



Annual Management Report of Fund Performance as of December 31, 2012

CANADIAN 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.landryinvest.com or SEDAR at 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 Canadian Momentum Fund seeks to provide long-term growth through capital appreciation by investing primarily in Canadian equities.

The strategy involves selecting equities from amongst Canadian large-cap stocks. The selection method is quantitative and systematic and is based on the persistence of stock market returns. To achieve its investment objectives, the Fund selects "momentum" stocks, i.e. stocks that have had the largest price increase in the past 12 months. The portfolio of the Fund is systematically reviewed on a monthly basis to replace underperforming stocks with a new selection based on the past 12-month performance. The Fund also selects "value" stocks to diversify its portfolio.

Risk

The overall level of risk of investing in the Fund remains as discussed in the Prospectus. In fact, it may have decreased following a change of the Fund's investment strategy during the fourth quarter of 2012. During the fourth quarter 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 major sectors of the S&P/TSX 60 Index. The Fund is not designed specifically for diversification. A large concentration in one sector may increase its risk.

Risk may increase when securities represent large positions in the Fund. At the start of the year, certain positions represented more than 10% of the Fund. That occurred only when a position representing almost 10% of the Fund outperformed the Fund. At no time does a position exceed 10% of the value of the Fund as a result of a purchase of securities. The maximum that any one position represented in the Fund over the year was less than 12%. Starting in fourth quarter of 2012, the number of securities in the portfolio increased and no position will exceed 10% of the portfolio.

Results of Operations

The fund continues to select the TSX large cap stocks with the greatest momentum. For example, at the start of the year, three of the fund's top five positions were pipeline companies. These three securities alone totalled 28% of the fund, even though this industry has a weighting of only 5% in the S&P/TSX Index. The fund also held large positions in gold mines stocks. This concentration was not favourable and the fund underperformed the S&P/TSX 60 total return by 5% in January. In the months that followed, the portfolio's allocation across industries was far broader, which generated better results because the securities selected were less volatile.

In the second quarter the fund had a definite bias toward more defensive sectors, such as consumer staples and health care, which yielded positive results: the fund outperformed its benchmark index by 8% during the quarter and completely offset its underperformance at the start of the year. The fund no longer had any positions in oil and gas and it only had two scaled-back positions in materials.

The fund began the third quarter with a defensive positioning when the Canadian stock market advanced strongly. Consequently, the fund was up 1.3% in the quarter versus a 6.7% increase for the TSX 60 Index. The fund maintained some of its defensive positions during the quarter but it also added to the materials sector.

The Canadian Fund was up 3.1% in the fourth quarter, thereby outperforming its benchmark, the S&P/TSX 60 Index. For the year as a whole, the fund slightly underperformed the benchmark, rising 6.5% versus 8.1% for the S&P/TSX 60 Index and 7.2% for the S&P/TSX Composite Index.

We made two changes to the investment strategy in 2012. At the start of the year, we incorporated a volatility calculation into the security-selection formula to emphasize those securities that have more persistent momentum. Then, in the fourth quarter, we invested 30% of the portfolio in “value” securities. Like momentum, the value factor is one of the four major factors that affect the behaviour of a group of stocks. In addition to generating a better performance than the broad market in the long run, the two factors in combination have a very low correlation. This addition will enable us to continue earning solid returns but with greater stability. The portfolio will be allocated more effectively across the various sectors, and the average number of securities has risen from roughly 20 to about 60.

Recent Developments

Economic indicators are improving for the United States and China, the world’s two largest economies. Even so, global economic growth will be modest in 2013, mainly because Europe’s GDP will probably contract slightly and Japan will record weak growth.

Europe managed to avoid a financial crisis in 2012 mainly because the European Central Bank promised to do “whatever is necessary” to support the euro. The political leaders made painful progress toward agreements to finance Greece and the European banking system. Late in the year, Greece received its first mega-loan and the Spanish banks received a capital injection.

Europe and the United States are sailing on a flood of liquidity. It is not enough to produce an economic boom but it is avoiding a financial crisis by keeping interest rates very low and by bolstering the stock markets. We have argued for several years that we are in a bull market and we think this is still the case.

Related Party Transactions

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

The management fee with respect to Series B units is 1/12 of 2.25%, 1/12 of 1% for Series F units and 1/12 of 1.5% for Series G units, 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 units; instead a negotiated fee is paid by these unitholders to the Manager directly.

The Manager receives 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 (S&P/TSX60 Total Return Index) 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.

Financial Highlights

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 two years.

The Fund's Net Assets per Unit

Class B	2012	2011
Net assets, beginning of year ⁽¹⁾	\$ 7.60	\$ 10.19

Increase (decrease) from operations:		
Total revenue	0.15	0.08
Total expenses	(0.30)	(0.32)
Realized gain (loss) for the period	0.28	(1.47)
Unrealized gain (loss) for the period	0.23	(1.44)
Total increase (decrease) from operations ⁽²⁾	0.36	(3.15)
Distributions:		
From income (excluding dividends)	-	-
From dividends	-	-
From capital gain	-	-
From return of capital	-	-
Total annual distributions ⁽³⁾	-	-
Net assets, end of year ⁽¹⁾	\$ 7.99	\$ 7.60

Class F

	2012	2011
Net assets, beginning of year ⁽¹⁾	\$ 16.01	\$ 21.18
Increase (decrease) from operations:		
Total revenue	0.33	0.16
Total expenses	(0.39)	(0.43)
Realized gain (loss) for the period	0.60	(3.03)
Unrealized gain (loss) for the period	0.35	(1.96)
Total increase (decrease) from operations ⁽²⁾	0.89	(5.26)
Distributions:		
From income (excluding dividends)	-	-
From dividends	-	-
From capital gain	-	-
From return of capital	-	-
Total annual distributions ⁽³⁾	-	-
Net assets, end of year ⁽¹⁾	\$ 17.04	\$ 16.01

Class G

	2012	2011
Net assets, beginning of year ⁽¹⁾	\$ 10.59	\$ 14.07
Increase (decrease) from operations:		
Total revenue	0.22	0.10
Total expenses	(0.31)	(0.33)
Realized gain (loss) for the period	0.40	(1.91)
Unrealized gain (loss) for the period	0.33	(1.53)
Total increase (decrease) from operations ⁽²⁾	0.64	(3.67)
Distributions:		
From income (excluding dividends)	-	-
From dividends	-	-
From capital gain	-	-
From return of capital	-	-

Total annual distributions ⁽³⁾	-	-
Net assets, end of year ⁽¹⁾	\$ 11.21	\$ 10.59

Class I

	2012	2011
Net assets, beginning of year ⁽¹⁾	\$ 10.44	\$ 13.66
Increase (decrease) from operations:		
Total revenue	0.21	0.11
Total expenses	(0.14)	(0.15)
Realized gain (loss) for the period	0.39	(1.98)
Unrealized gain (loss) for the period	0.25	(1.27)
Total increase (decrease) from operations ⁽²⁾	0.71	(3.29)
Distributions:		
From income (excluding dividends)	-	-
From dividends	-	-
From capital gain	-	-
From return of capital	-	-
Total annual distributions ⁽³⁾	-	-
Net assets, end of year ⁽¹⁾	\$ 11.23	\$ 10.44

Class J

	2012	2011
Net assets, beginning of year ⁽¹⁾	\$ 7.55	\$ 9.88
Increase (decrease) from operations:		
Total revenue	0.16	0.08
Total expenses	(0.10)	(0.11)
Realized gain (loss) for the period	0.29	(1.43)
Unrealized gain (loss) for the period	0.18	(0.83)
Total increase (decrease) from operations ⁽²⁾	0.53	(2.29)
Distributions:		
From income (excluding dividends)	-	-
From dividends	-	-
From capital gain	-	-
From return of capital	-	-
Total annual distributions ⁽³⁾	-	-
Net assets, end of year ⁽¹⁾	\$ 8.12	\$ 7.55

(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 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) There were no distributions.

Ratios and Supplemental Data**Class B**

Year ⁽¹⁾	2012	2011
Net asset value ⁽²⁾ (000's)	\$ 156	\$ 209
Number of units outstanding	19,484	27,458
Management expense ratio ⁽³⁾	3.91%	3.68%
Management expense ratio before waivers or absorptions ⁽⁴⁾	3.91%	3.68%
Trading expense ratio ⁽⁵⁾	0.32%	0.21%
Portfolio turnover rate ⁽⁶⁾	331.08%	291.33%
Net asset value per unit, end of year ⁽²⁾	\$ 8.01	\$ 7.61

Class F

Year ⁽¹⁾	2012	2011
Net asset value ⁽²⁾ (000's)	\$ 4,962	\$ 8,277
Number of units outstanding	290,515	516,149
Management expense ratio ⁽³⁾	2.37%	2.41%
Management expense ratio before waivers or absorptions ⁽⁴⁾	2.37%	2.41%
Trading expense ratio ⁽⁵⁾	0.32%	0.21%
Portfolio turnover rate ⁽⁶⁾	331.08%	291.33%
Net asset value per unit, end of year ⁽²⁾	\$ 17.08	\$ 16.03

Class G

Year ⁽¹⁾	2012	2011
Net asset value ⁽²⁾ (000's)	\$ 851	\$ 1,053
Number of units outstanding	75,791	99,299
Management expense ratio ⁽³⁾	2.89%	2.89%
Management expense ratio before waivers or absorptions ⁽⁴⁾	2.89%	2.89%
Trading expense ratio ⁽⁵⁾	0.32%	0.21%
Portfolio turnover rate ⁽⁶⁾	331.08%	291.33%
Net asset value per unit, end of year ⁽²⁾	\$ 11.23	\$ 10.60

Class I

Year ⁽¹⁾	2012	2011
Net asset value ⁽²⁾ (000's)	\$ 1,412	\$ 2,421
Number of units outstanding	125,408	231,450
Management expense ratio ⁽³⁾	1.29%	1.24%
Management expense ratio before waivers or absorptions ⁽⁴⁾	1.29%	1.24%
Trading expense ratio ⁽⁵⁾	0.32%	0.21%
Portfolio turnover rate ⁽⁶⁾	331.08%	291.33%
Net asset value per unit, end of year ⁽²⁾	\$ 11.26	\$ 10.46

Class J

Year ⁽¹⁾	2012	2011
Net asset value ⁽²⁾ (000's)	\$ 4,286	\$ 4,923
Number of units outstanding	526,446	650,938
Management expense ratio ⁽³⁾	1.32%	1.32%
Management expense ratio before waivers or absorptions ⁽⁴⁾	1.32%	1.32%
Trading expense ratio ⁽⁵⁾	0.32%	0.21%
Portfolio turnover rate ⁽⁶⁾	331.08%	291.33%
Net asset value per unit, end of year ⁽²⁾	\$ 8.14	\$ 7.56

- (1) This information is provided for the years ended December 31.
- (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 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 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 Investment Management 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	I	J
Management fees	2.25%	1.00%	1.50%	0%	0%
As a % of management fees:					
Dealer Compensation	44.4	0	0	0	0
Investment advisory and management services	55.6	100	100	0	0

Performance fees

The Fund pays Landry Investment Management 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 even if such Fund had a negative performance.

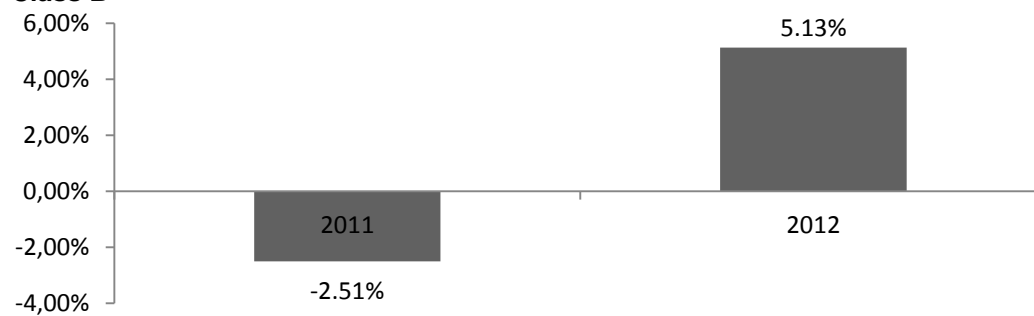
Past Performance

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.

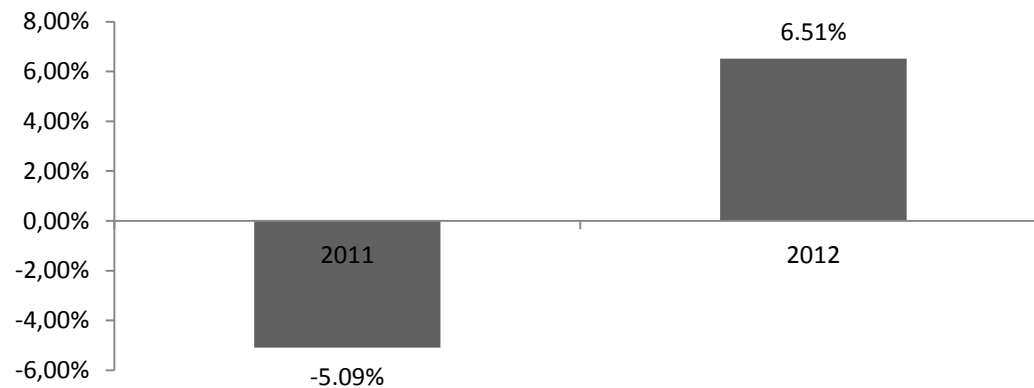
Year-by-Year Returns

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.

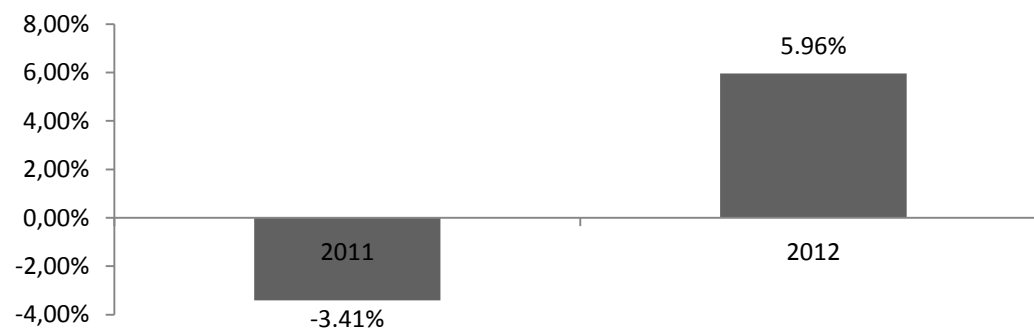
Class B



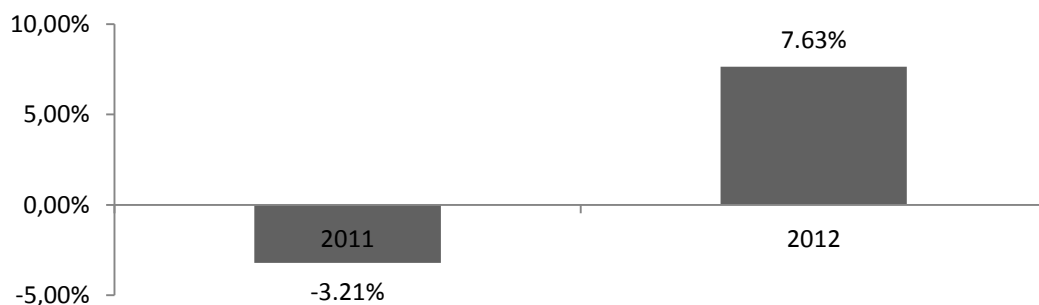
Class F



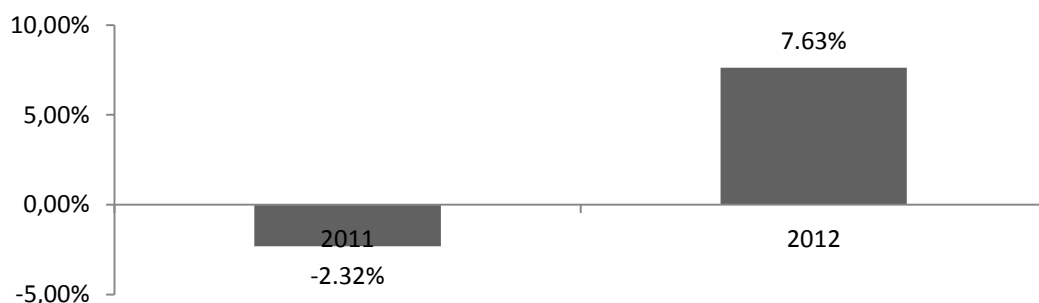
Class G



Class I



Class J



« 2011 » represents the returns from the creation of the Fund on April 5, 2011 to December 31, 2011.
 « 2012 » represents the returns from December 31, 2011 to December 31, 2012.

Annual Compound Returns

The table below shows the Class' historical annual returns for the periods indicated compared with its index.

	1 year	Since Inception on April 5, 2011
Canadian Momentum Fund Class B	5.13%	-12.62%
Canadian Momentum Fund Class F	6.51%	-11.48%
Canadian Momentum Fund Class G	5.96%	-11.90%
Canadian Momentum Fund Class I	7.63%	-10.53%
Canadian Momentum Fund Class J	7.63%	-10.53%
S&P/TSX 60 Total Return Index	8.07%	-4.79%

The S&P/TSX 60 is a capitalization-weighted index. It consists of 60 of the largest and most liquid stocks listed on the Toronto Stock Exchange.

Summary of Investment Portfolio

Asset Mix	% of net asset value
Canadian Equities	98.8%
Cash and Cash Equivalents	1.3%
Net Other Assets	-0.1%

Sector Mix	% of net asset value
Materials	21.9%
Energy	15.1%
Consumer Staples	13.2%
Financials	12.8%
Industrials	12.8%
Consumer Discretionary	11.3%
Information Technology	5.6%
Telecommunications Services	5.1%
Exchange Traded Funds	1.0%
Cash and Cash Equivalents	1.3%
Net Other Assets	-0.1%

Top Holdings	% of net asset value
1. WestJet Airlines Ltd.	5.9%
2. Canfor Corp.	4.9%
3. Gildan Activewear Inc.	4.9%
4. Canadian Pacific Railway Ltd.	4.8%
5. West Fraser Timber Co. Ltd.	4.8%
6. Constellation Software Inc.	4.7%
7. Inter Pipeline Fund, Class 'A'	4.7%
8. Alimentation Couche-Tard Inc., Class 'B'	4.7%
9. Rogers Communications Inc., Class 'B'	4.6%
10. Allied Properties REIT	4.4%
11. Metro Inc., Class 'A'	3.1%
12. Agnico-Eagle Mines Ltd.	2.8%
13. Dollarama Inc.	2.8%
14. Home Capital Group Inc.	2.7%
15. ShawCor Ltd., Class 'A'	2.6%
16. Agrium Inc.	2.3%
17. Saputo Inc.	1.6%
18. Loblaw Cos. Ltd.	1.5%
19. George Weston Ltd.	1.5%
20. Westshore Terminals Investment Corp.	1.5%
21. Peyto Exploration & Development Corp.	1.4%
22. Silver Wheaton Corp.	1.3%
23. Nevsun Resource Ltd.	1.3%
24. Magna International Inc., Class 'A'	1.2%
25. Lundin Mining Corp.	1.2%
	77.2%

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

For information about other investment funds in which the investment fund invests, the prospectus and other documents about those investment funds are available on the internet at www.sedar.com