

Financial Statements of

LANDRY LONG/SHORT FUNDS

Year ended December 31, 2015

LANDRY LONG/SHORT FUNDS

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Year ended December 31, 2015

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MANAGER' 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 Global Equity Long/Short Fund
Landry Adaptive Value Long/Short Fund
(collectively the "Funds")

We have audited the accompanying financial statements of the Funds, which comprise the statement of financial position as at December 31, 2015, the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the year 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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 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 their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

*KPMG LLP**

March 21, 2016

Montréal, Canada

LANDRY GLOBAL EQUITY LONG/SHORT FUND

Statement of Financial Position
(In Canadian dollars)

December 31, 2015, with comparative information for 2014

	2015	2014
Assets		
Current assets:		
Investments	\$ 31,892,956	\$ 35,652,400
Cash equivalents	31,978,560	32,468,685
Amounts receivable relating to portfolio assets sold	2,400,867	-
Amounts receivable relating to accrued dividends	17,253	29,645
Amounts receivable relating to accrued income	17,458	-
Prepaid expenses	9,171	19,292
	66,316,265	68,170,022
Liabilities		
Current liabilities:		
Bank overdraft	3,247,956	-
Investments sold short	24,195,567	32,733,788
Amounts payable for units redeemed	-	19,619
Accrued expenses	60,909	104,781
Accrued management fees	9,405	80,096
Amounts payable for portfolio assets purchased	4,230,139	-
	31,743,976	32,938,284
Net assets attributable to holders of redeemable units	\$ 34,572,289	\$ 35,231,738

	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	4,055	\$ 26,925	4,055	\$ 27,261
Class F	938,896	8,914,989	1,768,131	16,801,677
Class H	2,005,294	20,658,611	1,407,685	14,349,885
Class I	600,891	4,308,832	571,165	4,052,915
Class J	66,170	662,932	-	-

	2015	2014
Net assets attributable to holders of redeemable units per unit:		
Class A	\$ 6.64	\$ 6.72
Class F	9.50	9.50
Class H	10.30	10.19
Class I	7.17	7.10
Class J	10.02	-

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 LONG/SHORT FUND

Statement of Comprehensive Income
(In Canadian dollars)

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Dividend revenue	\$ 119,296	\$ 98,166
Interest revenue	238,027	164,552
Short-term trading fees	600	547
Foreign withholding taxes	(116,573)	(96,337)
Foreign exchange gain (loss)	141,089	291,418
Net realized gain (loss) on investments	197,707	1,131,177
Net unrealized gain (loss) on investments	769,720	102,775
Total revenue	1,349,866	1,692,298
Expenses:		
Management fees (note 11)	142,459	180,750
Performance fees (note 11)	-	46,259
Custodial fees	22,627	25,945
Administrative costs (note 8)	335,411	245,193
Transaction costs	157,952	160,422
Short borrow fees	293,954	149,736
Other fees	384,549	147,964
Total operating expenses	1,336,952	956,269
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 12,914	\$ 736,029
Increase (decrease) in net assets attributable to holders of redeemable units:		
Class A	\$ (336)	\$ 447
Class F	(76,380)	341,239
Class H	46,545	234,884
Class I	41,853	159,459
Class J	1,232	-
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	\$ (0.08)	\$ 0.11
Class F	(0.06)	0.21
Class H	0.02	0.30
Class I	0.07	0.18
Class J	0.02	-

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

LANDRY GLOBAL EQUITY LONG/SHORT FUND

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

Year ended December 31, 2015, with comparative information for 2014

2015	Class A	Class F	Class H	Class I	Class J	Total
Balance, beginning of year	\$ 27,261	\$ 16,801,677	\$ 14,349,885	\$ 4,052,915	\$ -	\$ 35,231,738
Increase (decrease) in net assets attributable to holders of redeemable units	(336)	(76,380)	46,545	41,853	1,232	12,914
Redeemable unit transactions:						
Issue of redeemable units	-	188,800	11,650,000	661,744	-	12,500,544
Redemption of redeemable units	-	(7,337,408)	(5,387,819)	(447,680)	-	(13,172,907)
Net increase (decrease) from redeemable unit transactions	-	(7,148,608)	6,262,181	214,064	-	(672,363)
Net transfer of units from (to) other units	-	(661,700)	-	-	661,700	-
Balance, end of year	\$ 26,925	\$ 8,914,989	\$ 20,658,611	\$ 4,308,832	\$ 662,932	\$ 34,572,289

2014	Class A	Class F	Class H	Class I	Total
Balance, beginning of year	\$ 26,815	\$ 11,608,558	\$ -	\$ 3,835,912	\$ 15,471,285
Increase (decrease) in net assets attributable to holders of redeemable units	447	341,239	234,884	159,459	736,029
Redeemable unit transactions:					
Issue of redeemable units	(1)	8,248,302	14,115,001	634,056	22,997,358
Redemption of redeemable units	-	(3,396,422)	-	(576,512)	(3,972,934)
Net increase (decrease) from redeemable unit transactions	(1)	4,851,880	14,115,001	57,544	19,024,424
Balance, end of year	\$ 27,261	\$ 16,801,677	\$ 14,349,885	\$ 4,052,915	\$ 35,231,738

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

LANDRY GLOBAL EQUITY LONG/SHORT FUND

Statement of Cash Flows
(In Canadian dollars)

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 12,914	\$ 736,029
Adjustments for:		
Foreign exchange (gain) loss	(141,089)	(291,418)
Net realized (gain) loss from investments	(197,707)	(1,131,177)
Net unrealized gain (loss) from investments	(769,720)	(102,775)
Dividend revenue	(119,296)	(98,166)
Interest revenue	(238,027)	(164,552)
Prepaid expenses	10,121	(19,283)
Accrued expenses	(43,872)	66,731
Management fees accrued	(70,691)	70,139
Net proceeds from sale of investments assets and liabilities	80,841,993	86,700,380
Net purchases of investments assets and liabilities	(82,824,071)	(86,201,127)
Dividends received	131,688	123,728
Interest received	220,569	164,552
	(3,187,188)	(146,939)
Financing activities:		
Proceeds from issuance of redeemable units	12,500,544	22,997,358
Payments on redemption of redeemable units	(13,192,526)	(3,953,315)
Distributions paid	-	-
	(691,982)	19,044,043
Net increase (decrease) in cash and cash equivalents during the year	(3,879,170)	18,897,104
Cash and cash equivalents, beginning of year	32,468,685	13,280,163
Foreign exchange gain (loss) on cash and cash equivalents	141,089	291,418
Cash and cash equivalents, end of year	\$ 28,730,604	\$ 32,468,685
Cash and equivalents comprised of:		
(Bank overdraft) cash	\$ (3,247,956)	\$ 29,973,594
Cash equivalents	31,978,560	2,495,091
	\$ 28,730,604	\$ 32,468,685

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

LANDRY GLOBAL EQUITY LONG/SHORT FUND

Schedule of Investment Portfolio
(In Canadian dollars)

December 31, 2015

Shares/units	Security	Average cost	Fair value
German equities (net 7.7%)			
Long Positions (+10.3%)			
1,400	Aareal Bank AG	\$ 67,004	\$ 61,717
900	Adidas AG	106,555	122,105
35,000	ADVA AG Optical Networking	494,022	587,293
900	Allianz AG, Registered	165,141	222,114
2,600	Aurubis AG	228,857	180,160
5,000	Deutsche Lufthansa AG	96,141	109,891
3,600	GFT Technologies SE	139,761	171,471
2,100	Hannover Rueckversicherungs SE	251,880	334,790
700	Muenchener Rueckversicherungs-Gesellschaft AG, Registered	163,158	194,937
4,300	Nemetschek AG	242,564	298,638
3,300	Nordex AG	141,351	163,083
1,000	Pfeiffer Vacuum Technology AG	164,668	141,859
1,700	Sartorius AG	507,664	616,818
2,700	SMA Solar Technology AG	170,211	213,368
3,200	Talanx AG	134,804	137,778
		3,073,781	3,556,022
Short Positions (-2.6%)			
(2,300)	Draegerwerk AG & Co. KGaA, Preferred	(217,491)	(246,243)
(18,800)	E.ON SE	(259,615)	(253,362)
(21,600)	RWE AG, Class A	(496,405)	(381,675)
		(973,511)	(881,280)
		2,100,270	2,674,742
Japan equities (net 6.1%)			
Long Positions (+8.2%)			
3,800	COMSYS Holdings Corp.	65,411	74,991
11,400	Hokuetsu Kishu Paper Co. Ltd.	58,042	93,992
30,300	iShares MSCI Japan ETF	413,008	508,254
2,800	Meiji Holdings Co. Ltd.	158,572	324,944
8,000	Mitsubishi UFJ Financial Group Inc.	53,613	69,941
37,900	Mizuho Financial Group Inc.	105,760	106,567
4,300	Nippon Paper Industries Co. Ltd.	103,670	97,520
3,400	Nippon Telegraph & Telephone Corp.	122,379	189,868
11,800	Obayashi Corp.	133,315	152,475
46,600	Pioneer Corp.	169,463	180,267
14,500	Resona Holdings Inc.	88,065	98,989
70,900	Sojitz Corp.	223,864	209,591
3,200	Sumitomo Mitsui Financial Group Inc.	177,655	170,200
22,500	Tokyo Electric Power Co. Inc. (The)	122,995	181,612
900	Tokyo Electron Ltd.	70,355	76,095
102,100	Ube Industries Ltd.	278,193	303,002
		2,344,360	2,838,308
Short Positions (-2.1%)			
(12,400)	Advantest Corp.	(163,688)	(144,907)
(25,500)	Asahi Kasei Corp.	(199,245)	(242,311)
(46,000)	IHI Corp.	(169,907)	(179,009)
(46,700)	Mitsui O.S.K. Lines Ltd.	(159,609)	(165,555)
		(692,449)	(731,782)
		1,651,911	2,106,526

LANDRY GLOBAL EQUITY LONG/SHORT FUND

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

December 31, 2015

Shares/units	Security	Average cost	Fair value
Canadian equities (net 5.7%)			
Long Positions (+13.1%)			
15,100	Alamos Gold Inc., Class A	\$ 69,329	\$ 68,705
2,700	Bank of Nova Scotia	166,771	151,119
16,700	Baytex Energy Corp.	69,330	74,816
38,300	Bonavista Energy Corp.	70,675	69,706
3,300	Canadian Imperial Bank of Commerce	331,111	300,927
700	CCL Industries Inc., Class B	130,585	157,059
18,200	Celestica Inc.	266,184	278,460
8,200	Centerra Gold Inc.	62,111	54,038
5,500	Concordia Healthcare Corp.	533,445	310,970
1,500	Constellation Software Inc.	780,212	865,319
9,300	Corus Entertainment Inc., Class B	103,498	100,440
7,400	Dollarama Inc.	504,977	591,555
16,000	First Quantum Minerals Ltd.	85,859	82,880
12,800	Hudbay Minerals Inc.	69,340	67,968
1,800	Linamar Corp.	137,303	134,514
1,900	Magna International Inc., Class A	131,794	106,628
3,600	Royal Bank of Canada	286,483	266,940
4,000	SNC-Lavalin Group Inc.	168,246	164,480
4,500	Sun Life Financial Inc.	199,352	194,175
16,100	Teck Resources Ltd., Class B	86,191	85,974
13,700	TORC Oil & Gas Ltd.	69,130	70,555
14,300	TransAlta Corp.	70,094	70,213
5,500	Whitecap Resources Inc.	64,758	49,885
5,200	WSP Global Inc.	236,853	221,052
		4,693,631	4,538,378
Short Positions (-7.4%)			
(86,500)	iShares MSCI Canada ETF	(2,817,314)	(2,573,894)
		1,876,317	1,964,484
France equities (net 5.4%)			
Long Positions (+7.2%)			
6,800	AXA SA	193,404	258,886
1,300	BNP Paribas SA	103,850	102,458
6,100	Crédit Agricole SA	101,243	100,148
700	Eurazeo	64,790	67,074
2,500	Ipsen SA	208,889	230,119
4,700	Peugeot SA, Warrants, 2017/04/29	8,778	24,397
1,300	Rubis SCA	112,484	137,180
900	Sartorius Stedim Biotech	417,772	479,946
2,800	SCOR SA	108,632	145,810
1,600	Société Générale SA	97,646	102,780
3,200	Sopra Steria Group	424,273	522,952
6,200	Ubisoft Entertainment SA	244,195	249,516
800	Vinci SA	70,909	71,393
		2,156,865	2,492,659
Short Positions (-1.8%)			
(3,000)	Casino Guichard Perrachon SA	(253,203)	(192,010)
(8,000)	Neopost SA	(351,393)	(271,254)
(13,400)	Vallourec SA.	(271,703)	(173,895)
		(876,299)	(637,159)
		1,280,566	1,855,500

LANDRY GLOBAL EQUITY LONG/SHORT FUND

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

December 31, 2015

Shares/units	Security	Average cost	Fair value
U.S. equities (net 4.0%)			
Long Positions (+33.6%)			
10,400	Activision Blizzard Inc.	\$ 473,622	\$ 557,176
1,400	Akamai Technologies Inc.	103,101	101,976
3,000	Altria Group Inc.	238,865	241,688
700	Amazon.com Inc.	574,538	654,802
5,500	American International Group Inc.	340,571	471,716
4,700	Bank of America Corp.	104,035	109,476
5,500	Brookfield Property Partners L.P.	166,340	177,210
1,700	Cigna Corp.	343,621	344,285
2,600	Citrix Systems Inc.	281,152	272,219
12,600	CONSOL Energy Inc.	136,205	137,763
1,000	Deere & Co.	102,480	105,558
2,400	Devon Energy Corp.	103,442	106,291
3,500	Electronic Arts Inc.	266,520	332,880
1,400	Fiserv Inc.	140,167	177,213
18,300	Freeport-McMoRan Inc., Class B	172,640	171,465
4,600	GameStop Corp., Class A	277,046	178,514
3,900	Goodyear Tire & Rubber Co. (The)	169,342	176,340
3,700	Hartford Financial Services Group Inc. (The)	199,717	222,550
1,500	Hess Corp.	100,703	100,645
10,400	HP Inc.	172,017	170,420
2,900	JPMorgan Chase & Co.	215,272	265,018
3,600	Kohl's Corp.	331,949	237,312
3,000	Lincoln National Corp.	143,501	208,680
1,900	Macy's Inc.	141,844	91,983
6,900	Marathon Oil Corp.	119,370	120,230
3,000	Marathon Petroleum Corp.	185,344	215,240
1,500	MetLife Inc.	99,819	100,084
8,700	Micron Technology Inc.	171,517	170,498
3,500	Mosaic Co. (The)	137,938	133,646
4,500	Murphy Oil Corp.	137,896	139,819
3,700	National-Oilwell Varco Inc.	173,571	171,496
3,200	NetApp Inc.	119,632	117,496
3,400	Netflix Inc.	478,683	538,227
4,000	Newmont Mining Corp. Holding Co.	103,927	99,593
5,600	Nike Inc., Class B	478,404	484,400
8,800	NRG Energy Inc.	136,755	143,349
10,000	NVIDIA Corp.	371,311	456,167
1,100	PNC Financial Services Group Inc.	130,249	145,100
100	Priceline Group Inc. (The)	190,405	176,453
1,800	Quest Diagnostics Inc.	143,249	177,224
3,200	Range Resources Corp.	102,643	108,993
9,700	Southwestern Energy Co.	85,249	95,450
9,100	Starbucks Corp.	647,201	756,041
4,400	SunTrust Banks Inc.	241,547	260,879
2,200	Torchmark Corp.	155,115	174,041
1,400	Travelers Cos. Inc. (The)	190,651	218,678
3,400	Unum Group	129,297	156,650
3,400	Valero Energy Corp.	264,801	332,733
1,600	Western Digital Corp.	136,313	132,975
2,900	Whole Foods Market Inc.	136,169	134,456
8,700	Xerox Corp.	124,018	127,994
2,400	Yahoo! Inc.	111,358	110,476
		10,801,122	11,611,568

LANDRY GLOBAL EQUITY LONG/SHORT FUND

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

December 31, 2015

Shares/units	Security	Average cost	Fair value
U.S. equities (net 4.0%)			
Short Positions (-29.6%)			
(19,500)	iShares S&P 100 ETF	\$ (1,769,265)	\$ (2,460,497)
(5,800)	iShares U.S. Financials ETF	(525,835)	(709,444)
(15,700)	PowerShares QQQ Trust, Series 1	(1,501,401)	(2,430,585)
(16,400)	SPDR S&P 500 ETF Trust	(4,024,265)	(4,627,816)
		(7,820,766)	(10,228,342)
		2,980,356	1,383,226
Austrian equities (net 2.8%)			
Long Positions (+4.1%)			
7,200	Buwog AG	189,360	217,347
12,200	Conwert Immobilien Invest AG	229,653	258,470
5,200	Erste Group Bank AG	182,634	226,848
2,800	OMV AG	92,997	110,403
16,000	Weinerberger AG	362,265	412,615
5,200	Zumtobel Group AG	175,750	182,671
		1,232,659	1,408,354
Short Positions (-1.3%)			
(4,800)	Oesterreichische Post AG	(230,546)	(243,585)
(5,600)	Vienna Insurance Group	(237,903)	(213,708)
		(468,449)	(457,293)
		764,210	951,061
Australian equities (net 2.3%)			
Long Positions (+5.3%)			
32,100	Asciano Ltd.	243,247	283,539
5,400	CIMIC Group Ltd.	136,367	132,616
3,900	Domino's Pizza Enterprises Ltd.	170,164	227,621
4,300	iShares MSCI Australia ETF	107,074	112,835
5,200	Macquarie Group Ltd.	406,976	434,984
65,913	Qantas Airways Ltd.	172,382	272,453
45,000	Treasury Wine Estates Ltd.	297,169	377,474
		1,533,379	1,841,522
Short Positions (-3.0%)			
(7,300)	Ansell Ltd.	(134,950)	(158,104)
(39,400)	Boral Ltd.	(195,168)	(235,332)
(88,500)	CSR Ltd.	(224,647)	(258,486)
(11,200)	LendLease Group	(134,761)	(161,411)
(23,900)	Origin Energy Ltd.	(123,022)	(113,525)
(54,300)	Primary Health Care Ltd.	(185,539)	(128,414)
(226)	Westpac Banking Corp. Ltd.	(5,538)	(7,665)
		(1,003,625)	(1,062,937)
		529,754	778,585

LANDRY GLOBAL EQUITY LONG/SHORT FUND

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

December 31, 2015

Shares/units	Security	Average cost	Fair value
Swiss equities (+2.1%)			
Long Positions (+2.1%)			
1,300	ACE Ltd.	\$ 143,009	\$ 210,237
3,100	Credit Suisse Group AG	100,860	93,308
500	Swiss Life Holding AG, Registered	146,647	188,243
1,700	Swiss Re AG	185,047	231,547
		575,563	723,335
Netherland equities (net 1.9%)			
Long Positions (+2.3%)			
5,300	Euronext NV	280,494	378,165
1,100	LyondellBasell Industries NV, Class A	137,192	132,297
30,600	PostNL NV	180,915	161,612
3,800	Royal Dutch Shell PLC, Class B	131,259	120,047
		729,860	792,121
Short Positions (-0.4%)			
(1,500)	Gemalto NV	(122,405)	(125,102)
		607,455	667,019
United Kingdom equities (+1.7%)			
Long Positions (+1.7%)			
3,000	BHP Billiton PLC	63,829	46,681
21,700	BP PLC	183,605	157,277
5,700	EnSCO PLC	118,759	121,409
6,500	HSBC Holdings PLC	67,258	71,358
30,400	Man Group PLC	88,717	109,233
2,000	Rio Tinto PLC, Registered	96,453	81,056
		618,621	587,014
Ireland equities (+1.7%)			
Long Positions +1.7%			
1,200	Endo International PLC	104,472	101,674
1,300	Mallinckrodt PLC	138,056	134,274
2,600	Seagate Technology	135,178	131,917
1,000	Shire PLC	99,273	96,187
2,000	XL Group PLC	77,392	108,450
		554,371	572,502
Belgian equities (+1.2%)			
Long Positions (+1.2%)			
5,300	Ageas NV	242,382	342,297
900	KBC Groep NV	71,528	78,321
		313,910	420,618
Sweden equities (+0.6%)			
Long Positions (+0.6%)			
4,100	Investor AB, Series B	173,825	211,178

LANDRY GLOBAL EQUITY LONG/SHORT FUND

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

December 31, 2015

Shares/units	Security	Average cost	Fair value
	Norway equities (+0.3%)		
5,900	Long Position (+0.3%) DNB ASA	\$ 98,586	\$ 101,667
	Italy equities (+0.2%)		
3,000	Long Positions (+0.2%) Eni SPA	64,294	62,472
	Bermuda equities (+0.2%)		
7,100	Long Positions (+0.2%) Nabors Industries Ltd.	103,814	83,623
	Luxembourg equities (+0.1%)		
8,500	Long Positions (+0.1%) ArcelorMittal SA	61,950	49,984
	Spain equities (+0.0%)		
40	Long Positions (+0.0%) ACS Actividades de Construcción y Servicios SA	1,751	1,631
	Other equities (-21.7%)		
(83,600)	Short Positions (-21.7%) iShares MSCI EAFE ETF	(6,168,167)	(6,797,518)
(24,900)	iShares MSCI Europe Financials ETF	(677,729)	(700,260)
		(6,845,896)	(7,497,778)
Total long positions		29,132,342	31,892,956
Total short positions		(21,620,714)	(24,195,567)
Transaction costs		(36,165)	-
Total investment portfolio (22.3%)		<u>\$ 7,475,463</u>	7,697,389
Cash and cash equivalents (83.1%)			28,730,604
Other assets less liabilities (-5.4%)			(1,855,704)
Net assets attributable to holders of redeemable units at fair value (100.0%)			\$ 34,572,289

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

LANDRY GLOBAL EQUITY LONG/SHORT 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	Level 2 units that are valued based on inputs other than quoted prices that are observable, either directly as prices or indirectly as derived from prices
Investments:			
Equities	\$ 31,347,113	\$ 34,935,226	\$ -
Exchange traded funds	545,843	717,174	-
Total investments	31,892,956	35,652,400	-
Investments sold short:			
Equities	(3,895,553)	(32,693,743)	-
Exchange traded funds	(20,300,014)	-	-
Bonds	-	-	(40,045)
Total investments sold short	(24,195,567)	(32,693,743)	(40,045)
Total investments, net	\$ 7,697,389	\$ 2,958,657	\$ (40,045)

There were no significant transfers made between Levels 1 and 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 3 for the years ended December 31, 2015 and 2014.

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

LANDRY ADAPTIVE VALUE LONG/SHORT FUND

Statement of Financial Position
(In Canadian dollars)

December 31, 2015, with comparative information for 2014

	2015	2014
Assets		
Current assets:		
Investments	\$ 3,769,905	\$ 7,712,360
Cash equivalents	799,464	1,446,197
Amounts receivable relating to accrued dividends	12,408	16,213
Amounts receivable relating to accrued income	436	-
Amounts receivable relating to portfolio assets sold	1,535,316	-
Prepaid expenses	1,098	1,760
	6,118,627	9,176,530
Liabilities		
Current liabilities:		
Bank overdraft	35,228	-
Investments sold short	1,384,630	2,472,955
Accrued expenses	15,870	22,696
Accrued management fees	5,101	8,996
Amounts payable for portfolio assets purchased	706,018	-
	2,146,847	2,504,647
Net assets attributable to holders of redeemable units	\$ 3,971,780	\$ 6,671,883

	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 F	358,694	\$ 3,458,616	579,751	\$ 6,119,643
Class I	51,329	513,164	51,329	552,240

	2015	2014
Net assets attributable to holders of redeemable units per unit:		
Class F	\$ 9.64	\$ 10.56
Class I	10.00	10.76

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 ADAPTIVE VALUE LONG/SHORT FUND

Statement of Comprehensive Income
(In Canadian dollars)

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Dividend revenue	\$ 79,937	\$ 86,565
Interest revenue	9,820	23,971
Short term trading fees	-	1,000
Foreign exchange gain (loss)	(99,981)	(14,750)
Foreign withholding taxes	(929)	(532)
Net realized gain (loss) on investments	(206,206)	(31,692)
Net unrealized gain (loss) on investments	(79,341)	9,015
Total revenue	(296,700)	73,577
Expenses:		
Management fees (note 11)	83,061	103,922
Performance fees (note 11)	-	31,046
Custodial fees	255	1,305
Administrative costs (note 8)	46,507	66,131
Other fees	2,677	2,500
Short borrow fees	20,379	10,767
Transaction costs	18,672	23,306
Total operating expenses	171,551	238,977
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (468,251)	\$ (165,400)
Increase (decrease) in net assets attributable to holders of redeemable units:		
Class F	\$ (429,175)	\$ (170,245)
Class I	(39,076)	4,845
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class F	\$ (0.90)	\$ (0.31)
Class I	(0.76)	0.10

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

LANDRY ADAPTIVE VALUE LONG/SHORT FUND

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

Year ended December 31, 2015, with comparative information for 2014

2015	Class F	Class I	Total
Balance, beginning of year	\$ 6,119,644	\$ 552,239	\$ 6,671,883
Increase (decrease) in net assets attributable to holders of redeemable units	(429,175)	(39,076)	(468,251)
Redeemable unit transactions:			
Redemption of redeemable units	(2,231,852)	-	(2,231,852)
Net Increase (decrease) from redeemable unit transactions	(2,231,852)	-	(2,231,852)
Balance, end of year	\$ 3,458,617	\$ 513,163	\$ 3,971,780
2014	Class F	Class I	Total
Balance, beginning of year	\$ 2,744,597	\$ 547,395	\$ 3,291,992
Increase (decrease) in net assets attributable to holders of redeemable units	(170,245)	4,845	(165,400)
Redeemable unit transactions:			
Issue of redeemable units	4,723,903	-	4,723,903
Redemption of redeemable units	(1,178,611)	(1)	(1,178,612)
Net increase (decrease) from redeemable unit transactions	3,545,292	(1)	3,545,291
Balance, end of year	\$ 6,119,644	\$ 552,239	\$ 6,671,883

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

LANDRY ADAPTIVE VALUE LONG/SHORT FUND

Statement of Cash Flows
(In Canadian dollars)

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (468,251)	\$ (165,400)
Adjustments for:		
Foreign exchange (gain) loss	99,981	14,750
Net realized (gain) loss from investments and derivatives	206,206	31,692
Net change in unrealized gain (loss) from investments	79,341	(9,015)
Dividend revenue	(79,937)	(86,565)
Interest revenue	(9,820)	(23,971)
Prepaid expenses	662	(1,760)
Accrued expenses	(6,826)	15,903
Accrued management fees	(3,895)	5,033
Dividends received	83,742	77,996
Interest received	9,384	25,378
Net proceeds from sale of investment assets and liabilities	5,026,481	4,298,333
Net purchase of investment assets and liabilities	(3,287,196)	(7,449,499)
	1,649,872	(3,267,125)
Financing activities:		
Proceeds from issuance of redeemable units	–	4,723,903
Payments on redemption of redeemable units	(2,231,852)	(1,178,612)
	(2,231,852)	3,545,291
Net increase (decrease) in cash and cash equivalents	(581,980)	278,166
Cash and cash equivalents, beginning of year	1,446,197	1,182,781
Effect of exchange rate fluctuations on cash and cash equivalents	(99,981)	(14,750)
Cash and cash equivalents, end of year	\$ 764,236	\$ 1,446,197
Cash and equivalents comprised of:		
(Bank overdraft) cash	\$ (35,228)	\$ 2,221,107
Cash equivalents	799,464	(774,910)
	\$ 764,236	\$ 1,446,197

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

LANDRY ADAPTIVE VALUE LONG/SHORT FUND

Schedule of Investment Portfolio
(In Canadian dollars)

December 31, 2015

Shares/units	Security	Average cost	Fair value
Canadian equities (net 57.3%)			
Long Positions (+92.1%)			
Financial Services (31.3%)			
2,000	Bank of Montreal	\$ 157,921	\$ 156,160
3,500	Bank of Nova Scotia	219,546	195,895
2,000	Brookfield Asset Management Inc., Class A	68,400	87,300
900	Brookfield Property Partners L.P.	18,622	28,998
1,200	Canadian Imperial Bank of Commerce	119,371	109,428
500	Colliers International Group Inc.	31,143	30,865
1,100	Great-West Lifeco Inc.	40,505	37,983
1,200	Industrial Alliance Insurance and Financial Services Inc.	51,982	52,956
400	Intact Financial Corp.	36,797	35,472
4,700	Manulife Financial Corp.	100,040	97,478
500	Onex Corp.	37,988	42,410
1,500	Power Financial Corp.	53,173	47,715
2,600	Royal Bank of Canada	196,564	192,790
3,000	Sun Life Financial Inc.	115,394	129,450
		1,247,446	1,244,900
Industrials (11.9%)			
700	Badger Daylighting Ltd.	17,229	17,094
16,600	Bombardier Inc., Class B	36,686	22,244
1,800	Canadian National Railway Co.	126,066	139,230
200	Canadian Pacific Railway Ltd.	40,277	35,346
2,400	SNC-Lavalin Group Inc.	102,830	98,688
900	Stantec Inc.	31,431	30,888
900	Toromont Industries Ltd.	27,960	28,395
2,300	Transcontinental Inc., Class A	35,427	39,698
700	WestJet Airlines Ltd.	19,052	14,252
1,100	WSP Global Inc.	51,452	46,761
		488,410	472,596
Energy (11.1%)			
2,900	Baytex Energy Corp.	15,148	12,992
2,200	Bonavista Energy Corp.	8,950	4,004
3,300	Canadian Natural Resources Ltd.	107,802	99,726
2,900	Cenovus Energy Inc.	63,225	50,750
3,200	Crescent Point Energy Corp.	58,331	51,584
2,600	Encana Corp.	37,371	18,278
2,000	Ensign Energy Services Inc.	23,740	14,760
3,600	Gran Tierra Energy Inc.	13,449	10,836
1,500	Raging River Exploration Inc.	12,486	12,555
3,900	Suncor Energy Inc.	144,729	139,308
4,800	Surge Energy Inc.	18,451	10,128
1,900	Whitecap Resources Inc.	24,419	17,233
		528,101	442,154
Balance carried forward		2,263,957	2,159,650

LANDRY ADAPTIVE VALUE LONG/SHORT FUND

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

December 31, 2015

Shares/units	Security	Average cost	Fair value
Canadian equities (net 57.3%)			
	Balance brought forward	\$ 2,263,957	\$ 2,159,650
	Long Positions (+92.1%)		
	Materials (10.1%)		
300	Agnico Eagle Mines Ltd.	12,588	10,911
400	Agrium Inc.	41,201	49,468
2,600	Alamos Gold Inc., Class A	11,940	11,830
2,300	Barrick Gold Corp.	46,603	23,552
200	CCL Industries Inc., Class B	24,769	44,874
1,800	Centerra Gold Inc.	9,043	11,862
1,100	Detour Gold Corp.	17,066	15,851
600	Dominion Diamond Corp.	12,432	8,484
3,700	First Quantum Minerals Ltd.	37,755	19,166
6,700	IAMGOLD Corp.	16,874	13,199
6,200	Kinross Gold Corp.	16,001	15,562
3,100	Lundin Mining Corp.	11,996	11,780
700	Norbord Inc.	18,978	18,865
11,500	OceanaGold Corp.	29,395	30,360
2,700	Potash Corp. of Saskatchewan Inc.	75,023	63,990
400	Stella-Jones Inc.	21,406	21,004
3,700	Teck Resources Ltd., Class B	42,612	19,758
3,300	Turquoise Hill Resources Ltd.	16,296	11,583
		461,978	402,099
	Information Technology (7.8%)		
2,200	BlackBerry Ltd.	27,540	28,248
3,300	Celestica Inc.	43,157	50,490
800	CGI Group Inc., Class A	32,661	44,320
100	Constellation Software Inc.	36,466	57,688
1,800	Descartes Systems Group Inc. (The)	43,218	50,112
1,600	DH Corp.	64,301	50,592
400	Enghouse Systems Ltd.	30,543	29,736
		277,886	311,186
	Consumer Discretionary (6.3%)		
300	Cineplex Inc.	14,492	14,265
1,800	Corus Entertainment Inc., Class B	20,034	19,440
700	Dollarama Inc.	32,599	55,958
500	Linamar Corp.	26,327	37,365
600	Magna International Inc., Class A	30,895	33,672
1,100	Quebecor Inc., Class B	29,600	37,268
1,000	Thomson Reuters Corp.	39,473	52,410
		193,420	250,378
	Balance carried forward	3,197,241	3,123,313

LANDRY ADAPTIVE VALUE LONG/SHORT FUND

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

December 31, 2015

Shares/units	Security	Average cost	Fair value
Canadian equities (net 57.3%)			
Balance brought forward		\$ 3,197,241	\$ 3,123,313
Long Positions (+92.1%)			
Consumer Staples (6.2%)			
1,100	Alimentation Couche-Tard Inc., Class B	40,906	67,001
400	George Weston Ltd.	41,362	42,776
1,000	Loblaw Cos. Ltd.	66,741	65,340
1,800	Metro Inc., Class A	53,615	69,732
		202,624	244,849
Health Care (4.7%)			
700	Concordia Healthcare Corp.	65,698	39,578
5,900	ProMetic Life Sciences Inc.	20,285	19,824
900	Valeant Pharmaceuticals International Inc.	141,141	126,504
		227,124	185,906
Telecommunication Services (2.2%)			
800	Manitoba Telecom Services Inc.	24,302	23,816
1,300	Rogers Communications Inc., Class B	61,671	62,036
		85,973	85,852
Utilities (0.5%)			
500	Emera Inc.	18,852	21,615
Short Positions (-34.9%)			
Exchange Traded Funds (-34.9%)			
(14,500)	iShares CDN S&P/TSX Capped Composite Index Fund	(335,056)	(298,700)
(56,500)	iShares S&P/TSX 60 Index ETF	(1,151,905)	(1,085,930)
		(1,486,961)	(1,384,630)
		2,244,853	2,276,905
U.S. equities (net 2.7%)			
Long Positions (+2.7%)			
Mutual Fund Corp. & Trust (2.7%)			
700	PowerShares QQQ Trust, Series 1	79,301	108,370
Total long positions		3,811,115	3,769,905
Total short positions		(1,486,961)	(1,384,630)
Transaction costs		(7,220)	-
Total investment portfolio (59.9%)		<u>\$ 2,316,934</u>	2,385,275
Cash and cash equivalents (19.2%)			764,236
Other assets less liabilities (20.9%)			822,269
Net assets attributable to holders of redeemable units at fair value (100.0%)			\$ 3,971,780

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

LANDRY ADAPTIVE VALUE LONG/SHORT 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	\$ 3,661,535	\$ 6,914,759
Exchange traded funds	-	797,601
Mutual fund	108,370	-
Total investments	3,769,905	7,712,360
Investments sold short:		
Exchange traded funds	(1,384,630)	(2,472,955)
Total investments sold short	(1,384,630)	(2,472,955)
Total investments, net	\$ 2,835,275	\$ 5,239,405

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

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

LANDRY LONG/SHORT FUNDS

Notes to Financial Statements

Year ended December 31, 2015

1. Establishment of the Funds:

The Landry Global Equity Long/Short Fund and the Landry Adaptive Value Long/Short Fund (collectively the "Funds") were established, in Canada, on April 15, 2003 and December 31, 2012, respectively, under the laws of the Province of Ontario. The Landry Adaptive Value Long/Short Fund commenced operations on February 6, 2013. 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 Global Equity Long/Short Fund invests in a market neutral portfolio of primarily large capitalization issuers in Canadian, U.S. and other developed markets.
- (b) Landry Adaptive Value Long/Short Fund invests in Canadian issuers and will use short positions to reduce the overall risk of the Fund.

Units of the Funds are offered pursuant to a Confidential Offering Memorandum dated October 1, 2014 (the "Offering Documents").

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 Global Equity Long/Short Fund and Landry Adaptive Value Long/Short Fund are presented in Canadian dollars, which are the Funds' functional currency.

LANDRY LONG/SHORT FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2015

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 statement 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 (“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 and bonds. The Funds’ policy is to recognize transfers into and out of their fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

LANDRY LONG/SHORT FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2015

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 4 for more information about the Funds' fair value measurements.

(iii) Impairments of financial assets:

At each reporting date, the Funds assess whether there is objective evidence that financial assets at amortized cost is 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.

(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 statement 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 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.

LANDRY LONG/SHORT FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2015

3. Significant accounting policies (continued):

- (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 statement 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 net asset value attributable to holders of redeemable units ("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 statement of changes in net assets attributable to holders of redeemable units.

- (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 Funds' 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 statement of comprehensive income based on the trade date.

LANDRY LONG/SHORT FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2015

3. Significant accounting policies (continued):

(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.

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 following discusses the most significant accounting judgments and estimates that the Funds have made in preparing the financial statements:

Fair value measurement of derivatives and securities not quoted in an active market

The Funds hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources. Broker quotes obtained from the pricing sources may be indicative and not executable. Where no market data is available, the Funds may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by the Manager, independent of the party that created them. The models used for private equity securities are based mainly on earnings multiples adjusted for a lack of marketability as appropriate.

LANDRY LONG/SHORT FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2015

4. Critical accounting estimates and judgments (continued):

Fair value measurement of derivatives and securities not quoted in an active market (continued)

Models use observable data, to the extent practicable. However, areas such as credit risk, volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Funds consider observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. 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, *Financial Instruments - Recognition and Measurement* ("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 securities regulations.

Landry Global Equity Long/Short Fund's investment objective is to seek long-term capital growth by investing directly or indirectly in exchange-listed equity securities of Canadian, United States or other developed market issuers. Landry Adaptive Value Long/Short Fund's investment objective is to seek long-term capital appreciation by investing mostly in equity of Canadian issuers and will use short positions to reduce overall risk of the Fund.

No changes affecting the overall level of risk of the Funds were made during the years. The risks of the Funds remain, as discussed in the Funds' Offering Documents. Significant risks that are relevant to the Funds are discussed below.

LANDRY LONG/SHORT FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2015

5. Financial instruments and risk management (continued):

(a) Risk management (continued):

The investment manager monitors on a daily basis the concentration of risk for equity. For the Landry Global Equity Long/Short Fund, it is based on counterparties, industries and geographic location. For the Landry Adaptive Value Long/Short Fund based on counterparties and industries.

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

	2015	2014
	%	%
Germany	7.7	9.1
Japan	6.1	10.8
Canada	5.7	2.7
France	5.4	9.4
United States of America	4.0	(4.4)
Austria	2.8	4.3
Australia	2.3	2.3
Switzerland	2.1	2.5
Netherlands	1.9	0.5
United Kingdom	1.7	4.7
Ireland	1.7	0.9
Belgium	1.2	0.6
Sweden	0.6	0.8
Norway	0.3	0.5
Italy	0.2	0.8
Bermuda	0.2	0.5
Luxembourg	0.1	2.3
Singapore	-	1.4
Spain	-	0.2
Portugal	-	0.2
EAFE (Geographically diversified ETF)	(21.7)	(41.8)
Total, as a percentage of net assets attributable to holders of redeemable units	22.3	8.3

LANDRY LONG/SHORT FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2015

5. Financial instruments and risk management (continued):

(a) Risk management (continued):

As at December 31, 2015 and 2014, the Landry Adaptive Value Long/Short Fund's investments were concentrated in the following industries, on a net position basis, as a percentage of net assets attributable to holders of redeemable units:

	2015	2014
	%	%
Financial services	31.3	37.6
Industrials	11.9	10.1
Energy	11.1	23.0
Materials	10.1	7.5
Information technology	7.8	6.4
Consumer discretionary	6.3	8.1
Consumer staples	6.2	5.9
Health care	4.7	-
Mutual fund corporation and trust	2.7	11.9
Telecommunications	2.2	3.2
Utilities	0.5	1.9
Exchange trade funds	(34.9)	(37.1)
	59.9	78.5

(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 LONG/SHORT FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2015

5. Financial instruments and risk management (continued):

(b) Other market price risk (continued):

Because the Landry Global Equity Long/Short Fund is dollar neutral most of the time (approximately equal amount invested in long positions and short positions in each market it invests), it has shown low correlation with overall equity markets. 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 holders of redeemable units of the Landry Global Equity Long/Short 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 CDN dollars)*	
		2015	2014
Landry Global Equity Long/Short Fund	S&P500 Total Return Index	\$ 1,110	\$ 1,829
Landry Adaptive Value Long/Short Fund	S&P/TSX Composite Index Total Return	421	–

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

In practice, actual results may differ from this sensitivity analysis and the difference could be material. The monetary impact on the increase (decrease) in net assets attributable to holders of redeemable units from operations of the Landry Global Equity Long/Short Fund would be similar.

LANDRY LONG/SHORT FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2015

5. Financial instruments and risk management (continued):

(c) Currency risk:

Currency risk is the risk that financial instruments which are denominated in currencies other than the reporting currency of the Funds will fluctuate due to changes in exchange rates. As at December 31, 2015 and 2014, the Landry Global Equity Long/Short Fund had currency exposure while the Landry Adaptive Value Long/Short Fund did not. Consequently, the Landry Global Equity Long/Short 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 Funds. The Fund's policy with respect to managing its currency risk is to limit its net foreign currency exposure to less than 15% of the Funds' net assets attributable to holders of redeemable units. The Funds' currency risk is managed on a daily basis by the investment manager in accordance with policies and procedures on place.

The following tables illustrate the effect on net asset attributable to holders of redeemable units if the respective currency had strengthened or weakened by 5% in relation to all other currencies, with all other variables held constant. In practice, actual results may differ from this sensitivity analysis and the difference could be material. The monetary impact on the increase (decrease) in net asset attributable to holders of redeemable units from operations of the respective Funds would be similar.

Landry Global Equity Long/Short Fund (in Canadian dollars):

December 31, 2015:

Currency	Investments	Cash	Net exposure	Sensitivity impact on net assets attributable to holders of redeemable units
AUD	\$ 665,750	\$ 1,859	\$ 667,609	\$ 33,380
CHF	513,098	447,474	960,572	48,029
DKK	-	13,614	13,614	681
EUR	6,430,685	(3,418,143)	3,012,542	150,627
GBP	681,839	903,599	1,585,438	79,272
HKD	-	90,732	90,732	4,537
ILS	-	81	81	4
JPY	1,598,273	(229,535)	1,368,738	68,437
KRW	-	11	11	1
MXN	-	(11)	(11)	(1)
NOK	101,667	(82,486)	19,181	959
SEK	211,178	(46,843)	164,335	8,217
TWD	-	(23)	(23)	(1)
USD	(7,220,684)	(1,810,692)	(9,031,376)	(451,569)

LANDRY LONG/SHORT FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2015

5. Financial instruments and risk management (continued):

(c) Currency risk (continued):

Landry Global Equity Long/Short Fund (in Canadian dollars) (continued):

December 31, 2014:

Currency	Investments	Cash	Net exposure	Sensitivity impact on net assets attributable to holders of redeemable units
AUD	\$ 1,468,127	\$ (1,292,548)	\$ 175,579	\$ 8,779
CHF	435,964	200,650	636,614	31,831
DKK	–	12,692	12,692	635
EUR	9,516,752	(6,684,229)	2,832,523	141,626
GBP	1,589,973	(196,574)	1,393,399	69,670
HKD	–	75,695	75,695	3,785
ILS	–	68	68	3
JPY	3,088,508	(855,225)	2,233,283	111,664
KRW	–	10	10	1
MXN	–	11	(11)	(1)
NOK	266,816	(272,758)	(5,942)	(297)
SEK	278,016	(155,014)	123,002	6,150
TWD	–	20	(20)	(1)
USD	(18,577,744)	11,662,335	(6,915,409)	(345,769)

(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 Canada T-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. 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.

LANDRY LONG/SHORT FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2015

5. Financial instruments and risk management (continued):

(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.

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.

LANDRY LONG/SHORT FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2015

7. Redeemable units:

The Funds' authorized capital consists of an unlimited number of 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. Class A and Class F units are available to all investors. Class I, Class J and Class H 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 LONG/SHORT FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2015

7. Redeemable units (continued):

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

Landry Global Equity Long/Short Fund:

Funds	Year	Beginning of year	Purchases	Reinvestments	Redemptions	Net transfer	End of year	Average number of units during the year
Class A	2014	4,055	–	–	–	–	4,055	4,055
	2015	4,055	–	–	–	–	4,055	4,055
Class F	2014	1,256,834	872,991	–	(361,694)	–	1,768,131	1,707,203
	2015	1,768,131	19,674	–	(779,119)	(69,790)	938,896	1,313,684
Class H	2014	–	1,407,685	–	–	–	1,407,685	1,292,515
	2015	1,407,685	1,132,057	–	(534,448)	–	2,005,294	2,175,852
Class I	2014	562,441	91,142	–	(82,418)	–	571,165	557,554
	2015	571,165	92,612	–	(62,886)	–	600,891	596,049
Class J	2014	–	–	–	–	–	–	–
	2015	–	–	–	–	66,170	66,170	66,170

LANDRY LONG/SHORT FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2015

7. Redeemable units (continued):

Landry Adaptive Value Long/Short Fund:

Funds	Year	Beginning of year	Purchases	Reinvestments	Redemptions	Net transfer	End of year	Average number of units during the year
Class F	2014	258,413	433,766	–	(112,428)	–	579,751	536,206
	2015	579,751	–	–	(221,057)	–	358,694	477,379
Class I	2014	51,329	–	–	–	–	51,329	51,329
	2015	51,329	–	–	–	–	51,329	51,329

LANDRY LONG/SHORT FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2015

8. Expenses and brokerage commissions:

(a) Expenses:

As of December 31, 2015 and 2014, administrative fees are accrued 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 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' statement 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. As at 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. The following table outlines the transaction costs, including soft dollars incurred during the years:

	Transaction costs paid by the Funds	Goods and services received by the Funds
2015		
Landry Global Equity Long/Short Fund	\$ 157,952	\$ 63,677
Landry Adaptive Value Long/Short Fund	18,672	8,554

LANDRY LONG/SHORT FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2015

8. Expenses and brokerage commissions (continued):

(b) Brokerage commissions:

2014	Transaction costs paid by the Funds	Goods and services received by the Funds
Landry Global Equity Long/Short Fund	\$ 160,422	\$ 51,729
Landry Adaptive Value Long/Short Fund	23,306	9,796

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 the Funds.

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 units of its own Fund. At the valuation date, each unitholder of the Funds 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:

Landry Global Equity Long/Short Fund is a mutual fund trust under the *Income Tax Act* (Canada). The Fund is subject to federal and provincial taxes applicable on its assessed income, including taxable capital gains for the fiscal year, so far as those were not distributed to the unitholders. Landry Adaptive Value Long/Short Fund is a unit trust. Unit trusts are subject to alternative minimum tax.

LANDRY LONG/SHORT FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2015

10. Income tax status (continued):

Tax loss carryforwards:

The 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. 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						
		2029	2030	2031	2032	2033	2034	2035
Landry Global Equity Long/Sort Fund	\$ 13,373,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 424,972	\$ 2,786,986
Landry Adaptive Value Long/Short Fund	318,327	-	-	-	-	1,983	83,850	32,188

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 for Landry Global Equity Long/Short Fund is 2% for Class A units and 1% for Class F units. The management fee for Landry Adaptive Value Long/Short Fund is 2.5% for Class A units and 1.5% for Class F units. It is calculated on a daily basis to the NAV of the Funds and payable monthly. No management fee is charged to Classes H, J and I units; instead a negotiated fee is paid by these unitholders to the Manager directly.

Refer to the statement of comprehensive income of each Fund for the management fees expenses as at December 31, 2015 and 2014, and to the statement of financial position of each Fund for the management fee payable balance as at December 31, 2015 and 2014.

(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.

LANDRY LONG/SHORT FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2015

11. Related party transactions (continued):

(b) Performance fees (continued):

For the Landry Global Equity Long/Short Fund, the Manager will charge a negotiated performance fee for Class H units.

No performance fee will be charged for Class I units of the Landry Adaptive Value Long/Short Fund.

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

Funds	Index
Landry Global Equity Long/Short Fund	Higher of three-month Canada T-Bills or +2% for Class A and Class F; 2% for Class I; and three-month Canada T-bill plus 2% for Class J units
Landry Adaptive Value Long/Short Fund	Three-month Canada T-Bills +2% for Class F

Performance fees incurred by the Funds in 2015 and 2014 are presented in the statement of comprehensive income. There are no performance fees that remain payable as at December 31, 2015 and 2014.

(c) Other:

In the normal course of business, transactions between the Funds and officers of the Manager take place. At December 31, 2015 and 2014, the total percentages of net asset attributable to holders of redeemable units owned as a result of units held by key management personnel of the Manager of the Funds are as follows:

	2015	2014
Landry Global Equity Long/Short Fund	2.65%	6.08%
Landry Adaptive Value Long/Short Fund	7.07%	20.37%

LANDRY LONG/SHORT FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2015

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 Global Equity Long/Short Fund:

	2015	2014
Financial assets and liabilities at FVTPL:		
Held for trading	\$ -	\$ -
Designated at inception	1,156,310	1,525,970
Total	\$ 1,156,310	\$ 1,525,970

Landry Adaptive Value Long/Short Fund:

	2015	2014
Financial assets and liabilities at FVTPL:		
Held for trading	\$ -	\$ -
Designated at inception	(385,528)	(37,427)
Total	\$ (385,528)	\$ (37,427)

LANDRY LONG/SHORT FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2015

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 the Funds, 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.