



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

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

The strategy involves selecting securities from amongst U.S. large-cap stocks. The selection method is quantitative and systematic and is mainly 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.

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 (S&P100 Total Return 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.

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 16% in the first half of 2012, for a 5% excess return in relation to its benchmark index. Two factors contributed to its performance during this period: (1) about a third of the portfolio was invested in the NASDAQ 100 securities with the greatest momentum, and that index recorded a very solid performance during the period; and (2) the industry selection was very favourable because the fund emphasized the residential and retail sectors, both of which were very much in vogue.

The US fund continued to outperform its benchmark index in the third quarter, rising 12% versus 7% for the S&P 100 Index. The fund overweighed the retail sector and the communication sector in that period.

The US Fund also outperformed its index in the fourth quarter and it ended the year up 30.3%, outperforming its benchmark by 14.2%.

Two factors contributed to the fund's performance during the year. First, the more concentrated security selection introduced in 2010 was very favourable last year. Second, the industry performances were very divergent in 2012, and the fund took advantage of this context by taking concentrated positions in specific sectors. In 2012, the fund was invested heavily in the residential construction sector (a very small stock market subsector) and the consumer sector. Toward the end of the year, we invested 30% of the portfolio into value stocks. This selection will generate steadier returns in the years to come.

Recent Developments

The U.S. economy sent out decidedly positive signals in the second half of 2012. The residential housing market improved, as prices firmed and transaction volume increased. Housing starts are on the rise. This turnaround is extremely important for consumer spending and employment. Leading indicators for the manufacturing sector are also up.

This context could indicate a stronger economy in 2013, but income tax increases and federal spending cuts totalling at least 3% of GDP will curtail growth at the start of the year.

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 units; 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 Fund in excess of their benchmark return. The performance fee is payable only if the Fund has outperformed its benchmark (S&P100 Total Return Index) since the last time a performance fee was paid. Performance fees are calculated daily and crystallized and paid quarterly. Over the period, a performance fee was paid from Class B and Class G to the Manager.

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⁾	\$ 10.06	\$ 0.00
Increase (decrease) from operations:		
Total revenue	0.14	0.02
Total expenses	(0.52)	(0.09)
Realized gain (loss) for the period	2.95	(0.09)
Unrealized loss for the period	(0.13)	(0.22)
Total increase (decrease) from operations ⁽²⁾	2.44	(0.38)
Distributions:		
From income (excluding dividends)	-	-
From dividends	-	-
From capital gain	-	-
From return of capital	-	-
Total annual distributions ⁽³⁾	-	-
Net assets, end of year ⁽¹⁾	\$ 12.97	\$ 10.06

Class F

	2012	2011
Net assets, beginning of year ⁽¹⁾	\$ 10.61	\$ 11.80
Increase (decrease) from operations:		
Total revenue	0.15	0.09
Total expenses	(0.31)	(0.28)
Realized gain (loss) for the period	3.09	(0.42)
Unrealized gain (loss) for the period	0.34	(0.78)
Total increase (decrease) from operations ⁽²⁾	3.27	(1.39)
Distributions:		
From income (excluding dividends)	-	-
From dividends	-	-
From capital gain	-	-
From return of capital	-	-
Total annual distributions ⁽³⁾	-	-
Net assets, end of year ⁽¹⁾	\$ 13.84	\$ 10.61

Class G

	2012	2011
Net assets, beginning of year ⁽¹⁾	\$ 9.27	\$ 0.00
Increase (decrease) from operations:		
Total revenue	0.14	0.01
Total expenses	(0.56)	(0.05)
Realized gain (loss) for the period	2.83	(0.06)
Unrealized loss for the period	(2.04)	(0.63)
Total increase (decrease) from operations ⁽²⁾	0.37	(0.73)
Distributions:		
From income (excluding dividends)	-	-
From dividends	-	-
From capital gain	-	-
From return of capital	-	-
Total annual distributions ⁽³⁾	-	-
Net assets, end of year ⁽¹⁾	\$ 11.96	\$ 9.27

Class I

	2012	2011
Net assets, beginning of year ⁽¹⁾	\$ 7.27	\$ 8.01
Increase (decrease) from operations:		
Total revenue	0.10	0.06
Total expenses	(0.12)	(0.11)
Realized gain (loss) for the period	2.10	(0.28)
Unrealized gain (loss) for the period	0.44	(0.49)
Total increase (decrease) from operations ⁽²⁾	2.52	(0.82)
Distributions:		
From income (excluding dividends)	-	-
From dividends	-	-

From capital gain	-	-
From return of capital	-	-
Total annual distributions ⁽³⁾	-	-
Net assets, end of year ⁽¹⁾	\$ 9.59	\$ 7.27

- (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. Units of classes B and G were issued for the first time during the year 2011 at 10\$.
- (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)	\$ 101	\$ 37
Number of units outstanding	7,770	3,665
Management expense ratio ⁽³⁾	4.30%	3.75%
Management expense ratio before waivers or absorptions ⁽⁴⁾	4.30%	3.75%
Trading expense ratio ⁽⁵⁾	0.66%	0.14%
Portfolio turnover rate ⁽⁶⁾	351.03%	296.11%
Net asset value per unit, end of year ⁽²⁾	\$ 12.99	\$ 10.09

Class F

Year ⁽¹⁾	2012	2011
Net asset value ⁽²⁾ (000's)	\$ 3,949	\$ 2,595
Number of units outstanding	284,876	243,893
Management expense ratio ⁽³⁾	2.41%	2.47%
Management expense ratio before waivers or absorptions ⁽⁴⁾	2.41%	2.47%
Trading expense ratio ⁽⁵⁾	0.66%	0.14%
Portfolio turnover rate ⁽⁶⁾	351.03%	296.11%
Net asset value per unit, end of year ⁽²⁾	\$ 13.86	\$ 10.64

Class G

Year ⁽¹⁾	2012	2011
Net asset value ⁽²⁾ (000's)	\$ 724	\$ 14
Number of units outstanding	60,425	1,500
Management expense ratio ⁽³⁾	4.78%	2.97%
Management expense ratio before waivers or absorptions ⁽⁴⁾	4.78%	2.97%
Trading expense ratio ⁽⁵⁾	0.66%	0.14%
Portfolio turnover rate ⁽⁶⁾	351.03%	296.11%
Net asset value per unit, end of year ⁽²⁾	\$ 11.98	\$ 9.30

Class I

Year ⁽¹⁾	2012	2011
Net asset value ⁽²⁾ (000's)	\$ 256	\$ 570
Number of units outstanding	26,663	78,136
Management expense ratio ⁽³⁾	1.37%	1.42%
Management expense ratio before waivers or absorptions ⁽⁴⁾	1.37%	1.42%
Trading expense ratio ⁽⁵⁾	0.66%	0.14%
Portfolio turnover rate ⁽⁶⁾	351.03%	296.11%
Net asset value per unit, end of year ⁽²⁾	\$ 9.60	\$ 7.29

(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
Management fees	2.25%	1.00%	1.50%	0%
As a % of management fees:				
Dealer Compensation	44.4	0	0	0
Investment advisory and management services	55.6	100	100	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

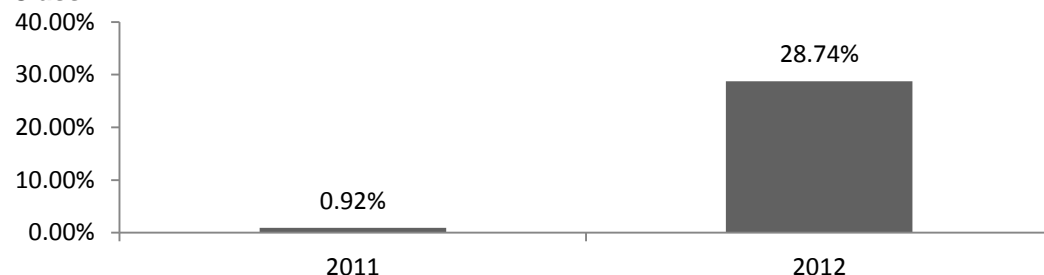
The performance information shown assumes that all distributions made by the investment fund in the periods shown were reinvested in additional securities of the investment fund. The performance

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

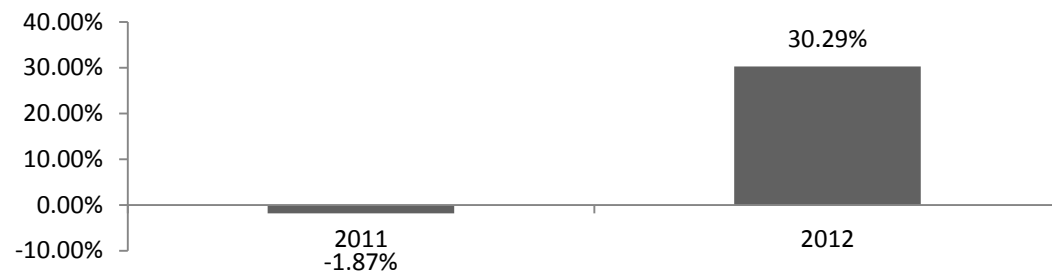
The following bar charts show the performance for each of the years shown, and illustrate how a class' performance has changed from year to year. In percentage terms, the bar chart shows how much an investment made on the first day of each financial year would have grown or decreased by the last day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

Class B



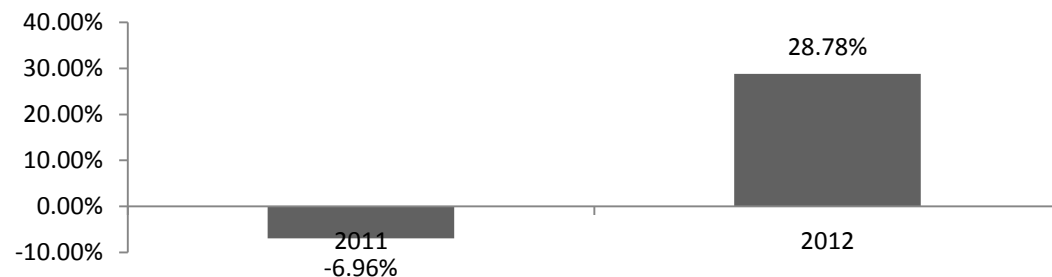
« 2011 » represents the return from the initial subscription of the Class on October 5, 2011 to December 31, 2011. « 2012 » represents the return from December 31, 2011 to December 31, 2012.

Class F



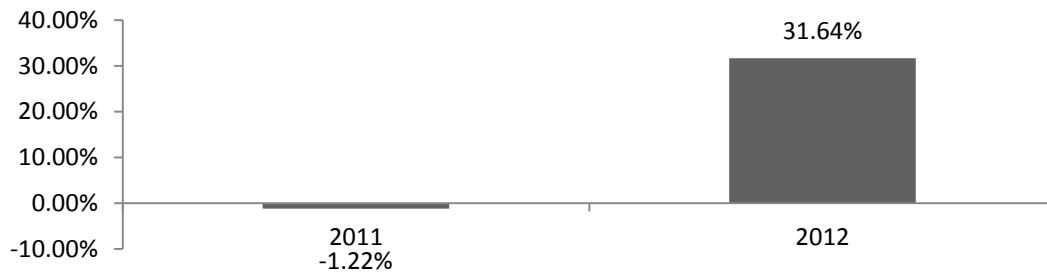
« 2011 » represents the return from the creation of the Class on April 5, 2011 to December 31, 2011. « 2012 » represents the return from December 31, 2011 to December 31, 2012.

Class G



« 2011 » represents the return from the initial subscription of the Class on October 28, 2011 to December 31, 2011. « 2012 » represents the return from December 31, 2011 to December 31, 2012.

Class I



« 2011 » represents the return from the creation of the Class on April 5, 2011 to December 31, 2011.
 « 2012 » represents the return 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
US Momentum Fund Class B*	28.74%	N/A
US Momentum Fund Class F	30.29%	6.06%
US Momentum Fund Class G*	28.78%	N/A
US Momentum Fund Class I	31.64%	7.13%
S&P100 Total Return Index	16.08%	7.41%

*Classes B and G did not hold any asset on the inception date.

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	99.3%
Global Equities	0.8%
Cash and Cash Equivalents	0.4%
Net Other Assets	-0.5%

Sector Mix	% of net asset value
Consumer Discretionary	31.0%
Health Care	17.8%
Financials	16.9%
Energy	8.4%
Information Technology	5.9%
Telecommunications Services	5.7%
Exchange Traded Notes	4.6%
Consumer Staples	3.5%
Materials	2.0%
Industrials	1.6%
Utilities	1.6%
Exchange Traded Funds	1.1%
Cash and Cash Equivalents	0.4%
Net Other Assets	-0.5%

Top Holdings	% of net asset value
1. Virgin Media Inc.	4.8%
2. Whirlpool Corp.	4.7%
3. Amgen Inc.	4.5%
4. Marathon Petroleum Corp.	3.6%
5. Tesoro Corp.	3.6%
6. Crown Castle International Corp.	3.3%
7. PulteGroup Inc.	3.2%
8. Yahoo! Inc.	3.1%
9. Home Depot Inc.	3.1%
10. Gilead Sciences Inc.	3.1%
11. Mylan Inc.	3.1%
12. Sirius XM Radio Inc.	3.1%
13. Comcast Corp., Class 'A'	3.0%
14. Watson Pharmaceuticals Inc.	2.9%
15. Allstate Corp. (The)	2.8%
16. iPath S&P 500 VIX Mid-Term Futures	2.4%
17. iPath S&P 500 VIX Short-Term Futures	2.2%
18. Time Warner Inc.	1.6%
19. PPG Industries Inc.	1.6%
20. Sprint Nextel Corp.	1.6%
21. M&T Bank Corp.	1.6%
22. NRG Energy Inc.	1.6%
23. Tenet Healthcare Corp.	1.5%
24. Constellation Brands Inc., Class 'A'	1.5%
25. DaVita HealthCare Partners Inc.	1.5%
	69.0%

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 materials about those investment funds are available on the internet at www.sedar.com