	30,749	25,033
3,700	Deutsche Lufthansa AG	53,058	58,757
1,000	DMG Mori Seiki AG	41,299	41,519
600	Hannover Rueckversicherungs SE	56,308	69,114
200	Muenchener Rueckversicherungs-Gesellschaft AG, Registered	41,984	40,243
300	Sartorius AG	67,428	78,649
1,900	SMA Solar Technology AG	115,070	108,488
1,100	Talanx AG	36,563	34,221
		646,743	682,541
France (4.0%)			
2,600	AXA SA	64,205	71,522
800	Eurazeo	53,957	55,387
800	Ipsen SA	54,468	53,207
1,800	Peugeot SA, Warrants, 2017/04/29	2,876	6,751
200	Sartorius Stedim Biotech	74,310	77,063
2,100	SCOR SA	76,465	79,015
800	Société Générale SA	41,206	37,131
500	Sopra Steria Group	55,202	59,040
500	Thales SA	34,361	37,670
2,900	Ubisoft Entertainment SA	83,770	84,327
		540,820	561,113
Canada (3.5%)			
300	CCL Industries Inc., Class B	48,534	48,635
300	Constellation Software Inc.	122,578	125,046
1,600	Descartes Systems Group Inc. (The)	31,466	32,185
500	Dollarama Inc.	28,481	28,880
11,800	ProMetic Life Sciences Inc.	27,203	28,647
1,100	Rogers Communications Inc., Class B	38,386	37,928
2,400	SNC-Lavalin Group Inc.	72,591	71,306
800	Stella-Jones Inc.	30,168	30,353
500	Valeant Pharmaceuticals International Inc.	77,380	50,780
6,500	Whitecap Resources Inc.	41,279	42,598
		518,066	496,358
Australia (2.7%)			
8,100	Aristocrat Leisure Ltd.	58,825	60,391
2,300	CIMIC Group Ltd.	40,071	40,813
3,700	Magellan Financial Group Ltd.	70,890	73,599
11,700	Sydney Airport	50,256	54,252
9,600	TPG Telecom Ltd.	73,023	69,331
12,500	Treasury Wine Estates Ltd.	56,153	75,761
		349,218	374,147
Balance carried forward		10,240,140	11,484,408

# LANDRY GLOBAL EQUITY FUND

Schedule of Investment Portfolio (continued)  
(In U.S. dollars)

December 31, 2015

Shares/units	Security	Average cost	Fair value
<b>Global equities (94.1%)</b>			
Balance brought forward		\$ 10,240,140	\$ 11,484,408
South Korea (2.4%)			
300	CJ Corp.	79,153	64,456
2,600	Hanwha Chemical Corp.	61,889	60,535
200	LG Chem Ltd.	56,999	56,238
400	Nong Shim Co. Ltd.	127,742	150,482
		325,783	331,711
Switzerland (2.0%)			
700	Actelion Ltd., Registered	67,165	97,982
500	Nestlé SA, Registered, Series B	36,402	37,375
100	Swill Life Holding AG, Registered	23,786	27,203
800	Swiss Re AG	74,258	78,731
2,200	UBS Group AG	40,177	43,059
		241,788	284,350
Austria (2.0%)			
2,800	Conwert Immobilien Invest AG	41,447	42,862
1,400	Erste Group Bank AG	44,082	44,129
700	Flughafen Wien AG	66,779	66,857
2,300	OMV AG	62,182	65,526
3,000	Wienerberger AG	51,419	55,900
		265,909	275,274
Italy (1.9%)			
56,900	AEM SPA	73,230	77,796
6,100	Davide Campari-Milano SPA	48,598	53,207
5,500	Finmeccanica SPA	52,973	77,357
2,400	Prysmian SPA	51,476	53,015
		226,277	261,375
Denmark (1.1%)			
800	Christian Hansen Holdings A/S	42,596	50,457
400	Genmab AS, Bearer	34,370	53,619
800	ISS AS	28,408	29,068
400	Vestas Wind Systems AS	27,726	28,273
		133,100	161,417
Ireland (0.9%)			
1,500	DCC PLC	126,599	125,595
Belgium (0.8%)			
1,800	Ageas NV	71,558	83,997
400	KBC Groep NV	28,187	25,151
		99,745	109,148
Balance carried forward		11,659,341	13,033,278

# LANDRY GLOBAL EQUITY FUND

Schedule of Investment Portfolio (continued)  
(In U.S. dollars)

December 31, 2015

Shares/units	Security	Average cost	Fair value
<b>Global equities (94.1%)</b>			
Balance brought forward		\$ 11,659,341	\$ 13,033,278
Norway (0.5%)			
2,100	Marine Harvest	27,217	28,480
5,100	Orkla ASA	40,049	40,539
		67,266	69,019
Luxembourg (0.2%)			
100	Eurofins Scientific SE	35,175	35,091
Netherlands (0.2%)			
4,400	AEGON NV	24,701	25,090
Total global equities		11,786,483	13,162,478
<b>Derivatives (0.0%)</b>			
Currency futures (0.0%)			
Short position (0.0%)			
		E-Micro EUR/USD Currency futures March 2016	–
		at U.S. \$1.0886 Current value (\$489,870) (36)	1,108
Total derivatives		–	1,108
Transaction costs		(20,722)	–
Total investment portfolio (94.1%)		<u>\$ 11,765,761</u>	13,162,478
Derivatives (0.0%)			1,108
Cash and cash equivalents (5.4%)			764,910
Margin deposits (0.5%)			64,183
Other assets less liabilities (0.0%)			(4,533)
Net assets attributable to holders of redeemable units at fair value (100.0%)			<u>\$ 13,988,146</u>

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

# LANDRY GLOBAL EQUITY FUND

Fair Value of Financial Instruments  
(In U.S. dollars)

The following is a summary of the inputs used as of December 31, 2015 and 2014 in valuing the fund's investments and derivatives carried at fair value:

	2015	2014
	Level 1 quoted prices in active markets for identical assets	Level 1 quoted prices in active markets for identical assets
Investments:		
Equities	\$ 6,294,317	\$ 5,597,924
Mutual funds	6,868,161	5,873,547
Total investments	13,162,478	11,471,471
Derivatives:		
Futures	1,108	14,196
Total investments and derivatives	\$ 13,163,586	\$ 11,485,667

There were no significant transfers made between Level 1 and Level 2 as a result of changes in the availability of quoted market prices or observable market inputs during the years presented. In addition, there were no investments or transactions classified in Level 2 and Level 3 as of December 31, 2015 and 2014.

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

# LANDRY FUNDS

## Notes to Financial Statements

Years ended December 31, 2015 and 2014

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### 1. Reporting entity:

The Landry Funds (the "Funds") consist of a group of funds that were established, in Canada, on April 15, 2003 under the laws of the Province of Ontario. The Funds are governed by an Amended and Restated Trust Agreement dated April 29, 2015. The address of the Funds' registered office is 1800 McGill College, Suite 1430, Montréal, Québec, Canada. Landry Investment Management Inc., a company duly incorporated under the *Canada Business Corporations Act*, is the manager (the "Manager") of the Funds, and Computershare Trust Company of Canada is the Trustee (the "Trustee").

The Manager is responsible for managing the Funds in accordance with the established investment policies as follows:

- (a) Landry Canadian Equity Fund invests primarily in Canadian securities.
- (b) Landry U.S. Equity Fund invests primarily in U.S. securities.
- (c) Landry Global Equity Fund invests primarily in Canadian, U.S., European and other developed market issuers.

Units of the Landry Canadian Equity Fund, the Landry U.S. Equity Fund, and the Landry Global Equity Fund are offered pursuant to a prospectus renewed on April 27, 2015.

### 2. Basis of preparation and presentation:

- (a) The financial statements of the Funds have been prepared in compliance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These financial statements were authorized for issuance by the Manager on March 21, 2016.

- (b) Basis of measurement:

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

- (c) Functional and presentation currency:

The financial statements of Landry Canadian Equity Fund are presented in Canadian dollars, which is the Funds' functional currency. The financial statements of Landry U.S. Equity Fund and Landry Global Equity Fund are presented in U.S. dollars, which is the Funds' functional currency.



# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

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### 3. Significant accounting policies:

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

(a) Financial instruments:

(i) Recognition:

Financial assets and financial liabilities at fair value through profit or loss (“FVTPL”) are initially recognized on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

Financial assets and financial liabilities at FVTPL are initially recognized at fair value, with transaction costs recognized as expenses in the statements of comprehensive income. Financial assets or financial liabilities not at FVTPL are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Investments are classified at FVTPL, including certain investments in debt instruments, which have been designated at FVTPL. Derivatives are classified as held-for-trading.

Redeemable units are designated as financial liabilities at FVTPL and measured at redemption amount.

All other financial assets and liabilities are measured at amortized cost, which approximates their fair market values. Financial assets and liabilities are shown at the amount required to be received or paid and discounted when appropriate, at the contract’s effective interest rate. Fair value of investments and derivatives are measured using the same accounting policies as those used to measure the net asset value attributable to holders of redeemable units (“NAV”) transactions with unitholders.

(ii) Fair value measurement:

For financial reporting purposes, investments are valued at their fair value. Investments held that are traded in an active market through recognized public stock exchanges, over-the-counter markets or through recognized investment dealers are valued at their last traded market price where the last traded market price falls within the day’s bid-ask spread. In circumstances where the last traded price is not within that day’s bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on specific facts and circumstances. Investments held include equities, exchange traded funds, exchange traded notes, mutual funds and futures. The Funds’ policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

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### 3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(ii) Fair value measurement (continued):

Investments held that are not traded in an active market are valued based on the results of valuation techniques using observable market inputs where possible, on such basis and in such manner established by the Manager. Investments in other pooled funds are valued at the net asset value per unit reported by each pooled fund. See Note 6 for more information about the Funds' fair value measurements.

(iii) Investments in associates, structured entities, joint ventures and subsidiaries:

An investment entity is an entity that obtains funds from one or more investors for the purpose of providing them with investment management services, its business purpose is to invest funds solely for returns from capital appreciation, income, or both, and measures and evaluates the performance of substantially all of its investments on a fair value basis. Subsidiaries are all entities, including investment in other investment entities, over which the Funds have control. The Funds control an entity when they are exposed to, or have rights to, variable returns from their involvement with entity and have ability to affect those returns through their power over the entity. Associates are all entities, including investments in other investment entities, over which the Funds have significant influence. The Funds have determined that they are investment entities and as such they account for their subsidiaries and associates at fair value.

(iv) Impairments of financial assets:

At each reporting date, the Funds assess whether there is objective evidence that financial assets at amortized cost are impaired. If such evidence exists, the Funds recognize an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. Impairment losses on financial assets 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.

# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

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### 3. Significant accounting policies (continued):

(b) Investment income:

Interest income is recognized on an accrual basis using the effective interest method. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses from investment transactions are calculated on an average cost basis. The variation in the market value of investments less their average cost, as recorded at the beginning of the period and at the end of the period, is included in the statements of comprehensive income as a net unrealized gain (loss) on investments.

(c) Foreign currency:

Investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars (except for Landry U.S. Equity Fund and Landry Global Equity Fund, which are translated into U.S. dollars) at the exchange rates prevailing on the valuation date. Investment transactions, income and expenses are translated at the exchange rates prevailing on the respective dates of such transactions.

(d) Cash:

Cash and cash equivalents consist of cash and investments in Government of Canada Treasury Bills with maturities of less than 90 days. These short-term investments are recorded at amortized cost, which approximates current market value.

(e) Increase (decrease) in net assets attributable to holders of redeemable units per unit per class:

Increase (decrease) in net assets attributable to holders of redeemable units per unit per class in the statements of comprehensive income is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units by the weighted average number of units outstanding per class during the period.

(f) Unitholder transactions:

The value at which units are issued or redeemed is determined by dividing the NAV of the class by the total number of units outstanding of that class on the valuation date. The valuation date is any day that the Toronto Stock Exchange is open for business. Amounts received on the issuance of units and amounts paid on the redemption of units are included in the statements of changes in net assets attributable to holders of redeemable units.

# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

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### 3. Significant accounting policies (continued):

(g) Redeemable units:

The Funds classify redeemable units issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. All units of all classes of the Funds have been classified as financial liabilities at FVTPL and are measured at redemption amount.

(h) Net asset value attributable to holders of redeemable units per unit:

A separate NAV is calculated for each class of units of each Fund by taking the class' proportionate share of the Funds' common assets less that class' proportionate share of the Fund's common liabilities and deducting from this amount all liabilities that relate solely to a specific class. The NAV per unit for each class is determined by dividing the NAV of each class by the number of units of that class outstanding on the valuation date.

(i) Transaction costs:

For financial instruments classified as fair value through profit or loss, transaction costs, such as brokerage commissions incurred in the purchase and sale of portfolio securities, and other trade execution costs paid to external third parties, such as stamp, duty and exchange fees, are recognized as expenses in the statements of comprehensive income based on the trade date.

(j) New standards and interpretations not yet adopted:

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2015, and have not been applied in preparing these financial statements. None of these will have a significant effect on the financial statement of the Funds, with the possible exception of IFRS 9, *Financial Instruments*.

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

# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

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### 3. Significant accounting policies (continued):

- (j) New standards and interpretations not yet adopted (continued):

The effective date of this standard has not yet been determined, but early adoption is permitted. The Funds' Manager is currently in the process of evaluating the potential effect of this standard. The standard is not expected to have a significant impact on the financial statements since the Funds' financial assets are currently measured at fair value or amortized cost.

### 4. Critical accounting estimates and judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The most significant accounting judgments and estimates that the Funds have made in preparing the financial statements are related to valuation of investment. See Note 6 for more information on the fair value measurement of the Funds' financial statements.

#### *Classification and measurement of investments and application of the fair value option*

In classifying and measuring financial instruments held by the Funds, the Manager is required to make significant judgments about whether or not the business of the Funds are to invest on a total return basis for the purpose of applying the fair value option for financial assets under IAS 39. The most significant judgments made include the determination that certain investments are held-for-trading and that the fair value option can be applied to those that are not.

### 5. Financial instruments and risk management:

- (a) Risk management:

The Funds' investment activities expose them to a variety of financial risks. The Manager seeks to minimize potential adverse effects of these risks for the Funds' performance by employing professional, experienced portfolio advisors, by daily monitoring of the Funds' positions and market events, by diversifying their investment portfolio within the constraints of the investment objective, and periodically may use derivatives to hedge certain risk exposures. To assist in managing risks, the Manager maintains a governance structure that oversees the Funds' investment activities and monitors compliance with the Funds' stated investment strategy, internal guidelines and units regulations.

# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

## 5. Financial instruments and risk management (continued):

### (a) Risk management (continued):

The Funds' investment objective seeks long-term capital growth by investing directly or indirectly in exchange-listed equity securities of Canadian, United States, European or other developed market issuers. The portfolio manager, when investing, uses a proprietary methodology based primarily on price momentum and value characteristics as investment criteria.

No changes affecting the overall level of risk of the Funds were made during the year. The risks of the Funds remain, as discussed in the Funds' Offering Documents. Significant risks that are relevant to the Funds and different methods used by the Funds to measure and manage those risks are discussed below.

The investment manager monitors on a daily basis the concentration of risk for equity based on counterparties and industries for the Landry Canadian Equity Fund and Landry U.S. Equity Fund. For the Landry Global Equity Fund, it is based on counterparties, on industries and geographic location.

As at December 31, 2015 and 2014, the Landry Canadian Equity Fund's investments were concentrated in the following industry, as a percentage of net assets attributable to holders of redeemable units:

	2015	2014
	%	%
Financial services	23.0	32.8
Materials	13.7	3.7
Information technology	12.6	3.6
Energy	11.9	26.0
Industrials	10.6	11.4
Consumer staples	8.5	10.9
Consumer discretionary	7.2	7.7
Health care	4.8	—
Telecommunication services	2.6	1.1
Utilities	1.7	2.7
	96.6	99.9

# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

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## 5. Financial instruments and risk management (continued):

(a) Risk management (continued):

As at December 31, 2015 and 2014, the Landry U.S. Equity Fund's investments were concentrated in the following industry, as a percentage of net assets attributable to holders of redeemable units:

	2015	2014
	%	%
Consumer discretionary	24.5	6.5
Information technology	22.9	19.9
Financial services	15.3	21.8
Consumer staples	9.7	10.6
Health care	5.9	11.6
Materials	5.3	3.5
Energy	5.0	7.5
Industrials	4.8	11.7
Telecommunication services	2.0	4.0
Utilities	0.7	1.1
	96.1	98.2

# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

## 5. Financial instruments and risk management (continued):

### (a) Risk management (continued):

As at December 31, 2015 and 2014, the Landry Global Equity Fund's investments were concentrated in the following geographic location, as a percentage of net assets attributable to holders of redeemable units:

	2015	2014
	%	%
United States of America	53.2	50.6
Japan	8.7	9.3
United Kingdom	5.1	7.4
Germany	4.9	5.4
France	4.0	5.1
Canada	3.5	2.8
Australia	2.7	2.4
South Korea	2.4	2.7
Austria	2.0	1.4
Switzerland	2.0	3.6
Italy	1.9	2.5
Denmark	1.1	2.1
Ireland	0.9	–
Belgium	0.8	0.3
Norway	0.5	0.9
Luxembourg	0.2	1.0
Netherlands	0.2	0.2
New Zealand	–	0.5
Spain	–	0.3
Sweden	–	0.4
	94.1	98.9

### (b) Other market price risk:

Market 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 caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital.

The Funds strategy for the management of market risk is driven by the Funds' investment objective. Depending on each Fund's risk rating, the Funds will invest in a diversified portfolio of investments with more or less volatility. The market risk is monitored on a daily basis.



# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

## 5. Financial instruments and risk management (continued):

### (b) Other market price risk (continued):

If equity prices on global stock exchanges had increased or decreased by 10% as at the year-end, with all other factors remaining constant, net assets attributable to the holders of redeemable units of each Fund could possibly have increased or decreased by the amount shown in the table below:

Fund	Reference index	Impact on net assets attributable to holders of redeemable units (in thousands of dollars)*	
		2015	2014
Canadian Equity Fund (in Canadian dollars)	S&P/TSX 60 Total Return Index	\$ 1,244	\$ 1,428
U.S. Equity Fund (in U.S. dollars)	S&P 100 Total Return Index	1,350	569
Global Equity Fund (in U.S. dollars)	MSCI World Index (with net dividends reinvested)	1,290	1,249

\* This estimate is based on the Funds' beta as calculated during the interval between January 1 to December 31 of each year with their respective reference index (using weekly last prices during the period).

In practice, actual results may differ from this sensitivity analysis and the difference could be material. The impact on the increase (decrease) in net assets attributable to holders of redeemable units from operations of the respective Funds would be similar.

### (c) Currency risk:

Currency risk is the risk that financial instruments which are denominated in currencies other than the functional currency of a Fund will fluctuate due to changes in exchange rates. As at December 31, 2015 and 2014, substantially all of the assets of the Landry Canadian Equity Fund and Landry U.S. Equity Fund were invested in instruments denominated in their respective reporting currency. The Landry Global Equity Fund invests in financial instruments denominated in currencies other than its functional currency.

# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

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## 5. Financial instruments and risk management (continued):

### (c) Currency risk (continued):

#### *Landry Global Equity Fund (in U.S. dollars)*

Consequently, the Fund is exposed to the risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value of the fair value of the future cash flow of the Fund. The Fund's policy with respect to currency risk is to limit its net foreign currency exposure relative to the MSCI World to less than 10% of the Fund's net assets attributable to holders of redeemable units. The Fund's currency risk is managed on a daily basis by the investment manager in accordance with policies and procedures in place. As at December 31, 2015 and 2014, Landry Global Equity Fund had currency exposure. The following tables illustrate the effect on net assets attributable to holders of redeemable units if the respective currency had strengthened or weakened by 5% in relation to the U.S. dollar, with all other variables held constant. In practice, actual results may differ from this sensitivity analysis and the difference could be material. The impact on the increase (decrease) in net assets attributable to holders of redeemable units from operations of the respective Funds would be similar. These tables have been prepared by taking into account the indirect exposure of the Fund's investment in the Landry U.S. Equity Fund.

# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

## 5. Financial instruments and risk management (continued):

(c) Currency risk (continued):

*Landry Global Equity Fund (in U.S. dollars) (continued)*

							December 31, 2015
Currency	Investments	Cash	Margin deposits	Open futures (notional)	Net exposure contracts	Sensitivity impact on net assets attributable to holders of redeemable units	
AUD	\$ 374,147	\$ 1,075	\$ —	\$ —	\$ 375,222	\$ 18,761	
CAD	496,358	3,532	—	—	499,890	24,994	
CHF	284,350	1,860	—	—	286,210	14,311	
DKK	161,418	111,182	—	—	272,600	13,630	
EUR	1,949,631	1,229	—	(489,870)	1,460,990	73,050	
GBP	698,396	733	—	—	699,129	34,956	
JPY	730,992	(66,356)	5,563	—	670,198	33,510	
KRW	331,711	2,279	—	—	333,990	16,700	
NOK	150,657	352	—	—	151,009	7,550	
SEK	—	24,172	—	—	24,172	1,209	

							December 31, 2014
Currency	Investments	Cash	Open futures (notional)	Net exposure contracts	Sensitivity impact on net assets attributable to holders of redeemable units		
AUD	\$ 323,940	\$ 521	\$ —	\$ 324,461	\$ 16,223		
CAD	325,607	21,555	—	347,162	17,358		
CHF	418,810	546	—	419,356	20,968		
DKK	243,875	172	—	244,047	12,202		
EUR	1,867,510	711	(620,484)	1,247,737	62,387		
GBP	757,122	1,452	—	758,574	37,929		
JPY	820,559	775	—	821,334	41,067		
KRW	306,589	3,748	—	310,337	15,517		
NOK	109,240	103	—	109,343	5,467		
SEK	50,834	319	—	51,153	2,558		

# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

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## 5. Financial instruments and risk management (continued):

### (d) Interest rate risk:

Interest rate risk arises on interest-bearing financial instruments, such as bonds or debentures. The majority of the Funds' financial assets and liabilities are equity shares, which are non-interest bearing. When there are significant cash and cash equivalent balances, the Funds invest in Canadian Treasury bills that have a maturity of less than 90 days. As such, the Funds are not subject to significant amounts of risk due to fluctuations in prevailing levels of market interest rates.

### (e) Credit risk:

Credit risk on financial instruments is the risk of a financial loss occurring as a result of the default of a counterparty on its obligation to the Funds. Credit risk typically arises out of exposure to debt instruments, such as bonds, or derivatives. As at December 31, 2015 and 2014, the Funds had no significant investments in debt instruments or derivatives. Credit and counterparty risk is managed by dealing with counterparties the Manager believes to be creditworthy. As at December 31, 2015 and 2014, amounts receivable to portfolio assets sold at year-end were concentrated only among a few brokers, which credit risk is considered small due to short settlement period involved and their high credit quality.

### (f) Liquidity risk:

Liquidity risk is the risk that the Funds will encounter difficulty in meeting obligations associated with financial liabilities. The Funds' exposure to liquidity risk is equal to the carrying amount of liabilities. Aside from financial liabilities that arise from its normal investing activities, the Funds have no other significant financial liabilities.

The Funds' most significant potential exposure to financial liabilities is the daily cash redemptions of redeemable units. The Funds liquidity risk is managed on a daily basis by the investment manager. The policies of the Funds regarding liquid assets is in accordance with securities regulations. The Funds are subject to restrictions concerning illiquid assets. Per the regulation, a Fund must not purchase an illiquid asset if, immediately after the purchase, more than 10% of its net asset value would make up of illiquid assets. A Fund must also not have invested, for a period of 90 days or more, more than 15% of its net asset value in illiquid assets. The Funds' investments in listed entities are considered to be readily realisable because they are traded on major stock exchange markets.

# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

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## 6. Fair value measurement:

The Funds classify fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

Level 1: Fair value based on unadjusted quoted prices in active markets for identical assets or liabilities that the Manager has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3: Inputs based on at least one significant non-observable input that is not supported by market data. There is little, if any, market activity. Inputs into the determination of fair value require significant management judgment or estimation.

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The fair value hierarchy table, in the section "Fair value of financial instruments" of the respective Funds, presents information about the Funds' assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2015 and 2014 at the end of each Funds' schedule of investments.

## 7. Redeemable units:

The Funds' authorized capital consists of an unlimited number of redeemable units of each class without par value. The number of outstanding units of each class is disclosed in the statements of financial position. Units of the Funds are redeemable at the option of the holder in accordance with the provisions of the Trust Agreement. Classes A and F units are available to all investors. Classes I and J units are offered only to certain investors at the discretion of the Manager, including institutional investors or other eligible investors.

No class takes priority or preference over another and all classes contribute in proportion to the allocation of the Funds.

# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

## 7. Redeemable units (continued):

The change in the number of securities is as follows for the applicable years ended December 31, 2015 and 2014:

Landry Canadian Equity Fund:

Funds	Year	Beginning of year	Purchases	Reinvestments	Redemptions	Net transfer	End of year	Average number of units during the year
Class A	2014	7,109	–	299	(2,550)	–	4,858	4,689
	2015	4,858	–	–	–	–	4,858	4,858
Class F	2014	320,207	188,201	29,696	(77,893)	–	460,211	415,143
	2015	460,211	165,230	–	(130,504)	(59,783)	435,154	415,542
Class I	2014	88,898	–	4,628	(16,427)	–	77,099	80,926
	2015	77,099	2,452	–	(22,716)	–	56,835	61,889
Class J	2014	769,417	–	39,298	(170,181)	–	638,534	720,964
	2015	638,534	–	–	(200,519)	121,049	559,064	476,035

# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

## 7. Redeemable units (continued):

Landry U.S. Equity Fund:

Funds	Year	Beginning of year	Purchases	Reinvestments	Redemptions	Net transfer	End of year	Average number of units during the year
Class A	2014	18,271	8,383	1,018	(1,293)	–	26,379	21,372
	2015	26,379	–	376	(9,425)	–	17,330	21,140
Class F	2014	430,967	347,054	40,843	(92,997)	–	725,867	673,441
	2015	725,867	112,747	34,245	(50,909)	(346)	821,604	753,232
Class I	2014	24,702	–	1,527	(2,704)	–	23,525	22,388
	2015	23,525	–	1,071	(497)	–	24,099	23,311
Class J	2015	–	–	–	–	623	623	623

# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

## 7. Redeemable units (continued):

Landry Global Equity Fund:

Funds	Year	Beginning of year	Purchases	Reinvestments	Redemptions	Net transfer	End of year	Average number of units during the year
Class A	2014	10,621	–	–	(4,705)	–	5,916	7,991
	2015	5,916	–	–	(4,959)	–	957	1,422
Class F	2014	1,032,791	457,347	–	(236,199)	–	1,253,939	1,256,908
	2015	1,253,939	306,311	–	(92,794)	(108,222)	1,359,234	1,364,562
Class J	2014	–	–	–	–	–	–	–
	2015	–	–	–	–	104,280	104,280	104,280



# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

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## 8. Expenses and brokerage commissions:

### (a) Expenses:

As of December 31, 2015 and 2014, administrative fees are accounted daily, paid monthly, and calculated according to a fixed percentage of the NAV of the Funds. For the year ended December 31, 2014, the percentage was of 1.06% for all Funds, until July 31, 2014. From August 1, 2014 to December 31, 2014, the Manager waived a portion of the fees and charged 0.75% to the Funds. In 2015, the fees were established at 0.80%.

The fees and expenses assumed by Landry Investment Management in exchange for the administrative fees include valuation and recordkeeping expenses and those related to the services of the transfer agent, including processing purchases and sales of the securities of the Funds and calculation of the price of the securities; legal fees, auditors' fees; administrative fees and services of trustees; custodial fees; costs related to preparation and distribution of financial reports, simplified prospectuses and other communications with investors that Landry Investment Management is obliged to prepare to comply with applicable laws; and the other fees and expenses that are not otherwise included in the management fees.

### (b) Brokerage commissions:

Commissions paid to brokers in connection with portfolio transactions are disclosed in the Funds' statements of comprehensive income. Brokerage business is allocated based on which broker can deliver to the Funds the best results. Subject to these criteria, the Manager may allocate business to brokers that provide or pay for, in addition to transaction execution, order execution goods and services and database and software used in proprietary research. For the years ended December 31, 2015 and 2014, the Manager had had commission-sharing or "soft dollar" arrangements with certain brokers in which they paid for third-party services.

# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

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## 8. Expenses and brokerage commissions (continued):

### (b) Brokerage commissions (continued):

The following table outlines the transaction costs, including soft dollars incurred during the years:

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	Transaction costs paid by the Funds	Goods and services received by the Funds
2015		
Landry Canadian Equity (in Canadian dollars)	\$ 56,123	\$ 22,427
Landry U.S. Equity (in U.S. dollars)	25,127	21,757
Landry Global Equity (in U.S. dollars)	35,138	19,771

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	Transaction costs paid by the Funds	Goods and services received by the Funds
2014		
Landry Canadian Equity (in Canadian dollars)	\$ 57,153	\$ 24,629
Landry U.S. Equity (in U.S. dollars)	28,142	18,416
Landry Global Equity (in U.S. dollars)	36,401	15,480

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# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

## 9. Distributions:

Unitholders are entitled to distributions at year-end. Net investment income and net capital gains realized on the Funds are reinvested in additional units of its own Fund or at the option of the unitholders, paid in cash. The distribution amounts are determined by the registrar and are allocated to the unitholders of each Fund.

Distributions paid in cash will be made in the Funds' reporting currency. Unless the unitholder provides written instructions to the registrar to receive distributions in cash, the amount of the distribution will automatically be reinvested in additional securities of its own Fund. At the valuation date, each unitholder of a Fund is entitled to receive an amount equal to the Funds' net income for the year, divided by the number of units outstanding, and multiplied by the number of units held by the unitholder at fiscal year-end.

## 10. Income tax status:

All of the Landry Funds, as at December 31, 2015 and 2014, are mutual fund trusts under the *Income Tax Act* (Canada). The Funds are subject to federal and provincial taxes applicable on their assessed income, including taxable capital gains for the fiscal year, so far as those were not distributed to the unitholders.

### *Tax loss carryforwards*

The following Funds have accumulated net realized capital losses/non-capital losses that are available for utilization against net realized gains or net income for tax purposes in future years as follows. Capital losses have no expiry date. Non-capital losses can be carried forward for up to 20 years:

	Total capital losses	Non-capital losses by expiry date					
		2026	2028	2029	2030	2031	2032
Landry Canadian Equity (in Canadian dollars) \$	393,228	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landry U.S. Equity (in U.S. dollars)	-	-	-	17,647	-	40,683	14,414
Landry Global Equity (in U.S. dollars)	2,043,957	-	40,255	9,091	54,120	-	30,774

# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

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## 11. Related party transactions:

### (a) Management fees:

In consideration for management services and investment advice provided to the Funds, the Manager is entitled to a management fee.

The management fee with respect to Class A units is 2.00% and for Class F units is 1.00%, calculated on a daily basis to the NAV of the Funds and payable monthly. No management fee is charged to Class I and Class J units; instead, a negotiated fee is paid by these unitholders to the Manager directly.

Refer to the statements of comprehensive income of each Fund for the management fee expenses, and to the statements of financial position of each Fund for the management fee payable balances.

### (b) Performance fees:

The Manager receives a performance-based fee for the Funds. The Manager will charge a performance fee of 20% of the return of the Funds in excess of their benchmark return. The performance fee is payable only if the Funds have outperformed their benchmark since the last time a performance fee was paid. Performance fees are calculated daily and crystallized and paid monthly.

For performance fee calculation purposes, the benchmarks of the Funds are as follows:

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Funds	Index
Landry Canadian Equity Fund	S&P/TSX60 Total Return Index (+ 2% for Class I units)
Landry U.S. Equity Fund	S&P100 Total Return Index (+ 2% for Class I units)
Landry Global Equity Fund	MSCI World Index (with net dividends reinvested)

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The Manager received no performance fee for the Landry Canadian Equity Fund, the Landry U.S. Equity Fund and the Landry Global Equity Fund in 2015 and 2014.

# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

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## 11. Related party transactions (continued):

(c) Inter-fund holdings:

Landry Global Equity Fund owns a significant portion of the redeemable units of Landry U.S. Equity Fund, having a participation totalling 42.27% of its Class F units (44.52% as at December 31, 2014). This investment is considered to be an investment in a non-consolidated structured entity. The Landry U.S. Equity Fund is an investment fund and is domiciled in Canada and has no subsidiaries. Its purpose is to manage assets on behalf of investors and generate fees for the investment manager. It finances its activity through the issuance of units to investors. The number of Class F of redeemable units held in the Fund totalled 388,352 units as of December 31, 2015 (323,144 units as at December 31, 2014) for a carrying amount, included in investments in the statements of financial position, of \$6,868,161 as at December 31, 2015 (\$5,873,844 as at December 31, 2014). The net assets attributable to holders of the Landry U.S. Equity Fund redeemable units is of \$15,034,120 as of December 31, 2015 (\$13,797,507 as at December 31, 2014). The maximum exposure to loss is the carrying amount of the investment in the Fund. All distributions received from the Fund (2015 - \$286,869; 2014 - \$335,010) were reinvested in the Funds in 2015 and 2014.

The Landry Global Equity Fund pays management and performance fees, when applicable, to the Landry U.S. Equity Fund, but the Manager does not charge any management or performance fee on the portion of the Landry Global Equity Fund invested in the Landry U.S. Equity Fund.

Landry Global Equity Fund has no commitments or intentions to provide financial or other support to Landry U.S. Equity Fund. No financial or other support was provided during the reporting years. At December 31, 2015 and 2014, there were no significant restrictions on the ability of Landry U.S. Equity Fund to transfer funds to Landry Global Equity Fund in the form of redemption of the securities held by the Landry Global Equity Fund.

# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

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## 11. Related party transactions (continued):

(d) Other:

In the normal course of business, transactions between the Funds and officers and directors of the Funds' Manager take place. As at December 31, 2015 and 2014, the percentages of net assets attributable to holders of redeemable units of the following classes of the Funds owned as a result of securities held by these key management personnel of the Manager of the Funds are as follows:

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	2015	2014
Landry Canadian Equity Fund (Class F)	6.11%	10.47%
Landry Canadian Equity Fund (Class J)	21.65%	– %
Landry U.S. Equity Fund (Class F)	5.73%	5.33%
Landry Global Equity Fund (Class F)	4.15%	9.12%
Landry Global Equity Fund (Class J)	100.00%	– %

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The Manager of the Funds also receives management fees and, when applicable, performance fees. The total management and performance fees for the years ended December 31, 2015 and 2014 and the amount of management and performance fees owed to the Manager as at December 31, 2015 and 2014 are presented in each Fund's statements of comprehensive income and statements of financial position, respectively.

In 2015, key management personnel of the Funds Manager purchased for \$737,000 of Class F of redeemable units of the Canadian Equity Fund (2014 - \$11,800), \$223,000 of Class F of redeemable units of the U.S. Equity Fund (2014 - \$15,000) and \$490,430 of Class F of redeemable units of the Global Equity Fund (2014 - nil). Key management personnel of the Funds' Manager also redeemed for \$5,500 of Class F units of the Canadian Equity Fund (2014 - \$15,540), for \$93,626 of Class F units of the U.S. Equity Fund (2014 - \$2,000) and an amount of nil of Class F unit of the Global Equity Fund (2014 - \$200,000).

In addition, key management personnel transferred for 1,149,385\$ of redeemable units between Class F to Class J for the Landry Canadian Equity Fund and for 1,042,797\$ of redeemable units between Class F to Class J for the Landry Global Equity Fund.

Finally, in 2015, distributions were received by key management personnel of the Funds' Manager in an amount of \$34,745 from the U.S. Equity Fund (2014 - \$3,689) and nil from the Canadian Equity Fund (2014 - \$36,247). All distributions received from the Funds were reinvested in the respective Funds.

# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

## 12. Financial instruments by category:

Investments have been designated at FVTPL. Derivatives are being held for trading and cash and other receivables are carried at amortized cost. All of the Funds' financial liabilities are carried at amortized cost.

The following tables present the net gains (losses) on financial instruments at FVTPL by category for the years ended December 31, 2015 and 2014.

Landry Canadian Equity Fund (in Canadian dollars):

	2015	2014
Financial assets at FVTPL:		
Held for trading	\$ (117)	\$ –
Designated at inception	(852,276)	1,080,791
<b>Total</b>	<b>\$ (852,393)</b>	<b>\$ 1,080,791</b>

Landry U.S. Equity Fund (in U.S. dollars):

	2015	2014
Financial assets at FVTPL:		
Held for trading	\$ 15	\$ –
Designated at inception	217,843	1,330,902
<b>Total</b>	<b>\$ 217,858</b>	<b>\$ 1,330,902</b>

Landry Global Equity Fund (in U.S. dollars):

	2015	2014
Financial assets at FVTPL:		
Held for trading	\$ (13,566)	\$ 17,696
Designated at inception	529,185	620,494
<b>Total</b>	<b>\$ 515,619</b>	<b>\$ 638,190</b>

# LANDRY FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2015 and 2014

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## 13. Responsibility of the Trustee:

The Funds must indemnify and save harmless the Trustee, its affiliates or any director, officer, employee or agent of the Trustee from and against:

- (a) all claims whatsoever (including legal fees, other costs, charges and expenses in connection therewith) brought, commenced or prosecuted against it for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Trustee's and Manager's duties;
- (b) all other costs, charges, and expenses which sustain or incur in or about or in relation to the affairs of the Funds and the execution of the Trustee's and Manager's duties; and
- (c) any personal liabilities of the Trustee incurred in connection with the failure of any fund, or the Manager, on behalf of the Funds, to report, remit or withhold taxes, as required by the tax act or otherwise failing to comply with the tax act, so long as the Trustee has relied in good faith on the Manager in the performance of its duties hereunder and such personal liabilities have not been caused by the Trustee's bad faith, willful misconduct, gross negligence, reckless disregard of its duties or the breach by the Trustee of its standard of care.

This indemnification shall survive the resignation or removal of the Trustee or Manager and the termination of this Master Trust Agreement solely to the extent that such liabilities have been incurred in connection with taxation years occurring during the term of this Master Trust Agreement.

## 14. Comparative information:

Certain comparative information has been reclassified to conform to the presentation adopted in the current year.