



## **Annual Management Report of Fund Performance as of December 31, 2015**

### **LANDRY GLOBAL 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 Global Equity Fund seeks to provide long-term growth through capital appreciation by investing primarily in a diversified portfolio of equity securities of Canadian and foreign companies established in the United States, Europe and elsewhere.

The strategy involves selecting securities from the global equity markets. 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 fund has a bias towards large capitalisation stocks. 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 increases the number of securities in the portfolio and increases 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 MSCI World 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

The fund was up 3.5% in 2015, whereas the MSCI World Index was down 0.9%.

As a result of the rather uncertain outlook, we maintained a cash position averaging about 6% in 2015, even though the Landry funds are usually fully invested. The U.S. stock market was up only 1.4% in 2015, and the European bourses were down 2.2%. We maintained an overweight position in Europe last year. The fund's positive return came above all from our selection of securities in Europe, where the momentum and value factors that we use for stock selection were both favourable during the year. The fund has also been investing in South Korea for several years, even though the country is not in the benchmark index, because the momentum factor is very powerful on its market. South Korea made a positive contribution to the fund's return last year and also over three years. As for U.S. equities, they generated a return that matched the index during the year because the value factor was unfavourable.

### Recent Developments

The economic data available at the start of 2016 indicate that the global economy is slowing. The recovery has yet to materialize in Europe, where the unemployment rate is 9%. Growth is sluggish in Japan despite several monetary stimulus programs, and the growth rate is slowing in China. The only country whose economy is still fairly strong is the United States, but even there the capital markets are showing signs of concern. For example, the U.S. market was down 8.9% in the first 12 business days of January, even though no really poor economic statistics were announced.

In point of fact, the markets are concerned that the expansionary monetary policies of recent years no longer seem to be having a stimulative effect. For example, the latest move by the Bank of Japan yielded results that were exactly the opposite of what it intended: the yen went up, the stock market went down and long-term interest rates declined. We must now take into account the fact that monetary policy may

become ineffective when interest rates approach zero. Given that the public debt is high in most of the developed countries, economists will have no way of stimulating the global economy if demand continues to be weak for several years.

In parallel to this new uncertainty, the valuations of a certain type of stocks are especially attractive at present. Value securities have underperformed the broad market for several years, to the point where they are far less expensive than other stocks. This is especially the case in Europe, where the fund recently increased its holdings.

## 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.

The Manager may receive a performance-based fee for the Fund. The Manager will charge a performance fee of 20% of the return of the Fund in excess of their benchmark return. The performance fee is payable only if the Fund has outperformed its benchmark (MSCI World Total Return Index) since the last time a performance fee was paid. Performance fees are calculated daily and crystallized and paid monthly. No performance fees were paid over the period.

## 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 periods.

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

	2015	2014	2013	2013*	2012*
Net assets, beginning of period <sup>(1)</sup>	\$ 10.67	\$ 10.31	\$ 8.85	\$ 10.83	\$ 9.70
<b>Increase (decrease) from operations:</b>					
Total revenue	0.13	0.15	0.15	0.06	0.16
Total expenses	(0.35)	(0.37)	(0.32)	(0.11)	(0.36)
Realized gain for the period	0.55	0.64	0.39	0.20	0.03
Unrealized gain (loss) for the period	0.26	(0.05)	1.18	0.45	1.31
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>0.59</b>	<b>0.36</b>	<b>1.40</b>	<b>0.60</b>	<b>1.14</b>
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gain	-	-	-	-	-
From return of capital	-	-	-	-	-
<b>Total annual distributions <sup>(3)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets, end of period <sup>(1)</sup></b>	<b>\$ 10.92</b>	<b>\$ 10.67</b>	<b>\$ 10.31</b>	<b>\$ 0.00</b>	<b>\$ 10.83</b>

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

**Class F**

	2015	2014	2013	2013*	2012*
Net assets, beginning of period <sup>(1)</sup>	\$ 9.20	\$ 8.78	\$ 7.02	\$ 10.27	\$ 9.13
<b>Increase (decrease) from operations:</b>					
Total revenue	0.11	0.13	0.12	0.05	0.15
Total expenses	(0.19)	(0.21)	(0.18)	(0.08)	(0.27)
Realized gain (loss) for the period	0.48	0.54	0.77	0.19	0.03
Unrealized gain (loss) for the period	(0.09)	(0.04)	1.05	0.47	1.12
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>0.31</b>	<b>0.42</b>	<b>1.76</b>	<b>0.63</b>	<b>1.03</b>
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gain	-	-	-	-	-
From return of capital	-	-	-	-	-
<b>Total annual distributions <sup>(3)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets, end of period <sup>(1)</sup></b>	<b>\$ 9.53</b>	<b>\$ 9.20</b>	<b>\$ 8.78</b>	<b>\$ 0.00</b>	<b>\$ 10.27</b>

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

- (1) This information is derived from the Fund's audited annual financial statements. The 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. The term Net Asset Value per Unit used under CGAAP has been changed under IFRS to Net Assets Attributable to Holders of Redeemable Units per Unit
- (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></b>	2015	2014	2013	2012*
Net asset value (000's)	\$ 10	\$ 63	\$ 109	\$ 235
Number of units outstanding	957	5,916	10,621	21,660
Management expense ratio <sup>(2)</sup>	3.25%	2.49%	3.85%	3.92%
Management expense ratio before waivers or absorptions <sup>(3)</sup>	3.56%	2.63%	3.85%	3.92%
Trading expense ratio <sup>(4)</sup>	0.26%	0.31%	0.54%	0.64%
Portfolio turnover rate <sup>(5)</sup>	89.92%	101.26%	140.35%	220.40%
Net asset value per unit, end of period	\$ 10.92	\$ 10.67	\$ 10.31	\$ 10.84

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

**Class F**

<b>Period</b> <sup>(1)</sup>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012*</b>
Net asset value (000's)	\$ 12,947	\$ 11,534	\$ 9,067	\$ 902
Number of units outstanding	1,359,234	1,253,939	1,032,791	87,728
Management expense ratio <sup>(2)</sup>	2.08%	1.82%	2.69%	3.12%
Management expense ratio before waivers or absorptions <sup>(3)</sup>	2.39%	1.96%	2.69%	3.12%
Trading expense ratio <sup>(4)</sup>	0.26%	0.31%	0.54%	0.64%
Portfolio turnover rate <sup>(5)</sup>	89.92%	101.26%	140.35%	220.40%
Net asset value per unit, end of period	\$ 9.53	\$ 9.20	\$ 8.78	\$ 10.28

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

- (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. Management expense ratio is inclusive of performance fees.
- (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. Management expense ratio is inclusive of performance fees.
- (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
Management fees	2.0%	1.0%
As a % of management fees:		
Dealer Compensation	50.0	0
Investment advisory and management services	50.0	100

## Performance fees

The Fund pays Landry Investment Management Inc. a performance fee equal to 20% of the amount by which the return of the Fund exceeds the performance of its benchmark index. The performance fee is payable only if the Fund has outperformed its benchmark since the last time a performance fee was paid (high-water mark). It is calculated and totalled each day, so that the price per unit on a given day reflects the performance fees payable at the end of that day. The performance fee is paid by the Fund on a monthly basis. A performance fee may be paid by a Fund to Landry Investment Management Inc. even if such Fund had a negative performance. No performance fees were paid over the period.

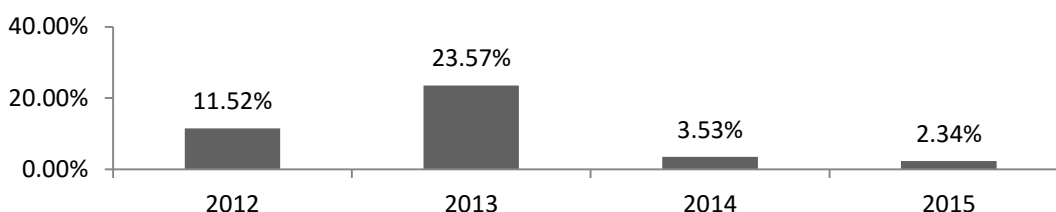
## Past Performance

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

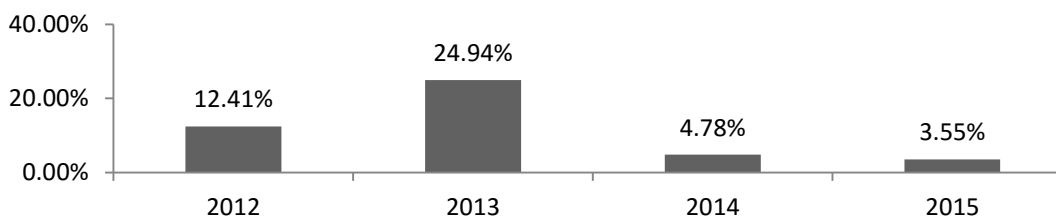
The following bar charts show the performance for each of the years shown, and illustrate how a class' performance has changed from year to year. In percentage terms, the bar chart shows how much an investment made on the first day of each financial year would have grown or decreased by the last day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

#### Class A



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.

## Annual Compound Returns

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

	1 year	3 years	Since Inception on April 5, 2011
World Equity Fund Class A*	2.34%	9.40%	2.70%
World Equity Fund Class F**	3.55%	10.67%	3.76%
MSCI World Total Return Index	-0.87%	9.63%	6.80%

\*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 MSCI World Index is a market capitalization weighted index that is designed to measure the equity market performance of developed markets. The following developed markets are represented in the Index: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

