



**LANDRY MORIN**  
Investment Managers

## **Annual Management Report of Fund Performance as of December 31, 2011**

### **WORLD MOMENTUM 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 1010 Sherbrooke West, Suite 2105, Montreal (Qc) H3A 2R7 or by visiting our website at [www.landrymorin.com](http://www.landrymorin.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

Securityholders 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 World Momentum Fund seeks accelerated long term growth of capital and a return in excess of the MSCI World. It selects 50-70 stocks on major markets worldwide.

### Risk

The overall level of risk of investing in the Fund remains as discussed in the Prospectus, and is not expected to have significantly increased or decreased as a result of operations during the period. Accordingly, the Fund also remains suitable for the same investors as discussed in the Prospectus.

The Fund may have a substantial concentration in certain sectors from time to time. Moreover, the sector allocation of the Fund may often differ significantly from that of its benchmark index (MSCI World). The Fund is not designed specifically for diversification. A large concentration in one sector may increase its risk.

### Results of Operations

The Fund increased its weighting in the oil sector during the first quarter, concentrating on exploration and development services companies (TGS Nopec, Schoeller-Bleckmann).

The Fund started the second quarter with an emphasis on energy, materials and consumer discretionary, and this emphasis was maintained throughout the quarter. These three sectors alone account for almost 60% of the Fund. In other words, the World Fund is not concerned about a recession, having placed 60% of its assets in sectors considered cyclical. Moreover, the Fund is increasingly investing in securities in the luxury products sector.

After starting the third quarter with an emphasis on technology and industrial products, the portfolio had an underweight position in both sectors by the end of it. The fund was then overweight to consumer products (such as Campari and Hermès) and health care (Roche). It also continued to focus on energy and to avoid the financial sector in general.

As 2012 begins, the fund continues to be partial to the healthcare sector (Roche Holding AG) but it recently began placing greater emphasis on consumer discretionary products (Grupo Elektra SA de CV, Next PLC and Hermès International). The fund continues to avoid financials and information technology, like the other Momentum Funds.

The nuclear incident at Fukushima, which occurred late in the first quarter, had an adverse impact on the fund. Moreover, in the second quarter the markets were strongly influenced by the shilly-shallying of the US Congress over the need to raise the debt ceiling and by the uncertainty surrounding the financing of debt issued by Greece as well as several other European countries. The uncertainty over the euro zone persisted until the end of the year and, to a great extent, explains the disastrous returns that these markets recorded in September.

There were no unusual redemption trends for this fund, nor were there significant changes in income or expenses.

The investment method did not change during the year as we continued to follow our quantitative model.

## Recent Developments

With Europe entering recession, it is now clear that global economic growth will be slow in 2012. Interest rates should remain very low throughout the year because monetary policy will continue to be extremely expansionary in Europe and the United States. Moreover, China may ease its monetary policy in 2012.

The risks lie not with the economy but rather with US and European policy. In the United States, the two political parties still have not managed to agree on a budget policy for 2012, and, if the existing legislation is not amended, this year the federal government will have to impose a tax hit equivalent to more than 2% of GDP. The stubbornness of the parties will no doubt prevent them from adopting job-creation solutions; at least they have managed so far to reach a last-minute agreement to avoid damaging the economy. In all likelihood, the situation will drag on until the elections next November.

The fund has positions in risky euro zone countries, namely Germany, France and Italy. It has the advantage, however, of not being invested in Greece, Spain or Portugal, countries considered to be among the most risky at this time.

## Related Party Transactions

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

The management fee with respect to Series A securities is 1/12 of 2%, Series B securities is 1/12 of 2.25%, Series F securities is 1/12 of 1%, and Series G securities is 1/12 of 1.5%, calculated on a daily basis to the net asset value of the Funds and payable monthly. No management fee is charged to Series I and J securities; instead a negotiated fee is paid by these unitholders to the Manager directly.

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 quarterly. No performance fees were paid over the period.

## Other Material Information

The Fund was previously a private mutual fund. In accordance with securities legislation, we are not permitted to report the Fund's performance until it has distributed securities under a simplified prospectus for 12 consecutive months.

## Financial Highlights

### Financial Highlights

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

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

	<b>2011</b>
Net assets, beginning of year <sup>(1)</sup>	\$ 11.94
<b>Decrease from operations:</b>	
Total revenue	0.3
Total expenses	-0.39
Realized losses for the year	-1.09

Unrealized losses for the year	-1.49
<b>Total decrease from operations <sup>(2)</sup></b>	<b>-2.67</b>
<b>Distributions:</b>	
From income (excluding dividends)	0
From dividends	0
From capital gains	0
From return of capital	0
<b>Total annual distributions <sup>(3)</sup></b>	<b>0</b>
<b>Net assets, end of year <sup>(1)</sup></b>	<b>\$ 9.7</b>

**Class F**

	<b>2011</b>
Net assets, beginning of year <sup>(1)</sup>	\$ 7.53
<b>Decrease from operations:</b>	
Total revenue	0.19
Total expenses	-0.16
Realized losses for the year	-0.7
Unrealized losses for the year	-0.82
<b>Total decrease from operations <sup>(2)</sup></b>	<b>-1.49</b>
<b>Distributions:</b>	
From income (excluding dividends)	0
From dividends	0
From capital gains	0
From return of capital	0
<b>Total annual distributions <sup>(3)</sup></b>	<b>0</b>
<b>Net assets, end of year <sup>(1)</sup></b>	<b>\$ 6.2</b>

**Class G**

	<b>2011</b>
Net assets, beginning of year <sup>(1)</sup>	\$ 11.15
<b>Decrease from operations:</b>	
Total revenue	0.29
Total expenses	-0.29
Realized losses for the year	-1.04
Unrealized losses for the year	-1.13
<b>Total decrease from operations <sup>(2)</sup></b>	<b>-2.17</b>
<b>Distributions:</b>	
From income (excluding dividends)	0
From dividends	0
From capital gains	0
From return of capital	0
<b>Total annual distributions <sup>(3)</sup></b>	<b>0</b>
<b>Net assets, end of year <sup>(1)</sup></b>	<b>\$ 9.13</b>

- (1) This information is derived from the Fund's audited annual financial statements. The net assets per security presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements.
- (2) Net assets and distributions are based on the actual number of [units/shares] outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of [units/shares] outstanding over the financial period.
- (3) Distributions were [paid in cash/reinvested in additional [units/shares] of the Fund, or both].

## Ratios and Supplemental Data

### Class B

Year <sup>(1)</sup>	2011
Net asset value <sup>(2)</sup> (000's)	\$ 98
Number of units outstanding	10108.17
Management expense ratio <sup>(3)</sup>	3.56%
Management expense ratio before waivers or absorptions <sup>(4)</sup>	3.56%
Trading expense ratio <sup>(5)</sup>	0.40%
Portfolio turnover rate <sup>(6)</sup>	191.71%
Net asset value per unit, end of year <sup>(2)</sup>	\$ 9.72

### Class F

Year <sup>(1)</sup>	2011
Net asset value <sup>(2)</sup> (000's)	\$ 4934
Number of units outstanding	794323.7
Management expense ratio <sup>(3)</sup>	2.25%
Management expense ratio before waivers or absorptions <sup>(4)</sup>	2.25%
Trading expense ratio <sup>(5)</sup>	0.40%
Portfolio turnover rate <sup>(6)</sup>	191.71%
Net asset value per unit, end of year <sup>(2)</sup>	\$ 6.21

### Class G

Year <sup>(1)</sup>	2011
Net asset value <sup>(2)</sup> (000's)	\$ 427
Number of units outstanding	46717.63
Management expense ratio <sup>(3)</sup>	2.75%
Management expense ratio before waivers or absorptions <sup>(4)</sup>	2.75%
Trading expense ratio <sup>(5)</sup>	0.40%
Portfolio turnover rate <sup>(6)</sup>	191.71%
Net asset value per unit, end of year <sup>(2)</sup>	\$ 9.15

- (1) This information is provided for the year ended December 31, 2011.
- (2) The impact of the adoption of the accounting policy Section 3855 on net assets may result in a different valuation of securities held by the Fund, for financial reporting purposes, than the market value used to determine the net asset value of the Fund for the purchase and redemption of the Fund's units.
- (3) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of daily average net assets during the year. 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.
- (4) 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.
- (5) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the year.
- (6) The Fund's portfolio turnover rate indicates how actively the Sub-Advisor 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 year, 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 series and are paid by the Fund to Landry Morin Inc. They are used to pay for sales and trailing commissions to registered dealers on the distribution of the Class shares, as well as for investment advisory and management services.

Class	B	F	G
Management fees	2.25%	1%	1.50%
As a % of management fees:			
Dealer Compensation	44.4	0	0
Investment advisory and management services	55.6	100	100

## Summary of Investment Portfolio

Top Holdings	% of net asset value	Sector Mix	% of net asset value
1. Landry Morin US Momentum Fund	28.8%	Funds	41.7%
2. iShares MSCI Japan Index Fund	6.8%	Consumer Discretionary	10.3%
3. Roche Holding AG Genusscheine	4.7%	Energy	9.0%
4. iShares MSCI United Kingdom	4.0%	Health Care	7.1%
5. Grupo Elektra SA de CV	2.6%	Materials	7.0%
6. Trilogy Energy Corp.	2.5%	Industrials	6.5%
7. Next PLC	2.4%	Telecommunication Services	4.1%
8. Iluka Resources Ltd.	2.4%	Consumer Staples	4.0%
9. Hermes International	2.3%	Financials	3.9%
10. Drax Group PLC	2.3%	Utilities	3.9%
11. iShares MSCI ACWI Index Fund	2.0%	Information Technology	1.5%
12. SGL Carbon SE	1.7%	Cash and Cash Equivalents	1.2%
13. Davide Campari-Milano SPA	1.6%		
14. Rémy Cointreau SA	1.6%	<b>Country Mix</b>	<b>% of net asset value</b>
15. Schoeller-Bleckmann Oilfield Equip	1.6%	United states	28.8%
16. Telenor ASA	1.6%	United kingdom	8.6%
17. Novozymes AS, Class 'B'	1.6%	Japan	6.8%
18. Det Norske Oljeselskap ASA	1.6%	Switzerland	4.8%
19. Pirelli & C. SPA	1.6%	Australia	4.8%
20. Industrias Penoles SA de CV	1.5%	Mexico	4.8%
21. Andritz AG	1.5%	Norway	4.8%
22. Daphne International Holdings Ltd.	1.5%	Canada	4.8%
23. XING AG	1.5%	Italy	4.7%
24. Topdanmark AS	1.4%	Denmark	4.7%
25. SmarTone Telecommunications	0.9%	Austria	4.7%
	<u>82.1%</u>	Hong kong	4.7%
		France	4.7%
		Germany	4.7%

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

When the investment fund invests in other investment funds, the prospectus and other information about the underlying investment funds are available on the internet at [www.sedar.com](http://www.sedar.com)