



## **Annual Management Report of Fund Performance as of December 31, 2016**

### **LANDRY U.S. EQUITY FUND**

This annual management report of fund performance contains financial highlights, but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 514-985-1138 or 1-866-985-1138, by writing to us at 1800 McGill College, Suite 1430, Montreal (Qc) H3A 3J6 or by visiting our website at [www.landryinvest.com](http://www.landryinvest.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

Unitholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

## Management Discussion of Fund Performance

### Investment Objective and Strategies

The U.S. Equity Fund seeks to provide long-term growth through capital appreciation by investing primarily in U.S. equity securities.

The strategy involves selecting securities from the U.S. equity universe. The investment process starts with a systematic and unbiased quantitative system that generates lists of stocks with high risk-adjusted return potential. Candidates for final selection usually have "momentum" (stocks that have had the largest price increase in the past months) or strong value characteristics. The Fund has a tendency of allocating more weight towards momentum stocks as compared to the value ones. The portfolio of the Fund is systematically reviewed on a monthly basis.

### Risk

The overall level of risk of investing in the Fund remains as discussed in the Prospectus. During 2012, the Fund started investing a part of its portfolio in "value" stocks. This increased the number of securities in the portfolio and increased sector diversification. Accordingly, the Fund remains suitable for the same investors as discussed in the Prospectus.

Occasionally the Fund is highly concentrated in certain sectors, even though such concentration may not necessarily correspond to the sectors weight of the S&P100 Index. The Fund is not designed specifically for diversification. A large concentration in one sector may increase its risk.

The Fund and its benchmark are in USD. This results in a currency risk for the Canadian investor.

### Results of Operations

In 2016, the fund was up 12.5% in U.S. currency, slightly outperforming the S&P 100 Index.

In a fairly unusual development, the momentum and value factors both outperformed the broad index in the United States last year, which also enabled the fund to outperform the index.

The technology sector was favourable during a good portion of the year, especially NVIDIA, which the fund held all year and which more than tripled. The fund also benefited from positions in regional banks, such as Regions Financial and Sun Trust Banks and several securities in the materials sector, such as Freeport-McMoRan, Avery Dennison and Newmont Mining.

### Recent Developments

The year 2016 marked an important turning point in politics, with the Brexit vote in England and the election of Donald Trump in the United States. We do not know exactly what is happening but something has changed in the political realm. A vital factor has to be taken into account: with the widespread use of social media, voters are obtaining their information from different sources and have developed a great deal of mistrust toward traditional leaders, including the media.

Moreover, they are dissatisfied with the status quo and, because they want change, they voted for a candidate precisely because he had no political experience. They are therefore willing to assume great risk. The work of Daniel Kahneman, a Nobel laureate in economics, can help us understand this phenomenon. Kahneman has observed that people tend to take on more risk when they have to choose between two disagreeable outcomes. We must therefore expect surprising political choices in the years to come, particularly in 2017, when the elections in France and Germany could disrupt the markets.

The events of recent years show that very strong economic activity is not necessary for a rising stock market. Since the end of the Great Recession seven years ago, economic growth has averaged only 1.5% to 2%, yet the stock market has more than doubled during that period. But some growth is required for corporate earnings to go up.

The leading indicators for the global economy are favourable at the moment. For the United States, growth of slightly more than 2% is forecasted, after an increase of 1.6% in 2016. U.S. consumers are unusually optimistic, and the drastic income tax cuts planned by President Trump combined with investments in infrastructures will stimulate demand.

With an unemployment rate of 4.6% the U.S. economy is now operating at full capacity. In such conditions, the inflation rate should increase during the year. Wages are already rising at an annual rate of 2.5%. The rate of inflation for personal consumption expenditures (the rate used by the Federal Reserve) is currently 1.7% and should exceed 2% during the year. The rate has fluctuated from 1.5% to 2.5% since 1995. When the rate of inflation remains within this range, it is favorable for the stock market.

### Related Party Transactions

In consideration for management services and investment advice provided to the Fund, the Manager (Landry Investment Management Inc.) is entitled to a management fee.

The monthly management fee with respect to Class A units is 1/12 of 2.00% and 1/12 of 1.00% for Class F units, calculated on a daily basis to the net asset value of the Fund 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.

### Other Material Information

Classes B and G units of the Fund were redesignated as units of Classes A and F respectively as of April 8th, 2013.

### Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help better understand the Fund's financial performance for the past 5 years.

**The Fund's Net Assets per Unit****Class A**

(in USD)	2016	2015	2014	2013	2013*	2012*
Net assets, beginning of period <sup>(1)</sup>	\$ 11.29	\$ 11.51	\$ 11.32	\$ 10.00	\$ 12.97	\$ 10.06
<b>Increase (decrease) from operations:</b>						
Total revenue	0.22	0.26	0.18	0.20	0.05	0.14
Total expenses	(0.43)	(0.43)	(0.46)	(0.40)	(0.27)	(0.52)
Realized gain for the period	0.63	0.71	0.81	1.81	0.97	2.95
Unrealized gain (loss) for the period	0.80	(0.49)	0.20	0.08	0.43	(0.13)
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>1.22</b>	<b>0.05</b>	<b>0.73</b>	<b>1.69</b>	<b>1.18</b>	<b>2.44</b>
<b>Distributions:</b>						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gain	-	(0.25)	(0.62)	(0.41)	-	-
From return of capital	-	-	-	-	-	-
<b>Total annual distributions <sup>(3)</sup></b>	<b>-</b>	<b>(0.25)</b>	<b>(0.62)</b>	<b>(0.41)</b>	<b>-</b>	<b>-</b>
<b>Net assets, end of period <sup>(1)</sup></b>	<b>\$ 12.55</b>	<b>\$ 11.29</b>	<b>\$ 11.51</b>	<b>\$ 11.32</b>	<b>\$ 0.00</b>	<b>\$ 12.97</b>

\*This information comes from units of Class B, redesignated as units of Class A on April 8, 2013.

**Class F**

(in USD)	2016	2015	2014	2013	2013*	2012*
Net assets, beginning of period <sup>(1)</sup>	\$ 17.69	\$ 18.18	\$ 17.78	\$ 13.86	\$ 11.96	\$ 9.27
<b>Increase (decrease) from operations:</b>						
Total revenue	0.35	0.41	0.29	0.31	0.05	0.14
Total expenses	(0.47)	(0.47)	(0.51)	(0.42)	(0.21)	(0.56)
Realized gain (loss) for the period	1.00	1.14	1.29	3.59	0.89	2.83
Unrealized gain (loss) for the period	1.34	(0.86)	0.62	0.99	0.49	(2.04)
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>2.22</b>	<b>0.22</b>	<b>1.69</b>	<b>4.47</b>	<b>1.22</b>	<b>0.37</b>
<b>Distributions:</b>						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gain	(0.09)	(0.74)	(1.10)	(0.64)	-	-
From return of capital	-	-	-	-	-	-
<b>Total annual distributions <sup>(3)</sup></b>	<b>(0.09)</b>	<b>(0.74)</b>	<b>(1.10)</b>	<b>(0.64)</b>	<b>-</b>	<b>-</b>
<b>Net assets, end of period <sup>(1)</sup></b>	<b>\$ 19.81</b>	<b>\$ 17.69</b>	<b>\$ 18.18</b>	<b>\$ 17.78</b>	<b>\$ 0.00</b>	<b>\$ 11.96</b>

\*This information comes from units of Class G, redesignated as units of Class F on April 8, 2013.

**Class I**

(in USD)	2016	2015	2014	2013	2012
Net assets, beginning of period <sup>(1)</sup>	\$ 12.53	\$ 12.77	\$ 12.46	\$ 9.60	\$ 7.27
<b>Increase (decrease) from operations:</b>					
Total revenue	0.25	0.28	0.20	0.22	0.10
Total expenses	(0.18)	(0.18)	(0.21)	(0.16)	(0.12)
Realized gain (loss) for the period	0.70	0.80	0.90	2.48	2.10
Unrealized gain (loss) for the period	0.90	(0.55)	0.23	0.79	0.44
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>1.67</b>	<b>0.35</b>	<b>1.12</b>	<b>3.33</b>	<b>2.52</b>
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gain	(0.20)	(0.56)	(0.89)	(0.45)	-
From return of capital	-	-	-	-	-
<b>Total annual distributions <sup>(3)</sup></b>	<b>(0.20)</b>	<b>(0.56)</b>	<b>(0.89)</b>	<b>(0.45)</b>	<b>-</b>
<b>Net assets, end of period <sup>(1)</sup></b>	<b>\$ 14.06</b>	<b>\$ 12.53</b>	<b>\$ 12.77</b>	<b>\$ 12.46</b>	<b>\$ 9.59</b>

**Class J**

(in USD)	2016	2015*
Net assets, beginning of period <sup>(1)</sup>	\$ 9.83	\$ 0.00
<b>Increase (decrease) from operations:</b>		
Total revenue	0.20	-
Total expenses	(0.15)	-
Realized gain (loss) for the period	0.58	-
Unrealized gain (loss) for the period	1.36	(0.18)
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>1.99</b>	<b>(0.18)</b>
<b>Distributions:</b>		
From income (excluding dividends)	-	-
From dividends	-	-
From capital gain	(0.12)	-
From return of capital	-	-
<b>Total annual distributions <sup>(3)</sup></b>	<b>(0.12)</b>	<b>-</b>
<b>Net assets, end of period <sup>(1)</sup></b>	<b>\$ 11.06</b>	<b>\$ 9.83</b>

\*The initial investment in Class J was on December 29, 2015.

- (1) This information is derived from the Fund's audited annual financial statements. The 2016, 2015, 2014 and 2013 numbers are determined using International Financial Reporting Standards (IFRS), while the 2012 numbers are determined using previous Canadian Generally Accepted Accounting Principles (CGAAP). Closing amounts for 2012 may therefore vary slightly from opening balances for 2013.
- (2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.
- (3) Income, dividend and/or return of capital distributions, if any, are paid in cash or reinvested in additional units.

**Ratios and Supplemental Data****Class A**

<b>Period <sup>(1)</sup> (in USD)</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012*</b>
Net asset value (000's)	\$ 200	\$ 196	\$ 304	\$ 207	\$ 101
Number of units outstanding	15,898	17,330	26,379	18,271	7,770
Management expense ratio <sup>(2)</sup>	3.24%	3.32%	3.49%	5.09%	4.30%
Management expense ratio before waivers or absorptions <sup>(3)</sup>	3.55%	3.63%	3.63%	5.09%	4.30%
Trading expense ratio <sup>(4)</sup>	0.22%	0.17%	0.22%	0.56%	0.66%
Portfolio turnover rate <sup>(5)</sup>	180.45%	175.44%	176.29%	265.44%	351.03%
Net asset value per unit, end of period	\$ 12.56	\$ 11.29	\$ 11.51	\$ 11.32	\$ 12.99

\*This information comes from units of Class B, redesignated as units of Class A on April 8, 2013.

**Class F**

<b>Period <sup>(1)</sup> (in USD)</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012*</b>
Net asset value (000's)	\$ 15,005	\$ 14,530	\$ 13,194	\$ 7,663	\$ 724
Number of units outstanding	757,548	821,604	725,867	430,967	60,425
Management expense ratio <sup>(2)</sup>	2.08%	2.16%	2.33%	2.58%	4.78%
Management expense ratio before waivers or absorptions <sup>(3)</sup>	2.39%	2.47%	2.47%	2.58%	4.78%
Trading expense ratio <sup>(4)</sup>	0.22%	0.17%	0.22%	0.41%	0.66%
Portfolio turnover rate <sup>(5)</sup>	180.45%	175.44%	176.29%	265.44%	351.03%
Net asset value per unit, end of period	\$ 19.81	\$ 17.69	\$ 18.18	\$ 17.78	\$ 11.98

\*This information comes from units of Class G, redesignated as units of Class F on April 8, 2013.

**Class I**

<b>Period <sup>(1)</sup> (in USD)</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012*</b>
Net asset value (000's)	\$ 91	\$ 302	\$ 300	\$ 308	\$ 256
Number of units outstanding	6 474	24 099	23 525	24 702	26 663
Management expense ratio <sup>(2)</sup>	0,94%	1,01%	1,19%	1,43%	1,37%
Management expense ratio before waivers or absorptions <sup>(3)</sup>	1,25%	1,32%	1,33%	1,43%	1,37%
Trading expense ratio <sup>(4)</sup>	0,22%	0,17%	0,22%	0,41%	0,66%
Portfolio turnover rate <sup>(5)</sup>	180,45%	175,44%	176,29%	265,44%	351,03%
Net asset value per unit, end of period	\$ 14,06	\$ 12,53	\$ 12,77	\$ 12,46	\$ 9,60

**Class J**

<b>Period <sup>(1)</sup> (in USD)</b>	<b>2016</b>	<b>2015*</b>
Net asset value (000's)	\$ 89	\$ 6
Number of units outstanding	8,031	623
Management expense ratio <sup>(2)</sup>	0.94%	1.01%
Management expense ratio before waivers or absorptions <sup>(3)</sup>	1.25%	1.32%
Trading expense ratio <sup>(4)</sup>	0.22%	0.17%
Portfolio turnover rate <sup>(5)</sup>	180.45%	175.44%
Net asset value per unit, end of period	\$ 11.06	\$ 9.83

\*The initial investment in Class J was on December 29, 2015.

- (1) This information is provided for years ended December 31.
- (2) Management expense ratio is based on total expenses (excluding commissions, withholding taxes and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of daily average net assets during the period. Out of its management fees, the Manager pays for such services to the Fund as portfolio manager compensation, service fees and marketing.
- (3) The Manager, at its discretion, waived and/or absorbed a portion of the fees and/or expenses otherwise payable by the Fund. The waiving and/or absorption of such fees and/or expenses by the Manager may be terminated at any time, or continued indefinitely, at the discretion of the Manager.
- (4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.
- (5) The Fund's portfolio turnover rate indicates how actively the Manager trades the Fund's portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

## Management Fees

Management fees are based on the NAV of a class and are paid by the Fund to Landry Investment Management Inc. They are used to pay for sales and trailing commissions to registered dealers on the distribution of the Class' units, as well as for investment advisory and management services.

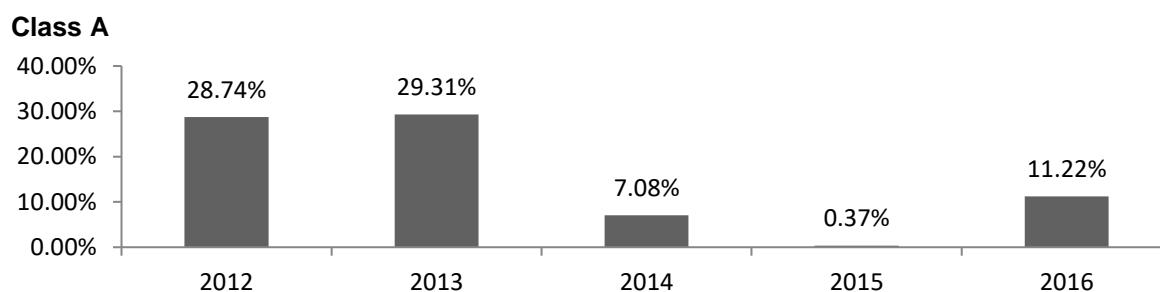
Classes	A	F	I	J
Management fees	2.0%	1.0%	0.0%	0.0%
As a % of management fees:				
Dealer Compensation	50.0%	0.0%	0.0%	0.0%
Investment advisory and management services	50.0%	100.0%	100.0%	100.0%

## Past Performance

The performance information shown assumes that all distributions made by the investment fund in the periods shown were reinvested in additional securities of the investment fund. The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. Also, how the investment fund has performed in the past does not necessarily indicate how it will perform in the future.

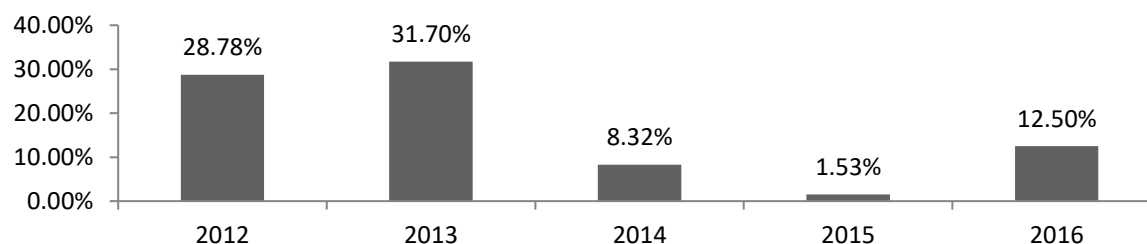
## Year-by-Year Returns

The following bar charts show the performance for each of the years shown, and illustrate how a class' performance has changed from year to year. In percentage terms, the bar chart shows how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



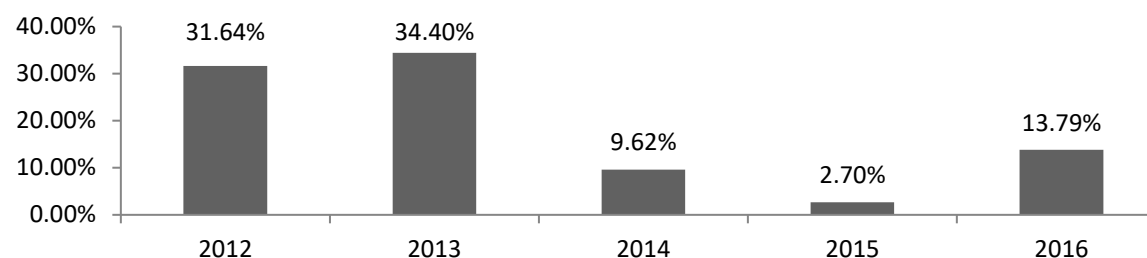
Returns of Class B are used until redesignation on April 8, 2013.

**Class F**

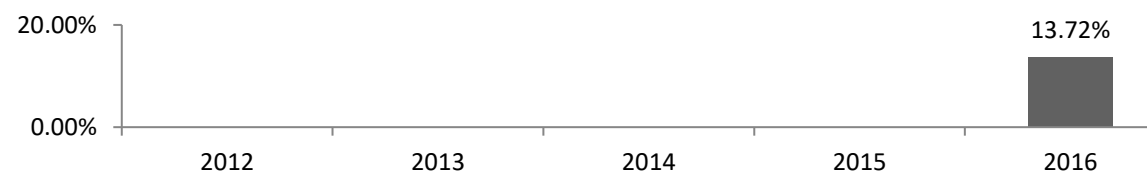


Returns of Class G are used until redesignation on April 8, 2013.

**Class I**



**Class J**



**Annual Compound Returns**

The table below compares the net of fees annualized return of a class to its benchmark index.

As of December 31, 2016	1 year	3 years	5 years	Since Inception on April 5, 2011
U.S. Equity Fund Class A*	11.22%	6.12%	14.74%	12.90%
U.S. Equity Fund Class F**	12.50%	7.35%	15.96%	10.65%
U.S. Equity Fund Class I	13.79%	8.61%	17.78%	12.24%
U.S. Equity Fund Class J***	13.72%	N/A	N/A	N/A
S&P100 Total Return Index	11.35%	8.81%	14.29%	11.86%

\*Returns of Class B are used until redesignation on April 8, 2013.

\*\* Returns of Class G are used until redesignation on April 8, 2013.

\*The initial investment in Class J was on December 29, 2015.

The S&P 100 Index measures the performance of large cap companies in the United States. The index is comprised of 100 major companies across multiple industry groups.



## Summary of Investment Portfolio

Asset Mix	% of net asset value
U.S. Equities	92.5%
Foreign Equities	3.3%
Cash and Cash Equivalents	4.3%
Net Other Assets	-0.1%

Sector Mix	% of net asset value
Information Technology	25.4%
Financials	21.2%
Industrials	11.2%
Energy	10.1%
Health Care	9.8%
Consumer Discretionary	7.2%
Materials	3.5%
Telecommunications Services	3.5%
Consumer Staples	3.4%
Utilities	0.5%
Cash and Cash Equivalents	4.3%
Net Other Assets	-0.1%

Top Holdings	% of net asset value
1. NVIDIA Corp.	2.8%
2. Chevron Corp.	2.5%
3. Applied Materials Inc.	2.4%
4. Symantec Corp.	2.3%
5. Bank of America Corp.	2.3%
6. JPMorgan Chase & Co.	2.1%
7. Apple Inc.	2.0%
8. Amazon.com Inc.	1.9%
9. Xylem Inc.	1.8%
10. Regions Financial Corp.	1.7%
11. QUALCOMM Inc.	1.7%
12. NetApp Inc.	1.6%
13. SunTrust Banks Inc.	1.5%
14. Alphabet Inc., Class 'C'	1.5%
15. L-3 Communications Holdings Inc.	1.5%
16. Autodesk Inc.	1.4%
17. ONEOK Inc.	1.4%
18. HP Inc.	1.3%
19. Microchip Technology Inc.	1.3%
20. AT&T Inc.	1.2%
21. Unum Group	1.2%
22. Lincoln National Corp.	1.2%
23. Pfizer Inc.	1.2%
24. Micron Technology Inc.	1.2%
25. Ulta Salon, Cosmetics & Fragrance Inc.	1.2%
	<u>42.4%</u>

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly update is available.

For information about other funds in which the Fund invests, the prospectus and other materials about those funds are available on the internet at [www.sedar.com](http://www.sedar.com)