

Financial Statements of

LANDRY PRIVATE FUNDS

Year ended December 31, 2017

LANDRY PRIVATE FUNDS

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LANDRY PRIVATE FUNDS

Directory

Year ended December 31, 2017

Investment Fund Manager

Landry Investment Management Inc.
1800 McGill College, Suite 1430
Montréal, Québec H3A 3J6
Tel.: 514-985-1138
Fax: 514-282-1123
www.landryinvest.com

Portfolio Managers

Landry Investment Management Inc.
1800 McGill College, Suite 1430
Montréal, Québec H3A 3J6
Tel.: 514-985-1138
Fax: 514-282-1123
www.landryinvest.com

Razorbill Advisors Inc.
4141 Sherbrooke West Street, Suite 420
Westmount, Québec H3Z 1B8
Tel.: 514-508-8526
www.razorbilladvisors.com

Custodians

J.P. Morgan Securities LLC
277 Park Avenue
New York, New York 10172
Tel.: 212-270-6000
www.jpmorgansecurities.com

RBC Prime Brokerage
Royal Bank Plaza
200 Bay Street
Toronto, Ontario M5J 2W7
Tel.: 416-842-2000
www.rbccm.com

CIBC Mellon Trust Company
320 Bay Street
Toronto, Ontario M5H 4A6
Tel.: 416-643-5500
Fax: 416-643-5501
www.cibcmellon.com

Transfer Agent, Registrar and Valuation Agent

CIBC Mellon Global Securities Services Company
320 Bay Street
Toronto, Ontario M5H 4A6
Tel.: 416-643-5500
Fax: 416-643-5501
www.cibcmellon.com

LANDRY PRIVATE FUNDS

Directory (continued)

Year ended December 31, 2017

Trustee

Computershare Trust Company of Canada
1500 Robert-Bourassa Boulevard, 7th Floor
Montréal, Québec H3A 3S8
Tel.: 514-982-7888
Fax: 514-982-7635
www.computershare.com

Auditors

KPMG LLP
KPMG Tower
600 de Maisonneuve West Boulevard, Suite 1500
Montréal, Québec H3A 0A3
Tel.: 514-840-2100
Fax: 514-840-2187
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MANAGER'S RESPONSIBILITY FOR FINANCIAL REPORTING

The following financial statements have been prepared by the Manager, Landry Investment Management Inc. The Manager is responsible for the integrity, objectivity and reliability of the data and declaration presented.

The Manager has taken all necessary measures to ensure that the financial information conveyed is relevant and reliable. The financial statements were prepared in accordance with International Financial Reporting Standards (as described in Notes 2 and 3) using information available and include certain amounts that are based on the Manager's best estimates and judgment.

Approved on behalf of Landry Investment Management Inc.

A handwritten signature in blue ink, appearing to read "J. Landry", with a stylized flourish at the end.

Jean-Luc Landry

President & Chief Executive Officer



KPMG LLP
600 de Maisonneuve Blvd. West
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INDEPENDENT AUDITORS' REPORT

To the Unitholders of

Landry Global Equity Long/Short Fund
Landry Adaptive Value Long/Short Fund
Landry Razorbill Income Plus Fund
(collectively the "Funds")

We have audited the accompanying financial statements of the Funds, which comprise the statements of financial position as at December 31, 2017, the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2017, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

*KPMG LLP**

March 27, 2018

Montréal, Canada

LANDRY GLOBAL EQUITY LONG/SHORT FUND

Statement of Financial Position
(In Canadian dollars)

December 31, 2017, with comparative information for 2016

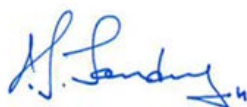
	2017	2016
Assets		
Current assets:		
Investments	\$ 10,179,422	\$ 11,633,778
Cash equivalents	10,146,772	10,986,250
Amounts receivable relating to units issued	-	30,000
Amounts receivable relating to portfolio assets sold	-	4,235,623
Amounts receivable relating to accrued dividends	5,968	9,014
Amounts receivable relating to accrued interest	31,523	4,349
Prepaid expenses	34,308	6,578
	20,397,593	26,905,592
Liabilities		
Current liabilities:		
Bank overdraft	-	2,356,514
Investments sold short	9,128,508	10,892,533
Accrued expenses	48,637	23,536
Accrued management fees	7,149	7,471
Amounts payable for portfolio assets purchased	-	1,166,209
	9,184,294	14,446,263
Net assets attributable to holders of redeemable units	\$ 11,213,299	\$ 12,459,329

	2017		2016	
	Number of units issued and outstanding (note 7)	Net assets attributable to holders of redeemable units	Number of units issued and outstanding (note 7)	Net assets attributable to holders of redeemable units
Class A	4,055	\$ 28,005	4,055	\$ 27,335
Class F	702,949	7,105,368	779,083	7,597,715
Class I	451,744	3,528,368	570,897	4,253,524
Class J	50,587	551,958	55,797	580,755

	2017	2016
Net assets attributable to holders of redeemable units per unit:		
Class A	\$ 6.91	\$ 6.74
Class F	10.11	9.75
Class I	7.81	7.45
Class J	10.91	10.41

The accompanying notes are an integral part of these financial statements.

Approved on behalf of Landry Investment Management Inc.:



Jean-Luc Landry
President & Chief Executive Officer



Benoit Perraton Brillion, CFA
Chief Investment Officer & Director

LANDRY GLOBAL EQUITY LONG/SHORT FUND

Statement of Comprehensive Income
(In Canadian dollars)

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Revenue:		
Dividend revenue	\$ (39,185)	\$ 22,244
Interest revenue	501,229	294,424
Foreign exchange (loss) gain	(105,507)	3,884
Net realized gain (loss) on investments	1,450,968	(85,485)
Net unrealized (loss) gain on investments	(424,630)	10,768
Total revenue	1,382,875	245,835
Expenses:		
Management fees (note 11)	83,797	90,791
Safekeeping fees	11,897	38,839
Administrative fees (note 8)	88,227	125,589
Transaction costs	64,558	185,268
Short borrow fees	8,724	75,114
Interest fees	611,010	394,250
Foreign withholding taxes	33,831	39,377
Total operating expenses	902,044	949,228
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 480,831	\$ (703,393)
Increase (decrease) in net assets attributable to holders of redeemable units:		
Class A	\$ 670	\$ 410
Class F	256,397	177,466
Class H	-	(1,080,923)
Class I	198,362	173,497
Class J	25,402	26,157
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class A	\$ 0.17	\$ 0.10
Class F	0.35	0.21
Class H	-	(0.54)
Class I	0.36	0.29
Class J	0.51	0.40

The accompanying notes are an integral part of these financial statements.

LANDRY GLOBAL EQUITY LONG/SHORT FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(In Canadian dollars)

Year ended December 31, 2017, with comparative information for 2016

2017		Class A	Class F	Class I	Class J	Total
Balance, beginning of year	\$	27,335	\$ 7,597,715	\$ 4,253,524	\$ 580,755	\$ 12,459,329
Increase in net assets attributable to holders of redeemable units		670	256,397	198,362	25,402	480,831
Redeemable unit transactions:						
Issue of redeemable units		-	102,999	407,712	145,801	656,512
Redemption of redeemable units		-	(851,743)	(1,331,230)	(200,000)	(2,382,973)
Net decrease from redeemable unit transactions		-	(748,744)	(923,518)	(54,199)	(1,726,461)
Balance, end of year	\$	28,005	\$ 7,105,368	\$ 3,528,368	\$ 551,958	\$ 11,213,699

2016		Class A	Class F	Class H	Class I	Class J	Total
Balance, beginning of year	\$	26,925	\$ 8,914,989	\$ 20,658,611	\$ 4,308,832	\$ 662,932	\$ 34,572,289
Increase (decrease) in net assets attributable to holders of redeemable units		410	177,466	(1,080,923)	173,497	26,157	(703,393)
Redeemable unit transactions:							
Issue of redeemable units		-	405,400	-	436,000	34,000	875,400
Redemption of redeemable units		-	(1,842,474)	(19,577,688)	(664,805)	(200,000)	(22,284,967)
Net decrease from redeemable unit transactions		-	(1,437,074)	(19,577,688)	(228,805)	(166,000)	(21,409,567)
Net transfer of units from (to) other units		-	(57,666)	-	-	57,666	-
Balance, end of year	\$	27,335	\$ 7,597,715	\$ -	\$ 4,253,524	\$ 580,755	\$ 12,459,329

The accompanying notes are an integral part of these financial statements.

LANDRY GLOBAL EQUITY LONG/SHORT FUND

Statement of Cash Flows
(In Canadian dollars)

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 480,831	\$ (703,393)
Adjustments for:		
Foreign exchange loss (gain)	105,507	(3,884)
Net realized gain (loss) from investments	(1,427,537)	85,485
Net unrealized loss (gain) from investments	454,300	(10,768)
Dividend revenue	39,185	(22,244)
Interest revenue	(501,229)	(294,424)
Interest fees	611,010	394,250
Prepaid expenses	(27,730)	2,593
Accrued expenses	25,101	(37,372)
Accounts receivable relating to portfolio assets sold	4,235,623	-
Liabilities for portfolio assets sold	(1,166,209)	-
Management fees accrued	(322)	(1,934)
Net proceeds from sale of investment assets and liabilities	30,217,832	82,409,108
Net purchases of investment assets and liabilities	(29,554,264)	(80,426,367)
Dividends received	(36,139)	30,482
Interest received	474,055	307,533
Interest paid	(611,010)	(394,250)
	3,319,004	1,334,815
Financing activities:		
Proceeds from issuance of redeemable units	686,512	845,400
Payments on redemption of redeemable units	(2,382,973)	(22,284,967)
	(1,696,461)	(21,439,567)
Net increase (decrease) in cash and cash equivalents	1,622,543	(20,104,752)
Cash and cash equivalents, beginning of year	8,629,736	28,730,604
Foreign exchange (loss) gain on cash and cash equivalents	(105,507)	3,884
Cash and cash equivalents, end of year	\$ 10,146,772	\$ 8,629,736
Cash and cash equivalents are comprised of:		
Bank overdraft	\$ -	\$ (2,356,514)
Cash equivalents	10,146,772	10,986,250
	\$ 10,146,772	\$ 8,629,736

The accompanying notes are an integral part of these financial statements.

LANDRY GLOBAL EQUITY LONG/SHORT FUND

Schedule of Investment Portfolio
(In Canadian dollars)

December 31, 2017

Shares/units	Description	Average cost	Fair value
U.S. equities (net -49.9%)			
Long Positions (+29.5%)			
1,600	AbbVie Inc.	\$ 170,881	\$ 193,876
1,000	Afiac Inc.	108,684	109,984
300	Align Technologie.	91,042	83,518
1,200	Allstate Corp (The)	138,700	157,436
900	Anadarko Petroleum Corp.	77,698	60,487
100	Anthem Inc.	24,411	28,193
700	Apache Corp.	39,948	37,030
4,500	Bank of America Corp.	126,320	166,442
200	BlackRock Inc.	133,192	128,731
600	Boeing Co. (The)	149,354	221,705
300	Caterpillar Inc.	55,433	59,232
700	Chevron Corp.	99,903	109,800
1,300	Citigroup Inc.	112,256	121,202
500	CVS Health Corp.	46,608	45,419
1,700	Devon energy Corp.	97,389	88,183
600	Dollar tree Inc.	82,498	80,672
1,200	Fifth Third Bancorp	47,234	45,617
800	Gap Inc. (The)	34,985	34,140
800	Gilead Sciences Inc.	81,332	71,809
2,600	HP Inc.	52,325	68,444
700	INC Research Holdings Inc., Class 'A'	37,433	38,240
1,400	Intel Corp	78,268	80,971
200	Intuitive Surgical Inc.	82,930	91,450
1,000	JPMorgan Chase & Co.	107,840	133,990
1,000	Kroger Co. (The)	34,128	34,393
1,000	Lincoln National Corp.	69,708	96,314
300	Marriot International Inc., Class 'A'	49,740	51,019
700	MasterCard Inc., Class 'A'	138,016	132,753
300	McKesson Corp.	55,540	58,619
1,100	Microsoft Corp.	121,219	117,895
1,400	Monster Beverage Corp.	113,733	111,019
700	Newell Brands Inc.	28,219	27,101
2,500	PayPal Holdings Inc.	190,501	230,605
600	Principal Financial group Inc.	54,905	53,045
200	UnitedHealth Group Inc.	57,191	55,245
1,200	Unum Group	59,356	82,529
		3,048,920	3,307,108
Short Positions (-79.4%)			
(9,200)	IShares MSCI Australia ETF	(269,951)	(267,084)
(8,100)	IShares MSCI Austria Capped ETF	(246,111)	(250,069)
(29,200)	IShares Canada ETF	(1,007,241)	(1,084,413)
(41,600)	IShares MSCI EAFE ETF	(3,447,379)	(3,664,748)
(8,100)	IShares MSCI United Kingdom ETF	(350,749)	(363,533)
(6,100)	IShares S&P 100 ETF	(679,296)	(906,765)
(4,600)	PowerShares QQQ Trust, Series 1	(580,865)	(897,734)
(4,400)	SPDR S&P 500 ETF Trust	(1,263,054)	(1,471,194)
		(7,844,646)	(8,905,540)
	Balance carried forward	(4,795,726)	(5,598,432)

LANDRY GLOBAL EQUITY LONG/SHORT FUND

Schedule of Investment Portfolio (continued)
(In Canadian dollars)

December 31, 2017

Shares/units	Description	Average cost	Fair value
	Balance brought forward	\$ (4,795,726)	\$ (5,598,432)
	Austrian equities (net +5.5%)		
	Long Positions (-5.5%)		
(1,500)	CA Immobilien Anlagen AG	53,106	58,237
(600)	Erste Group Bank	27,794	32,593
(2,000)	OMV AG	103,922	158,970
(2,100)	Raiffeisen Bank International AG	89,621	95,418
(13,000)	Telekom Austria AG	123,916	151,172
(1,500)	Verbund AG	46,101	45,464
(1,000)	Voestapine AG	72,882	74,994
		517,342	616,848
	United Kingdom equities (net +9.6%)		
	Long Positions (+9.6%)		
2,300	3i Group PLC	34,761	35,611
2,000	Anglo American PLC	40,043	52,526
12,000	Barclays	41,516	41,309
500	Berkeley Group Holdings PLC	35,368	35,568
2,000	BHP Billiton PLC	44,901	51,611
200	Carnival PLC	16,901	16,583
4,400	Evraz PLC	23,576	25,356
1,800	HSBC Holdings PLC	23,504	23,397
1,100	Intertek Group PLC	93,271	96,763
7,700	Jupiter Fund Management PLC	79,793	82,025
3,400	Just-Eat Holding Ltd.	45,934	45,007
900	London Stock Exchange Group PLC	56,682	57,860
1,900	NMC Health PLC	70,222	92,907
900	Renishaw PLC	67,310	79,704
14,600	Rentokil Initial PLC	75,811	78,692
800	Rio Tinto PLC, Registered	42,426	53,451
5,800	Royal Bank of Scotland Group PLC	21,788	27,329
6,200	Sophos Group PLC	57,918	59,899
8,200	SSP Group PLC	76,293	94,926
5,900	Vodafone Group PLC	23,667	23,500
		971,685	1,074,024
	France equities (net +4.7%)		
	Long Positions (+6.7%)		
400	Aéroports de Paris	86,546	95,388
3,700	Sir France-KLM	71,341	75,597
1,000	AXA SA	30,565	37,215
400	BNP Paribas SA	31,237	37,463
1,600	Crédit Agricole SA	24,051	33,220
1,100	Engie	22,897	23,724
1,000	Eurazeo SA	107,128	115,851
200	Kering	90,815	118,257
1,800	Natixis SA	14,842	17,863
1,000	Neopost SA	35,937	36,109
400	Publicis Groupe	34,994	34,093
300	Societe Generale SA	19,813	19,431
1,000	Total SA	66,369	69,277
600	Worldline SA	35,712	36,714
		672,247	750,202
	Balance carried forward	(2,634,452)	(3,157,358)

LANDRY GLOBAL EQUITY LONG/SHORT FUND

Schedule of Investment Portfolio (continued)
(In Canadian dollars)

December 31, 2017

Shares/units	Description	Average cost	Fair value
	Balance brought forward	\$ (2,634,452)	\$ (3,157,358)
	France equities (net +4.7%) (continued)		
(5,700)	Short Positions (-2.0%) iShares MSCI France ETF	(178,957)	(222,968)
		(178,957)	(222,968)
		493,290	527,235
	Swiss equities (-0.4%)		
100	Long Positions (+0.4%) Swiss Life Holding AG, Registered	43,634	44,358
		43,634	44,358
	Luxembourg equities (net +0.2%)		
600	Long Positions (+0.2%) ArcelorMittal SA.	17,516	24,477
		17,516	24,477
	Australian equities (net +4.4%)		
	Long Positions (+4.4%)		
700	Blackmores Ltd.	117,085	116,051
4,500	carsales.com Ltd.	60,696	63,901
1,400	CIMIC Group Ltd.	68,505	70,589
300	Cochlear Ltd.	50,554	50,341
1,300	Flight Centre Travel Group Ltd.	60,950	56,361
7,900	Origin Energy Ltd.	71,628	72,929
13,400	Qantas Airway Ltd.	76,945	66,185
		506,363	496,357
	Ireland equities (net +1.4%)		
	Long Positions (+1.4%)		
300	Allergan PLC	81,973	61,487
1,200	Mallinckrodt PLC	37,337	33,920
900	Shire PLC	58,165	59,492
		177,475	154,899
	Spain equities (net +0.8%)		
	Long Positions (net +0.8%)		
600	ACS Actividades de Construcción y Servicios SA	29,235	29,447
9,000	Banco de Sabadell SA	22,683	22,424
1,500	Repsol SA	33,962	33,277
1,500	Repsol SA, Rights	869	855
		86,749	86,003
	Netherlands equities (net +0.9%)		
	Long Positions (net +0.9%)		
300	LyondellBasell Industries NV, Class 'A'	41,363	41,468
1,400	Royal Dutch Shell PLC, Class 'A'	58,596	58,704
		99,959	100,172
	Balance carried forward	(1,209,466)	(1,723,857)

LANDRY GLOBAL EQUITY LONG/SHORT FUND

Schedule of Investment Portfolio (continued)
(In Canadian dollars)

December 31, 2017

Shares/units	Security	Average cost	Fair value
	Balance brought forward	\$ (1,209,466)	\$ (1,723,857)
	Japan equities (net +9.7%)		
	Long Positions (net +9.7%)		
1,400	Asahi Group Holdings Ltd.	91,338	87,045
4,600	Chiba Bank Ltd.	41,866	47,991
1,300	COMSYS Holding Corp.	45,197	47,209
3,200	Concordia Financial Group Ltd.	24,919	24,203
2,900	Haseko Corp.	47,311	56,479
3,000	Hitachi Ltd.	25,488	29,293
2,000	IShares MSCI Japan ETF	138,208	150,180
600	KDDI Corp.	22,016	18,716
3,900	Mitsubishi UFJ Financial Group Inc.	36,635	35,847
1,800	Nikon Inc.	47,303	45,447
500	Nippon Telegraph & Telephone Corp.	32,442	29,480
3,700	Shizuoka Bank Ltd. (The)	46,019	47,902
1,200	Showa Denko K.K.	46,355	64,266
700	Sumitomo Mitsui Financial Group Inc.	35,694	37,901
600	Taisei Corp.	36,810	37,438
200	TDK Corp.	20,306	19,998
1,000	Teijin Ltd.	25,065	27,917
6,000	Tokai Carbon Co. Ltd.	69,633	93,095
1,600	Tosoh Corp.	33,130	45,451
2,600	YASKAWA Electric Corp.	97,085	143,580
		962,820	1,089,438
	German equities (net +7.0%)		
	Long Positions (net +7.0%)		
400	Aareal Bank AG.	22,925	22,738
4,100	Aixton AG	49,324	71,433
100	Allianz AG, Registered.	22,363	28,812
200	Aurubis AG	21,627	23,411
600	Axel Springer SE	61,299	58,919
500	Bechtle AG	53,593	52,298
1,300	CECONOMY AG	22,623	24,654
400	Covestro AG	31,079	51,774
1,400	Deutsche Bank AG, Registered	34,914	33,438
900	Deutsche Lufthansa AG	19,524	41,598
1,200	E.ON.SE	17,014	16,359
700	RWE AG, Class 'A'	21,645	17,904
600	Salzgitter AG	33,716	42,965
900	Talanx AG	39,891	45,951
300	Wacker Chemie AG	68,163	74,092
1,300	Wirecard AG	140,977	182,037
		660,677	788,383
	Balance carried forward	414,031	153,964

LANDRY GLOBAL EQUITY LONG/SHORT FUND

Schedule of Investment Portfolio (continued)
(In Canadian dollars)

December 31, 2017

Shares/units	Security	Average cost	Fair value
	Balance brought forward	\$ 414,031	\$ 153,964
	Canadian equities (net +13.3%)		
	Long Positions (+13.3%)		
4,200	Air Canada	71,878	108,696
11,700	Baytex energy Corp.	45,845	44,109
900	Canadian Imperial Bank of Commerce	99,393	110,286
1,500	Canfor Corp.	29,215	37,170
5,900	Canopy Growth Corp.	117,213	175,466
2,900	Cenovus Energy Inc.	35,262	33,292
1,200	Cogeco Communications Inc.	102,802	103,776
5,000	Crescent Point energy Corp.	70,431	47,900
500	Dollorama	78,451	78,525
7,600	Enerplus Corp.	91,087	93,556
5,000	Husky Energy Inc.	81,270	88,750
4,700	IAMGOLD Corp.	34,118	34,451
1,900	Kirkland Lake Gold Ltd.	31,738	36,613
3,000	Manulife Financial Corp	80,675	78,660
1,300	National Bank of Canada	83,185	81,536
4,200	Quebecor Inc., Class 'A'	101,522	99,540
1,000	Shopify Inc., Class 'A'	137,215	127,110
1,900	Stars Group Inc. (The)	57,825	55,575
1,600	Teck Resources Ltd., Class 'B'	44,977	52,592
		1,394,102	1,487,603
	Italian equities (net +0.9%)		
	Long Positions (+0.9%)		
1,000	Assicurazioni Generali SPA	23,345	22,869
2,400	Mediobanca SPA	34,776	34,159
40,500	Telecom SPA	45,342	43,903
		103,463	100,931
	Belgium equities (net +0.2%)		
	Long Positions (+0.2%)		
200	KBC Group NV.	21,700	21,398
		21,700	21,398
	Bermuda equities (net +0.3%)		
	Long Positions (+0.3%)		
1,000	Hiscox Ltd.	31,623	37,221
		31,623	37,221
	Total long positions	9,316,275	10,179,422
	Total short positions	(8,023,603)	(9,128,508)
	Transaction costs	(30,405)	-
	Total investment portfolio (9.4%)	\$ <u>1,262,267</u>	\$ 1,050,914
	Cash and cash equivalents (90.5%)		10,146,772
	Other assets less liabilities (0.1%)		16,013
	Net assets attributable to holders of redeemable units at fair value (100.0%)		\$ 11,213,699

The accompanying notes are an integral part of these financial statements.

LANDRY GLOBAL EQUITY LONG/SHORT FUND

Fair Value of Financial Instruments
(In Canadian dollars)

The following is a summary of the inputs used as of December 31, 2017 and 2016 in valuing the fund's investments carried at fair value:

	2017	2016
	Level 1 quoted prices in active markets for identical assets	Level 1 quoted prices in active markets for identical assets
Investments:		
Equities	\$ 10,029,242	\$ 11,161,428
Exchange traded funds	150,180	472,350
Total investments	10,179,422	11,633,778
Investments sold short:		
Exchange traded funds	(9,128,508)	(10,892,533)
Total investments sold short	(9,128,508)	(10,892,533)
Total investments, net	\$ 1,050,914	\$ 741,245

There were no significant transfers made between Levels 1 and 2 as a result of changes in the availability of quoted market prices or observable market inputs during the years presented. In addition, there were no investments or transactions classified in Level 3 for the years ended December 31, 2017 and 2016.

The accompanying notes are an integral part of these financial statements.

LANDRY ADAPTIVE VALUE LONG/SHORT FUND

Statement of Financial Position
(In Canadian dollars)

December 31, 2017, with comparative information for 2016

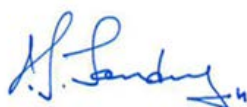
	2017	2016
Assets		
Current assets:		
Investments	\$ 4,897,760	\$ 4,457,939
Cash equivalents	1,391,925	1,398,250
Amounts receivable relating to accrued dividends	11,313	9,189
Amounts receivable relating to accrued interest	4,585	554
Prepaid expenses	1,920	1,243
	6,307,503	5,867,175
Liabilities		
Current liabilities:		
Bank overdraft	-	80,481
Investments sold short	1,567,335	1,279,160
Accrued expenses	4,710	4,469
Accrued management fees	7,360	6,143
	1,579,405	1,370,253
Net assets attributable to holders of redeemable units	\$ 4,728,098	\$ 4,496,922

	2017		2016	
	Number of units issued and outstanding (note 7)	Net assets attributable to holders of redeemable units	Number of units issued and outstanding (note 7)	Net assets attributable to holders of redeemable units
Class F	355,632	\$ 3,970,641	343,995	\$ 3,795,216
Class I	63,732	757,457	60,569	701,706

	2017	2016
Net assets attributable to holders of redeemable units per unit:		
Class F	\$ 11.17	\$ 11.03
Class I	11.89	11.59

The accompanying notes are an integral part of these financial statements.

Approved on behalf of Landry Investment Management Inc.:



Jean-Luc Landry
President & Chief Executive Officer



Benoit Perraton Brillon, CFA
Chief Investment Officer & Director

LANDRY ADAPTIVE VALUE LONG/SHORT FUND

Statement of Comprehensive Income
(In Canadian dollars)

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Revenue:		
Dividend revenue	\$ 64,661	\$ 58,325
Interest revenue	9,324	5,310
Foreign exchange gain (loss)	5,128	(747)
Net realized gain on investments	110,926	174,578
Net unrealized gain on investments	338	455,220
Total revenue	190,377	692,686
Expenses:		
Management fees (note 11)	67,654	61,005
Performance fees (note 11)	2,314	2,611
Safekeeping fees	-	135
Administrative fees (note 8)	41,619	35,964
Other fees	1,418	847
Short borrow fees	9,600	9,187
Transaction costs	8,598	10,290
Foreign withholding taxes	186	274
Total operating expenses	131,389	120,313
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 58,988	\$ 572,373
Increase (decrease) in net assets attributable to holders of redeemable units:		
Class F	\$ 40,036	\$ 482,507
Class I	18,952	89,866
Increase (decrease) in net assets attributable to holders of redeemable units per unit:		
Class F	\$ 0.11	\$ 1.39
Class I	0.30	1.56

The accompanying notes are an integral part of these financial statements.

LANDRY ADAPTIVE VALUE LONG/SHORT FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(In Canadian dollars)

Year ended December 31, 2017, with comparative information for 2016

2017	Class F	Class I	Total
Balance, beginning of year	\$ 3,795,216	\$ 701,706	\$ 4,496,922
Increase in net assets attributable to holders of redeemable units	40,036	18,952	58,988
Proceeds from the issuance of units of the investment fund	260,600	36,799	297,399
Redeemable unit transactions: Redemption of redeemable units	(125,211)	–	(125,211)
Balance, end of year	\$ 3,970,641	\$ 757,457	\$ 4,728,098

2016	Class F	Class I	Total
Balance, beginning of year	\$ 3,458,617	\$ 513,163	\$ 3,971,780
Increase in net assets attributable to holders of redeemable units	482,507	89,866	572,373
Proceeds from the issuance of units of the investment fund	45,499	98,677	144,176
Redeemable unit transactions: Redemption of redeemable units	(191,407)	–	(191,407)
Balance, end of year	\$ 3,795,216	\$ 701,706	\$ 4,496,922

The accompanying notes are an integral part of these financial statements.

LANDRY ADAPTIVE VALUE LONG/SHORT FUND

Statement of Cash Flows
(In Canadian dollars)

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 58,988	\$ 572,373
Adjustments for:		
Foreign exchange (gain) loss	(5,128)	747
Net realized gain from investments and derivatives	(110,926)	(174,578)
Net change in unrealized gain from investments	(338)	(455,220)
Dividend revenue	(64,661)	(58,325)
Interest revenue	(9,324)	(5,310)
Prepaid expenses	(677)	(145)
Accrued expenses	241	(11,401)
Accrued management fees	1,217	1,042
Dividends received	62,537	61,544
Interest received	5,293	5,192
Net proceeds from sale of investment assets and liabilities	3,209,874	4,269,217
Net purchase of investment assets and liabilities	(3,250,256)	(3,603,625)
	(103,160)	601,511
Financing activities:		
Proceeds from issuance of redeemable units	297,399	144,176
Payments on redemption of redeemable units	(125,211)	(191,407)
	172,188	(47,231)
Net increase in cash and cash equivalents	69,028	554,280
Cash and cash equivalents, beginning of year	1,317,769	764,236
Foreign exchange gain (loss) on cash and cash equivalents	5,128	(747)
Cash and cash equivalents, end of year	\$ 1,391,925	\$ 1,317,769
Cash and equivalents are comprised of:		
Bank overdraft	\$ —	\$ (80,481)
Cash equivalents	1,391,925	1,398,250
	\$ 1,391,925	\$ 1,317,769

The accompanying notes are an integral part of these financial statements.

LANDRY ADAPTIVE VALUE LONG/SHORT FUND

Schedule of Investment Portfolio
(In Canadian dollars)

December 31, 2017

Shares/units	Security	Average cost	Fair value
Canadian equities (net +67.6%)			
Long Positions (+100.7%)			
Financial Services (+32.7%)			
800	Allied Properties REIT	\$ 33,429	\$ 33,664
1,000	Bank of Montréal	78,961	100,590
3,700	Bank of Nova Scotia	238,157	300,144
1,100	Canadian Imperial Bank of Commerce	111,966	134,794
1,100	Canadian Western Bank	37,655	43,175
400	FirstService Corp.	33,258	35,172
1,000	Granite REIT, Stapled Units	50,480	49,250
1,100	IGM Financial Inc.	48,731	48,565
500	Industrial Alliance Insurance and Financial Services Inc.	29,934	29,910
500	Intact Financial Corp.	50,346	52,495
2,200	Labrador Iron One Royalty Corp.	46,938	59,840
4,700	Manulife Financial Corp.	102,032	123,234
1,300	National Bank of Canada	68,528	81,536
3,400	Royal Bank of Canada	257,790	349,010
1,400	Toronto-Dominion Bank (The)	88,980	103,110
		1,277,185	1,544,489
Energy (+18.9%)			
10100	Baytex Energy Corp.	34,634	33,553
11,100	Bonavista Energy Corp.	49,294	30,600
4,100	Canadian Natural Resources Ltd.	109,564	157,220
3,100	Cenovus Energy Inc.	91,737	63,140
3,700	Crescent Point Energy Corp.	89,069	57,480
4,700	Encana Corp.	35,554	46,956
1,900	Enerplus Corp.	61,867	65,243
7,100	Gran Tierra Energy Inc.	26,331	28,985
4,100	Husky Energy Inc.	90,744	104,725
1,700	Raging River Exploration Inc.	22,617	22,400
6,100	Suncor Energy Inc.	199,912	258,440
1,400	Vermillion Energy Inc.	24,207	22,840
		832,530	891,582
Industrials (+12.5%)			
3,900	Air Canada	77,393	100,932
2,400	CAE Inc.	47,058	56,040
1,700	Canadian National Railway Co.	133,283	176,205
300	Canadian Pacific Railway Ltd.	58,371	68,898
600	Toromont Industries Ltd.	33,618	33,060
1,800	Transcontinental Inc., Class 'A'	50,515	44,712
500	Waste Connections Inc.	41,195	44,580
1,400	WestJet Airlines Ltd.	37,588	36,904
500	WSP Global Inc.	26,187	29,955
		505,208	591,286
Balance carried forward		2,614,923	3,027,357

LANDRY ADAPTIVE VALUE LONG/SHORT FUND

Schedule of Investment Portfolio (continued)
(In Canadian dollars)

December 31, 2017

Shares/units	Security	Average cost	Fair value
	Balance brought forward	\$ 2,614,923	\$ 3,027,357
	Canadian equities (net +67.6%)		
	Long Positions (+100.7%)		
	Materials (+13.8%)		
3,000	Canfor Corp.	64,186	74,340
800	CCL Industries Inc., Class 'B'	19,815	46,464
6,200	Hudbay Minerals Inc.	56,324	69,006
5,800	IAMGOLD Corp.	29,761	42,514
5,900	Ivanhoe Mines Ltd., Class 'A'	24,657	25,016
6,100	Kinross Gold Corp.	32,798	33,062
3,900	Kirkland Lake Gold Ltd.	64,900	75,153
4,700	Lundin Mining Corp.	28,233	39,292
500	Methanex Corp.	30,834	38,080
800	Norbord	36,350	34,040
3,000	Teck Resources Ltd., Class 'B'	27,744	98,610
1,000	West Fraser Timber Co. Ltd.	63,146	77,570
		478,748	653,147
	Information technology (+6.8%)		
2,300	BlackBerry Ltd.	29,921	32,292
2,400	Celestica Inc.	33,399	31,632
900	CGI Group Inc., Class 'A'	45,262	61,470
100	Constellation Software Inc.	69,309	76,202
700	Descartes Systems Group Inc. (The)	26,619	25,018
500	Shopify Inc., Class 'A'	73,875	63,555
1,000	Stars Group Inc.	28,024	29,250
		306,409	319,419
	Consumer discretionary (+9.4%)		
1,400	Cogeco Communications Inc.	111,067	121,072
600	Dollarama Inc.	74,516	94,230
700	Linamar Corp.	46,455	51,247
700	Magna International Inc.	40,781	49,868
3,800	Québecor Inc., Class 'B'	78,084	90,060
500	Restaurant Brands Holdings Corp.	39,170	38,635
		390,073	445,112
	Consumer Staples (+2.8%)		
300	George Weston Ltd.	31,787	32,748
700	Maple Leaf Foods Inc.	23,483	25,074
	Premium Brands Holdings Corp.	65,510	72,212
		120,780	130,034
	Utilities (+1.0%)		
1,600	Algonquin Power & Utilities Corp.	22,567	22,567
700	Fortis Inc.	33,732	32,277
		56,299	54,773
	Balance carried forward	3,967,232	4,629,842

LANDRY ADAPTIVE VALUE LONG/SHORT FUND

Schedule of Investment Portfolio (continued)
(In Canadian dollars)

December 31, 2017

Shares/units	Security	Average cost	Fair value
	Balance brought forward	\$ 3,967,232	\$ 4,629,842
	Canadian equities (net +67.6%)		
	Long Positions (+100.7%)		
	Health care (0.9 %)		
1,400	Canopy Growth Corp.	27,877	41,636
		27,877	41,636
	Telecommunications (1.9%)		
1,400	Rogers Communications Inc., Class 'B'	88,579	89,670
		88,579	89,670
	Short Positions (-33.1%)		
	Exchange Traded Funds (-33.1%)		
(56,500)	iShares S&P/TSX 60 Index ETF	(1,351,309)	(1,567,335)
		(1,351,309)	(1,567,335)
		2,732,379	3,193,813
	U.S. equities (net +2.9%)		
	Long Positions (+2.9%)		
	Mutual Fund Corp. & Trust (2.9%)		
700	PowerShares QQQ Trust, Series 1	79,301	136,612
		79,301	136,612
	Total long positions	4,162,989	4,897,760
	Total short positions	(1,351,309)	(1,567,335)
	Transaction costs	(6,497)	-
	Total investment portfolio (70.5%)	<u>\$ 2,805,183</u>	\$ 3,330,425
	Cash and cash equivalents (29.4%)		1,391,925
	Other assets less liabilities (0.1%)		5,748
	Net assets attributable to holders of redeemable units at fair value (100.0%)		\$ 4,728,098

The accompanying notes are an integral part of these financial statements.

LANDRY ADAPTIVE VALUE LONG/SHORT FUND

Fair Value of Financial Instruments
(In Canadian dollars)

The following is a summary of the inputs used as of December 31, 2017 and 2016 in valuing the fund's investments carried at fair value:

	2017	2016
	Level 1 quoted prices in active markets for identical assets	Level 1 quoted prices in active markets for identical assets
Investments:		
Equities	\$ 4,761,148	\$ 4,346,581
Mutual fund	136,612	111,358
Total investments	4,897,760	4,457,939
Investments sold short:		
Exchange traded funds	(1,567,335)	(1,279,160)
Total investments sold short	(1,567,335)	(1,279,160)
Total investments, net	\$ 3,330,425	\$ 3,178,779

There were no significant transfers made between Levels 1 and 2 as a result of changes in the availability of quoted market prices or observable market inputs during the year presented. In addition, there were no investments or transactions classified in Levels 2 and 3 and for the years ended December 31, 2017 and 2016.

The accompanying notes are an integral part of these financial statements.

LANDRY RAZORBILL INCOME PLUS FUND

Statement of Financial Position
(In Canadian dollars)

December 31, 2017, with comparative information for 2016

	2017	2016
Assets		
Current assets:		
Investments	\$ 22,252,606	\$ 12,347,405
Cash and cash equivalents	422,196	1,441,175
Amounts receivable relating to units issued	–	2,500
Amount receivable relating to accrued dividends	1,534	–
Amounts receivable relating to accrued interest	95,995	56,744
Prepaid expenses	7,313	–
	22,779,644	13,847,824
Liabilities		
Current liabilities:		
Accrued expenses	16,843	2,504
Accrued management fees	12,748	3,359
Amounts payable for portfolio assets purchased	–	8,283
	29,591	14,146
Net assets attributable to holders of redeemable units	\$ 22,750,053	\$ 13,833,678

	2017		2016	
	Number of units issued and outstanding (note 7)	Net assets attributable to holders of redeemable units	Number of units issued and outstanding (note 7)	Net assets attributable to holders of redeemable units
Class F	\$ 1,748,232	\$ 18,066,586	\$ 1,335,314	\$ 13,404,084
Class G	245,647	2,506,513	–	–
Class I	103,864	1,035,776	–	–
Class J	109,807	1,141,178	42,784	429,594

	2017	2016
Net assets attributable to holders of redeemable units per unit:		
Class F	\$ 10.33	\$ 10.04
Class G	10.20	–
Class I	9.97	–
Class J	10.39	10.04

The accompanying notes are an integral part of these financial statements.

Approved on behalf of Landry Investment Management Inc.:



Jean-Luc Landry
President & Chief Executive Officer



Benoit Perraton Brillion, CFA
Chief Investment Officer & Director

LANDRY RAZORBILL INCOME PLUS FUND

Statement of Comprehensive Income
(In Canadian dollars)

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Revenue:		
Dividend revenue	\$ 192,038	\$ -
Interest revenue	474,485	7,428
Short-term trading fees	2,038	-
Net unrealized gain on investments	475,271	89,584
Net realized gain (loss) on investments	274,348	-
Foreign exchange loss	(650)	(2,354)
Total revenue	1,417,530	94,658
Expenses:		
Management fees (note 11)	137,655	3,359
Safekeeping fees	10,609	-
Administrative fees (note 8)	103,061	2,504
Other fees	59	-
Transaction costs	1,202	1,617
Total operating expenses	252,586	7,480
Increase in net assets attributable to holders of redeemable units	\$ 1,164,944	\$ 87,178
Increase in net assets attributable to holders of redeemable units:		
Class F	\$ 948,895	\$ 84,984
Class G	126,013	-
Class I	35,776	-
Class J	54,260	2,194
Increase in net assets attributable to holders of redeemable units per unit:		
Class F	\$ 0.58	\$ 0.17
Class G	0.57	-
Class I	0.36	-
Class J	0.61	0.06

The accompanying notes are an integral part of these financial statements.

LANDRY RAZORBILL INCOME PLUS FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(In Canadian dollars)

Year ended December 31, 2017, with comparative information for 2016

2017	Class F	Class G	Class I	Class J	Total
Balance, beginning of year	\$13,404,084	\$ -	\$ -	\$ 429,594	\$13,833,678
Increase in net assets attributable to holders of redeemable units	948,895	126,013	35,776	54,260	1,164,944
Redeemable unit transactions:					
Issue of redeemable units	4,427,674	2,380,500	1,000,000	966,970	8,775,144
Reinvestment of distributions	506,106	92,182	38,534	34,780	671,602
Redemption of redeemable units	(714,076)	-	-	(309,645)	(1,023,721)
Net increase from redeemable unit transactions	4,219,704	2,472,682	1,038,534	692,105	8,423,025
Distributions:					
Net investment income	(300,369)	(61,186)	(25,725)	(28,341)	(415,621)
Realized gains on portfolio assets sold	(205,728)	(30,996)	(12,809)	(6,440)	(255,973)
Balance, end of year	\$18,066,586	\$ 2,506,513	\$ 1,035,776	\$ 1,141,178	\$ 22,750,053

2016	Class F	Class J	Total
Balance, beginning of year	\$ -	\$ -	\$ -
Increase in net assets attributable to holders of redeemable units	84,984	2,194	87,178
Redeemable unit transactions:			
Issue of redeemable units	13,319,100	427,400	13,746,500
Reinvestment of distributions	1,427	138	1,565
Net increase from redeemable unit transactions	13,320,527	427,538	13,748,065
Distributions:			
Net investment income	(1,427)	(138)	(1,565)
Balance, end of year	\$ 13,404,084	\$ 429,594	\$ 13,833,678

The accompanying notes are an integral part of these financial statements.

LANDRY RAZORBILL INCOME PLUS FUND

Statement of Cash Flows
(In Canadian dollars)

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 1,164,944	\$ 87,178
Adjustments for:		
Foreign exchange loss	650	2,354
Net realized gain on investments	(274,503)	-
Net change in unrealized gain on investments	(475,271)	(89,584)
Dividend revenue	(192,038)	-
Interest revenue	(474,485)	(7,428)
Prepaid expenses	(7,313)	-
Accrued expenses	14,339	2,504
Accrued management fees	9,389	3,359
Liabilities for portfolio assets purchased	(8,283)	-
Dividends received	190,504	-
Interest received	435,234	(49,316)
Purchase of investments	(30,570,953)	(12,249,538)
Proceeds from sale of investments	21,415,526	-
	(8,772,260)	(12,300,471)
Financing activities:		
Proceeds from issuance of redeemable units	8,775,144	13,744,000
Accounts receivable relating to units issued	2,500	-
Proceeds from reinvestments	671,602	-
Amounts paid on redemption of units	(1,023,721)	-
Amounts paid relating to distribution to unitholders	(671,594)	-
	7,753,931	13,744,000
Net (decrease) increase in cash and cash equivalents	(1,018,329)	1,443,529
Cash and cash equivalents, beginning of year	1,441,175	-
Foreign exchange loss on cash and cash equivalents	(650)	(2,354)
Cash and cash equivalents, end of year	\$ 422,196	\$ 1,441,175

The accompanying notes are an integral part of these financial statements.

LANDRY RAZORBILL INCOME PLUS FUND

Schedule of Investment Portfolio
(In Canadian dollars)

December 31, 2017

Shares/units	Security	Average cost	Fair value
Canadian bonds (93.1%)			
Canadian bonds (21.2%)			
200,000	AltaLink L.P., Callable, 4.09%, 2045/06/30	\$ 208,200	\$ 220,576
250,000	bclMC Realty Corp., Callable, 3.00%, 2027/03/31	250,000	249,813
250,000	Brookfield Infrastructure Finance ULC, Callable, 3.32% 2024/02/22	250,000	248,045
300,000	CI Financial Corp., Callable, 3.90%, 2027/09/27	300,000	305,787
250,000	Fairfax Financial Holdings Ltd., Callable, 4.70% 2026/12/16	249,780	258,188
300,000	Hydro One Inc., Callable, 7.35%, 2030/06/03	420,534	424,002
300,000	Metro Inc., Callable, 3.39%, 2027/12/06	299,823	297,645
500,000	Nova Scotia Power Inc., Series '3', Callable, 9.75% 2019/08/02	580,035	553,160
100,000	Parkland Fuel Corp., Callable, Restricted, 5.63%, 2025/05/09	100,000	100,400
400,000	RioCan REIT, 2.19%, 2020/08/26	397,160	395,996
500,000	Royal Bank of Canada, 1.40%, 2019/04/26	500,700	496,990
300,000	TMX Group Ltd., Series 'D', Callable, 3.00%, 2024/12/11	300,000	297,267
300,000	Toronto-Dominion Bank (The), Series 'CBL14', 1.68%, 2021/06/08	493,885	490,315
300,000	TransCanada PipeLines Ltd., 7.31%, 2027/01/15	382,179	389,052
100,000	Videotron Ltd., Restricted, Callable, 5.63%, 2025/06/15	108,375	106,626
		4,840,671	4,833,862
Provincial bonds & guarantees (29.8%)			
600,000	Province of Alberta, 3.5%, 2031/06/01	619,620	642,444
500,000	Province of British Columbia, 2.70%, 2022/12/18	513,779	511,394
200,000	Province of Manitoba, 2.60%, 2027/06/02	199,076	198,492
400,000	Province of New Brunswick, 5.65%, 2028/12/27	498,600	504,208
2,300,000	Province of Ontario, 1.35%, 2022/03/08	2,255,613	2,224,997
500,000	Province of Quebec, 4.50%, 2018/12/01	532,600	513,210
500,000	Province of Quebec, 4.50%, 2020/12/01	555,870	535,595
1,025,000	Province of Quebec, 2.50%, 2026/09/01	1,029,067	1,020,070
600,000	Province of Saskatchewan, 3.20%, 2024/06/03	634,800	627,654
		6,839,025	6,778,064
Federal bonds & guarantees (8.2%)			
280,000	Government of Canada, 2.75%, 2022/06/01	292,320	290,814
5,000	Government of Canada, 2.50%, 2024/06/01	5,238	5,165
850,000	Government of Canada, 1.00%, 2027/06/01	772,360	774,196
325,000	Government of Canada, 5.00%, 2037/06/01	473,379	466,336
300,000	Government of Canada, 2.75%, 2048/12/01	330,739	332,028
		1,874,036	1,868,539
Municipal bonds (15.7%)			
500,000	City of Montreal, 4.10%, 2034/12/01	538,575	564,700
500,000	City of Sherbrooke, 2.15%, 2021/12/13	494,975	492,170
400,000	City of Toronto, 2.95%, 2035/04/28	364,400	395,012
300,000	City of Toronto, 3.50%, 2036/06/02	314,490	316,389
500,000	Municipal Finance Authority of British Columbia, 4.95% 2027/12/01	604,235	590,615
200,000	Ville de Gatineau, 3.60%, 2021/09/14	210,900	207,560
500,000	Ville de Longueuil, 1.60%, 2019/07/13	496,375	495,535
500,000	Ville de Saint-Eustache, 1.95%, 2020/12/20	495,720	493,040
		3,519,670	3,555,021
Balance carried forward		17,073,402	17,035,486

LANDRY RAZORBILL INCOME PLUS FUND

Schedule of Investment Portfolio (continued)
(In Canadian dollars)

December 31, 2017

Shares/units	Security	Average cost	Fair value
	Balance brought forward	\$ 17,073,402	\$ 17,035,486
	Financial Services (6.6%)		
12,050	Brookfield Asset Management Inc., Preferred, Class 'A', Series '28', Variable Rate, Convertible Perpetual	183,102	211,598
4,300	Great-West Lifeco Inc., Preferred, Series 'N', Variable Rate, Perpetual	291,280	370,041
3,565	Intact Financial Corp., Preferred, Series '1', Variable Rate, Convertible, Perpetual	310,710	363,150
5,550	Manulife Financial Corp., Preferred, Series '3', Variable Rate, Convertible, Perpetual	216,388	273,000
3,490	Sun Life Financial Inc., Preferred, Class 'A', Series '8R', Variable Rate, Perpetual	240,039	287,196
		1,241,519	1,504,985
	Energy (3.3%)		
10,600	AltaGas Ltd., Preferred, Series 'A', Variable Rate, Convertible, Perpetual	188,682	223,660
4,750	Enbridge Inc., Preferred, Series 'J', Variable Rate Perpetual	139,557	142,182
3,490	Enbridge Inc., Preferred, Series 'L', Variable Rate, Perpetual	102,068	104,597
10,000	Pembina Pipeline Corp., Preferred, Series '1', Variable Rate, Perpetual	186,919	217,800
2,300	Valener Inc., Preferred, Series 'A', Variable Rate, Convertible, Perpetual	49,761	57,546
		666,987	745,785
	Utilities (5.7%)		
34,900	CU Inc., 3.80%, Preferred, Series '4', Convertible, Perpetual	501,132	573,756
400	Emera Inc., Preferred, Series 'A', Variable Rate, Convertible, Perpetual	6,225	7,368
22,400	Fortis Inc., 4.25%, Preferred, Series 'H', Perpetual	324,020	404,096
16,400	Northland Power Inc., Preferred, Series '1', Variable Rate Perpetual	308,980	315,044
		1,140,357	1,300,264
	Telecommunications services (2.7%)		
25,000	BCE Inc., Preferred, Series 'AK', Variable Rate, Convertible, Perpetual	393,159	463,750
8,800	Shaw Communications Inc., Preferred, Series 'A', Variable Rate, Perpetual	132,234	154,792
		525,393	618,542
	Balance carried forward	20,647,658	21,205,062

LANDRY RAZORBILL INCOME PLUS FUND

Schedule of Investment Portfolio (continued)
(In Canadian dollars)

December 31, 2017

Shares/units	Security	Average cost	Fair value
	Balance brought forward	\$ 20,647,658	\$ 21,205,062
	U.S. Bonds (0.0%)		
	Corporate Bonds (4.6%)		
200,000	Anheuser-Busch InBev Finance Inc., Callable, 4.32%, 2047/05/15	200,000	211,766
300,000	AT&T Inc., Callable, 2.85%, 2024/05/25	299,982	291,426
250,000	AT&T Inc., Callable, Restricted, 4.85%, 2047/05/25	248,398	251,870
300,000	Wells Fargo & Co., 2.51%, 2023/10/27	292,209	292,482
		1,040,589	1,047,544
	Transaction costs	(496)	–
	Total investment portfolio (97.8%)	<u>\$ 21,687,751</u>	22,252,606
	Cash and cash equivalents (1.9%)		422,196
	Other assets less liabilities (0.3%)		75,251
	Net assets attributable to holders of redeemable units at fair value (100.0%)	21,687,751	\$ 22,750,053

The accompanying notes are an integral part of these financial statements.

LANDRY RAZORBILL INCOME PLUS FUND

Fair Value of Financial Instruments
(In Canadian dollars)

The following is a summary of the inputs used as of December 31, 2017 and 2016 in valuing the fund's investments carried at fair value:

	2017		2016	
	Level 1 quoted prices in active markets for identical assets	Level 2 units that are valued based on inputs other than quoted prices that are observable, either directly as prices or indirectly as derived from prices	Level 1 quoted prices in active markets for identical assets	Level 2 units that are valued based on inputs other than quoted prices that are observable, either directly as prices or indirectly as derived from prices
Investments:				
Preferred equities	\$ 4,169,576	\$ -	\$ 3,160,673	\$ -
Bonds	-	18,083,030	-	9,186,732
Total investments	\$ 4,169,576	\$18,083,030	\$ 3,160,673	\$ 9,186,732

There were no significant transfers made between Levels 1 and 2 as a result of changes in the availability of quoted market prices or observable market inputs during the year presented. In addition, there were no investments or transactions classified in Level 3 for the years ended December 31, 2017 and 2016.

The accompanying notes are an integral part of these financial statements.

LANDRY PRIVATE FUNDS

Notes to Financial Statements

Year ended December 31, 2017

1. Establishment of the Funds:

The Landry Global Equity Long/Short Fund, the Landry Adaptive Value Long/Short Fund and the Landry Razorbill Income Plus Fund (collectively the "Funds") were established in Canada, on April 15, 2003, December 31, 2012 and September 28, 2016, respectively, under the laws of the Province of Ontario. The Landry Adaptive Value Long/Short Fund and the Landry Razorbill Income Plus Fund commenced operations on February 6, 2013 and on December 8, 2016, respectively. The Funds are governed by an Amended and Restated Trust Agreement dated April 29, 2015. The address of the Funds' registered office is 1800 McGill College, Suite 1430, Montréal, Québec, Canada. Landry Investment Management Inc., a company duly incorporated under the *Canada Business Corporations Act*, is the manager (the "Manager") of the Funds, and Computershare Trust Company of Canada is the trustee (the "Trustee").

The Manager is responsible for managing the Funds in accordance with the established investment policies as follows:

- (a) Landry Global Equity Long/Short Fund invests in a market neutral portfolio of primarily large capitalization issuers in Canadian, U.S. and other developed markets.
- (b) Landry Adaptive Value Long/Short Fund invests in Canadian issuers and will use short positions to reduce the overall risk of the Fund.
- (c) The Landry Razorbill Income Plus Fund invests principally in credit products and aims to preserve capital and generate income.

Units of the Funds are offered pursuant to a Confidential Offering Memorandum dated October 25, 2016 (the "Offering Documents").

2. Basis of preparation and presentation:

- (a) The financial statements of the Funds have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were authorized for issuance by the Manager on March 27, 2018.

- (b) Basis of measurement:

The financial statements have been prepared on a historical cost basis except for investments and derivatives, which are measured at fair value.

- (c) Functional and presentation currency:

The financial statements of Landry Global Equity Long/Short Fund, Landry Adaptive Value Long/Short Fund and Landry Razorbill Income Plus Fund are presented in Canadian dollars, which are the Funds' functional currency.

LANDRY PRIVATE FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2017

3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments:

(i) Recognition:

Financial assets and financial liabilities at fair value through profit or loss ("FVTPL") are initially recognized on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

Financial assets and financial liabilities at FVTPL are initially recognized at fair value, with transaction costs recognized as expenses in the statement of comprehensive income. Financial assets or financial liabilities not at FVTPL are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Investments are classified at FVTPL, including certain investments in debt instruments, which have been designated at FVTPL. Derivatives are classified as held-for-trading.

Redeemable units are designated as financial liabilities at FVTPL and measured at redemption amount.

All other financial assets and liabilities are measured at amortized cost, which approximates their fair market values. Financial assets and liabilities are shown at the amount required to be received or paid and discounted when appropriate, at the contract's effective interest rate. Fair value of investments and derivatives are measured using the same accounting policies as those used to measure the net asset value attributable to holders of redeemable units ("NAV") in transactions with unitholders.

(ii) Fair value measurement:

For financial reporting purposes, investments are valued at their fair value. Investments held that are traded in an active market through recognized public stock exchanges, over-the-counter markets, or through recognized investment dealers are valued at their last traded market price where the last traded market price falls within the day's bid-ask spread. In circumstances, where the last traded price is not within that day's bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on specific facts and circumstances. Investments held include equities, exchange traded funds and bonds. The Funds' policy is to recognize transfers into and out of their fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

LANDRY PRIVATE FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2017

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(ii) Fair value measurement (continued):

Investments held that are not traded in an active market are valued based on the results of valuation techniques - using observable market inputs where possible, on such basis and in such manner established by the Manager. Investments in other pooled funds are valued at the net asset value per unit reported by each pooled fund. See Note 4 for more information about the Funds' fair value measurements.

(iii) Impairments of financial assets:

At each reporting date, the Funds assess whether there is objective evidence that financial assets at amortized cost are impaired. If such evidence exists, the Funds recognize an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. Impairment losses on financial assets at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

(b) Investment income:

Interest income is recognized on an accrual basis using the effective interest method. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses from investment transactions are calculated on an average cost basis. The variation in the market value of investments less their average cost, as recorded at the beginning of the period and at the end of the period, is included in the statement of comprehensive income as a net unrealized gain (loss) on investments.

(c) Foreign currency:

Investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing on the valuation date. Investment transactions, income and expenses are translated at the exchange rates prevailing on the respective dates of such transactions.

(d) Cash:

Cash and cash equivalents consist of cash and investments in Government of Canada Treasury bills with maturities of less than 90 days. These short-term investments are recorded at amortized cost, which approximates current market value.

LANDRY PRIVATE FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2017

3. Significant accounting policies (continued):

- (e) Increase (decrease) in net assets attributable to holders of redeemable units per unit, per class:

Increase (decrease) in net assets attributable to holders of redeemable units per unit, per class in the statement of comprehensive income is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units by the weighted average number of units outstanding per class during the period.

- (f) Unitholder transactions:

The value at which units are issued or redeemed is determined by dividing the NAV attributable to holders of redeemable units of the class by the total number of units outstanding of that class on the valuation date. The valuation date is any day that the Toronto Stock Exchange is open for business. Amounts received on the issuance of units and amounts paid on the redemption of units are included in the statement of changes in net assets attributable to holders of redeemable units.

- (g) Redeemable units:

The Funds classify redeemable units issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. All units of all classes of the Funds have been classified as financial liabilities at FVTPL and are measured at redemption amount.

- (h) Net asset value attributable to holders of redeemable units per unit:

A separate NAV is calculated for each class of units of each Fund by taking the class' proportionate share of the Funds' common assets less that class' proportionate share of the Funds' common liabilities and deducting from this amount all liabilities that relate solely to a specific class. The NAV per unit for each class is determined by dividing the NAV of each class by the number of units of that class outstanding on the valuation date.

- (i) Transaction costs:

For financial instruments classified as FVTPL, transaction costs, such as brokerage commissions incurred in the purchase and sale of portfolio securities, and other trade execution costs paid to external third parties, such as stamp, duty and exchange fees, are recognized as expenses in the statement of comprehensive income based on the trade date.

LANDRY PRIVATE FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2017

3. Significant accounting policies (continued):

(j) New standards and interpretations not yet adopted:

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2017, and have not been applied in preparing these financial statements. None of these will have a significant effect on the financial statement of the Funds, with the possible exception of IFRS 9, *Financial Instruments*.

The IFRS 9 deals with recognition, derecognition, classification and measurement of financial instruments and its requirements, and represents a significant change from the existing requirements in IAS 39, *Financial Instruments: Recognition and Measurement*, in respect of financial assets. The standard contains two primary measurement categories for financial assets: amortized cost and fair value. A financial asset would be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale and loans and receivables.

The effective date of this standard is for annual periods beginning on or after January 1, 2018, but early adoption is permitted. The Funds' Manager is currently in the process of evaluating the potential effect of this standard. The standard is not expected to have a significant impact on the financial statements since the Funds' financial assets are currently measured at fair value or amortized cost.

4. Critical accounting estimates and judgments:

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Funds have made in preparing the financial statements:

Fair value measurement of derivatives and securities not quoted in an active market

The Funds hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources. Broker quotes obtained from the pricing sources may be indicative and not executable. Where no market data is available, the Funds may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by the Manager, independent of the party that created them. The models used for private equity securities are based mainly on earnings multiples adjusted for a lack of marketability as appropriate.

LANDRY PRIVATE FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2017

4. Critical accounting estimates and judgments (continued):

Fair value measurement of derivatives and securities not quoted in an active market (continued)

Models use observable data, to the extent practicable. However, areas such as credit risk, volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Funds consider observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. See Note 6 for more information on the fair value measurement of the Funds' financial statements.

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the Funds, the Manager is required to make significant judgments about whether or not the business of the Funds are to invest on a total return basis for the purpose of applying the fair value option for financial assets under IAS 39, *Financial Instruments - Recognition and Measurement* ("IAS 39"). The most significant judgments made include the determination that certain investments are held-for-trading and that the fair value option can be applied to those that are not.

5. Financial instruments and risk management:

(a) Risk management:

The Funds' investment activities expose them to a variety of financial risks. The Manager seeks to minimize potential adverse effects of these risks for the Funds' performance by employing professional and experienced portfolio advisors, by daily monitoring of the Funds' positions and market events, by diversifying their investment portfolio within the constraints of the investment objective, and periodically may use derivatives to hedge certain risk exposures. To assist in managing risks, the Manager maintains a governance structure that oversees the Funds' investment activities and monitors compliance with the Funds' stated investment strategy, internal guidelines and securities regulations.

Landry Global Equity Long/Short Fund's investment objective is to seek long-term capital growth by investing directly or indirectly in exchange-listed equity securities of Canadian, United States or other developed market issuers. Landry Adaptive Value Long/Short Fund's investment objective is to seek long-term capital appreciation by investing mostly in equity of Canadian issuers and will use short positions to reduce overall risk of the Fund. Landry Razorbill Income Plus Fund's investment objective is to preserve capital while generating income by investing mainly in credit instruments.

No changes affecting the overall level of risk of the Funds were made during the year. The risks of the Funds remain, as discussed in the Funds' Offering Documents, significant risks that are relevant to the Funds are discussed below.

LANDRY PRIVATE FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2017

5. Financial instruments and risk management (continued):

(a) Risk management (continued):

The investment manager monitors on a daily basis the concentration of risk for equity. For the Landry Global Equity Long/Short Fund, it is based on counterparties, industries and geographic location. For the Landry Adaptive Value Long/Short Fund it is based on counterparties and industries. For the Landry Razorbill Income Plus Fund, it is based on the creditworthiness of bonds and preferred shares and industries.

As at December 31, 2017, the Landry Global Equity Long/Short Fund's investments were concentrated in the following geographic locations, on a net position basis, as a percentage of net assets attributable to holders of redeemable units:

	2017	2016
	%	%
Japan	9.7	11.9
United Kingdom	9.6	9.6
France	4.7	6.9
Germany	7.0	6.9
Austria	5.5	3.9
United States of America	(49.9)	3.0
Australia	4.4	2.2
Switzerland	0.4	1.8
Ireland	1.4	1.2
Italy	0.9	1.0
China	–	0.9
Spain	0.8	0.4
Netherland	0.9	0.4
Norway	–	0.3
Sweden	–	0.3
Russia	–	0.3
Luxembourg	0.2	–
Belgium	0.2	–
Bermuda	0.3	–
Canada	13.3	(0.4)
EAFE (Geographically diversified ETF)	–	(44.5)
Total, as a percentage of net assets attributable to holders of redeemable units	9.4	5.9

LANDRY PRIVATE FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2017

5. Financial instruments and risk management (continued):

(a) Risk management (continued):

As at December 31, 2017 and 2016, the Landry Adaptive Value Long/Short Fund's investments were concentrated in the following industries, on a net position basis, as a percentage of net assets attributable to holders of redeemable units:

	2017	2016
	%	%
Financial services	32.7	34.2
Energy	18.9	25.9
Industrials	12.5	12.5
Materials	13.8	10.7
Information technology	6.8	6.6
Consumer discretionary	9.4	3.0
Consumer staples	2.8	2.6
Mutual fund corporation and trust	2.9	2.5
Utilities	1.0	1.1
Telecommunication services	1.9	-
Health care	0.9	-
Exchange traded funds	(33.1)	(28.4)
	70.5	70.7

As at December 31, 2017, the Landry Razorbill Income Plus Fund's investments were concentrated in the following industries as a percentage of net assets attributable to holders of redeemable units:

	2017	2016
	%	%
Canadian corporate bonds	21.2	29.2
Provincial government & guarantees	29.8	20.6
Federal bonds & guarantees	8.2	8.9
Financial services	6.6	8.7
Municipal bonds	15.7	7.8
Energy	3.3	7.0
Utilities	5.7	3.6
Telecommunication services	2.7	3.5
US Corporate bonds	4.6	-
	97.8	89.3

LANDRY PRIVATE FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2017

5. Financial instruments and risk management (continued):

(b) Other market price risk:

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital.

The Funds' strategy for the management of market risk is driven by the Funds' investment objective. Depending on each Fund's risk rating, the Funds will invest in a diversified portfolio of investments with more or less volatility. The market risk is monitored on a daily basis.

Because the Landry Global Equity Long/Short Fund is dollar neutral most of the time (approximately equal amount invested in long positions and short positions in each market it invests), it has shown low correlation with overall equity markets. If equity prices on global stock exchanges had increased or decreased by 10% as at year-end, with all other factors remaining constant, net assets attributable to holders of redeemable units of the Funds could possibly have increased or decreased by the amount shown in the table below:

Fund	Reference index	Impact on net assets attributable to holders of redeemable units (In thousands of CDN dollars)*	
		2017	2016
Landry Global Equity Long/Short Fund	S&P500 Total Return Index	\$ 176	\$ 607
Landry Adaptive Value Long/Short Fund	S&P/TSX Composite Index Total Return	423	6
Landry Razorbill Income Plus Fund	FTSE/TMX Universe Index	11,300	-

* This estimate is based on the Funds' historical beta as calculated during the interval between January 1 to December 31 of each year for the Landry Global Equity Long/Short Fund and the Landry Adaptive Value Long/Short Value with its respective reference index (using last prices during the period).

Given that the Landry Razorbill Income Plus Fund only started in late 2016, not enough data was available to be able to determine a reliable beta for the purpose of this exercise.

In practice, actual results may differ from this sensitivity analysis and the difference could be material. The monetary impact on the increase (decrease) in net assets attributable to holders of redeemable units from operations of the Landry Global Equity Long/Short Fund would be similar.

LANDRY PRIVATE FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2017

5. Financial instruments and risk management (continued):

(c) Currency risk:

Currency risk is the risk that financial instruments, which are denominated in currencies other than the reporting currency of the Funds, will fluctuate due to changes in exchange rates. As at December 31, 2017 and 2016, the Landry Global Equity Long/Short Fund had currency exposure while the Landry Adaptive Value Long/Short Fund and the Landry Razorbill Income Plus Fund did not.

Consequently, the Landry Global Equity Long/Short Fund is exposed to the risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value of the future cash flows of the Fund. The Fund's policy with respect to managing its currency risk is to limit its net foreign currency exposure to less than 15% of the Fund's net assets attributable to holders of redeemable units. The Fund's currency risk is managed on a daily basis by the investment manager in accordance with policies and procedures in place.

The following tables illustrate the effect on net asset attributable to holders of redeemable units if the respective currency had strengthened or weakened by 5% in relation to all other currencies, with all other variables held constant. In practice, actual results may differ from this sensitivity analysis and the difference could be material. The monetary impact on the increase (decrease) in net assets attributable to holders of redeemable units from operations of the Fund would be similar.

Landry Global Equity Long/Short Fund (in Canadian dollars):

December 31, 2017:

Currency	Investments	Cash	Net exposure	Sensitivity impact on net assets attributable to holders of redeemable units
AUD	\$ 496,357	\$ 28,798	\$ 525,155	\$ 26,258
CHF	44,358	256,417	300,775	45,039
DKK	—	13,536	13,536	677
EUR	2,388,240	(708,090)	1,680,150	84,007
GBP	1,229,442	(175,154)	1,054,288	52,714
HKD	—	80,909	80,909	4,045
JPY	—	(221,899)	(221,899)	(11,095)
NOK	—	16,369	16,369	818
SEK	—	154,142	154,142	7,707
USD	(5,534,365)	157,466	(5,376,899)	(268,844)

LANDRY PRIVATE FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2017

5. Financial instruments and risk management (continued):

(c) Currency risk (continued):

Landry Global Equity Long/Short Fund (in Canadian dollars) (continued):

December 31, 2016:

Currency	Investments	Cash	Net exposure	Sensitivity impact on net assets attributable to holders of redeemable units
AUD	\$ 423,246	\$ (367,993)	\$ 55,253	\$ 2,763
CHF	38,027	119,375	157,402	7,870
DKK	–	12,775	12,775	639
EUR	3,196,068	(2,157,346)	1,038,722	51,936
GBP	1,254,335	(894,985)	359,350	17,968
HKD	–	87,393	87,393	4,370
JPY	1,008,672	(550,655)	458,017	22,901
NOK	36,008	(21,531)	14,477	724
SEK	32,380	113,686	146,066	7,303
USD	(6,378,374)	727,212	(5,651,162)	(282,558)

(d) Interest rate risk:

Interest rate risk arises on interest-bearing financial instruments, such as bonds or debentures. Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market interest rate. The majority of the Landry Global Equity Long/Short Fund's and the Landry Adaptive Value Long/Short Fund's financial assets and liabilities are equity shares, which are non-interest bearing. When there are significant cash and cash equivalent balances, these Funds invest in Canada Treasury bills that have a maturity of less than 90 days. As such, they are not subject to significant amounts of risk due to fluctuations in prevailing levels of market interest rates.

Landry Razorbill Income Plus Fund is exposed to this risk mainly through its investments in bonds. To manage interest rate risk, the Fund aims to maintain a duration of the fixed income and cash portfolio between -five years and +two years compared to the duration of the benchmark (FTSE-TMX).

LANDRY PRIVATE FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2017

5. Financial instruments and risk management (continued):

(d) Interest rate risk (continued):

The internal procedures require the Manager to manage interest rate risk on a daily basis in accordance with the policies and procedures in place. After having estimated the modified duration for each securities, the entire portfolio is looked at to ensure compliance with the above mentioned duration policy. If the interest rate risk is not in accordance with the investment policy or guidelines of the Fund, then the Manager is required to rebalance the portfolio as soon as possible.

A summary of the Fund's interest rate gap position analyzed by the earlier of contractual repricing or maturity date, is as follows.

2017	Less than 1 year	1 to 3 years	3 to 5 years	5+ years	Total
Bonds	\$ 513,210	\$ 2,970,316	\$ 4,217,250	\$10,382,254	\$18,038,030

The Manager has determined that a fluctuation in interest rates of 100 basis points is reasonably possible, considering the economic environment in which the Fund operates. The table below sets out the effect on the Fund's net assets attributable to holders of redeemable units of a reasonably possible increase or reduction of 100 basis points in interest rates at December 31, 2017. The impact of such an increase or reduction has been estimated by calculating the fair value changes of the bonds. This analysis assumes that all other variables remain constant. The monetary impact on the increase (decrease) in net assets attributable to holders of redeemable units from operations of the Fund would be similar.

Net assets attributable to holders of redeemable units	\$ 8,527,060
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LANDRY PRIVATE FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2017

5. Financial instruments and risk management (continued):

(e) Credit risk:

Credit risk on financial instruments is the risk of a financial loss occurring as a result of the default of a counterparty on its obligation to the Funds. Credit risk typically arises out of exposure to debt instruments, such as bonds or derivatives. As at December 31, 2017 and 2016, the Landry Global Equity Long/Short Fund and the Landry Adaptive Value Long/Short Fund had no significant investments in debt instruments. The Landry Razorbill Income Plus Fund had investments in bonds with the following credit quality, as at December 31, 2017:

Rating:		
AAA	\$ 3,957,854	17.40%
AA	4,222,442	18.56%
A	5,711,073	25.10%
BBB	2,296,330	10.09%
Below BBB (0)	207,026	0.91%
Not rated	1,688,305	7.42%
Total	\$18,083,030	79.49%

Credit and counterparty risk is managed by dealing with counterparties the Manager believes to be creditworthy. As at December 31, 2017 and 2016, the Funds' amounts receivable to portfolio assets sold at year-end were concentrated only among a few brokers, which credit risk is considered small due to short settlement period involved and their high credit quality.

(f) Liquidity risk:

Liquidity risk is the risk that the Funds will encounter difficulty in meeting obligations associated with financial liabilities. The Funds' exposure to liquidity risk is equal to the carrying amount of liabilities. Aside from financial liabilities that arise from its normal investing activities, the Funds have no other significant financial liabilities.

The Funds' most significant potential exposure to financial liabilities is the daily cash redemptions of redeemable units. The Funds liquidity risk is managed on a daily basis by the investment manager. The policies of the Funds regarding liquid assets are in accordance with securities regulations. The Funds are subject to restrictions concerning illiquid assets. Per the regulation, a Fund must not purchase an illiquid asset if, immediately after the purchase, more than 10% of its net asset value would be made of illiquid assets. A Fund must also not have invested, for a period of 90 days or more, more than 15% of its net asset value in illiquid assets. The Funds' investments in listed entities are considered to be readily realisable because they are traded on major stock exchange markets.

LANDRY PRIVATE FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2017

6. Fair value measurement:

The Funds classify fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

Level 1: Fair value based on unadjusted quoted prices in active markets for identical assets or liabilities that the Manager has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3: Inputs based on at least one significant non-observable input that is not supported by market data. There is little, if any, market activity. Inputs into the determination of fair value require significant management judgment or estimation.

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The fair value hierarchy table, in the section "Fair Value of Financial Instruments" of the respective Funds, presents information about the Funds' assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2017 and 2016 at the end of each Funds' schedule of investments.

7. Redeemable units:

The Funds classify financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

A puttable financial instrument that includes a contractual obligation for the Funds to repurchase or redeem that instrument for cash or another financial asset is classified as equity if it meets all of the following conditions:

- it entitles the holder to a pro-rata share of the Funds' net assets in the event of the Funds' liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinate to all other classes of instruments;
- have identical features;
- apart from the contractual obligation for the Funds to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and

LANDRY PRIVATE FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2017

7. Redeemable units (continued):

- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Funds over the life of the instrument.

The Funds' authorized capital consists of an unlimited number of redeemable units of each class without par value. The number of outstanding units of each class is disclosed in the statements of financial position. Units of the Funds are redeemable at the option of the holder in accordance with the provisions of the Trust Agreement. Classes A and F units are available to all investors. Classes H, I and J units are offered only to certain investors at the discretion of the Manager, including institutional investors or other eligible investors.

No class takes priority or preference over another and all classes contribute in proportion to the allocation of the Funds. All classes are the most subordinate classes of financial instruments issued by the Funds and, on liquidation of the Funds, they entitle the holders to the residual net assets. They rank pari passu in all respects. However, they do not have identical features. The redeemable shares provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Funds' net assets at each daily redemption date and also in the event of the Funds' liquidation.

Since the Funds' redeemable shares do not meet all of the above conditions to be classified as equity, they are classified as financial liabilities.

LANDRY PRIVATE FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2017

7. Redeemable units (continued):

The change in the number of units is as follows for the applicable years ended December 31, 2017 and 2016:

Landry Global Equity Long/Short Fund:

Funds	Year	Beginning of year	Purchases	Reinvestments	Redemptions	Net transfer	End of year	Average number of units during the year
Class A	2016	4,055	-	-	-	-	4,055	4,055
	2017	4,055	-	-	-	-	4,055	4,055
Class F	2016	938,896	42,527	-	(196,148)	(6,191)	779,083	831,751
	2017	779,084	10,594	-	(86,729)	-	702,949	737,426
Class H	2016	2,005,294	-	-	(2,005,294)	-	-	2,005,294
	2017	-	-	-	-	-	-	-
Class I	2016	600,891	61,553	-	(91,547)	-	570,897	599,942
	2017	570,897	53,176	-	(172,329)	-	451,744	553,375
Class J	2016	66,170	3,293	-	(19,516)	5,850	55,797	65,322
	2017	55,797	14,036	-	(19,246)	-	50,587	49,794

LANDRY PRIVATE FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2017

7. Redeemable units (continued):

Landry Adaptive Value Long/Short Fund:

Funds	Year	Beginning of year	Purchases	Reinvestments	Redemptions	Net transfer	End of year	Average number of units during the year
Class F	2016	358,694	4,367	–	(19,066)	–	343,995	347,862
	2017	343,995	23,341	–	(11,704)	–	355,632	358,824
Class I	2016	51,329	9,240	–	–	–	60,569	57,524
	2017	60,569	3,163	–	–	–	63,732	63,731

Landry Razorbill Income Plus Fund:

Funds	Year	Beginning of year	Purchases	Reinvestments	Redemptions	Net transfer	End of year	Average number of units during the year
Class F	2016	–	1,335,314	–	–	–	1,335,314	504,219
	2017	1,335,314	432,093	48,977	(68,152)	–	1,748,232	1,636,723
Class G	2016	–	–	–	–	–	–	–
	2017	–	236,612	9,035	–	–	245,647	221,220
Class I	2016	–	–	–	–	–	–	–
	2017	–	100,000	3,864	–	–	103,864	100,025
Class J	2016	–	42,784	–	–	–	42,784	37,256
	2017	42,784	94,191	3,348	(30,516)	–	109,807	89,467

LANDRY PRIVATE FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2017

8. Expenses and brokerage commissions:

(a) Expenses:

As of December 31, 2017 and 2016, administrative fees are accrued daily, paid monthly, and calculated according to a fixed percentage of the NAV of the Funds. In 2016, the fees were established at 0.75% for the Landry Global Equity Long/Short and Landry Adaptive Long/Short Fund and at 0.50% for the Landry Razorbill Income Plus Fund. In 2017, the fees were established at 0.60% for the Landry Global Equity Long/Short and Landry Adaptive Long/Short Fund and at 0.40% for the Landry Razorbill Income Plus Fund.

The fees and expenses assumed by Landry Investment Management in exchange for the administrative fees include valuation and recordkeeping expenses and those related to the services of the transfer agent, including processing purchases and sales of the securities of the Funds and calculation of the price of the securities; legal fees and auditors' fees; administrative fees and services of trustees; custodial fees; costs related to preparation and distribution of financial reports and other communications with investors that Landry Investment Management is obliged to prepare to comply with applicable laws; and the other fees and expenses that are not otherwise included in the management fees.

(b) Brokerage commissions:

Commissions paid to brokers in connection with portfolio transactions are disclosed in the Funds' statement of comprehensive income. Brokerage business is allocated based on which broker can deliver to the Funds the best results. Subject to these criteria, the Manager may allocate business to brokers that provide or pay for, in addition to transaction execution, order execution goods and services and database and software used in proprietary research. As at December 31, 2017 and 2016, the Manager had commission-sharing or "soft dollar" arrangements with certain brokers in which they paid for third-party services. The Landry Razorbill Income Plus Fund had no commission sharing arrangement. The following table outlines the transaction costs, including soft dollars incurred during the years:

	Commissions paid by the Funds	Goods and services received by the Funds
2017		
Landry Global Equity Long/Short Fund	\$ 30,300	\$ 43,715
Landry Adaptive Value Long/Short Fund	14,124	20,376

LANDRY PRIVATE FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2017

8. Expenses and brokerage commissions (continued):

(b) Brokerage commissions (continued):

2016	Commissions paid by the Funds	Goods and services received by the Funds
Landry Global Equity Long/Short Fund	\$ 35,601	\$ 27,717
Landry Adaptive Value Long/Short Fund	10,094	7,860

9. Distributions:

Unitholders are entitled to distributions at year-end. Net investment income and net capital gains realized on the Funds are reinvested in additional units of its own Fund or at the option of the unitholders, paid in cash. The distribution amounts are determined by the registrar and are allocated to the unitholders of the Funds.

Distributions paid in cash will be made in the Funds' reporting currency. Unless the unitholder provides written instructions to the registrar to receive distributions in cash, the amount of the distribution will automatically be reinvested in additional units of its own Fund. At the valuation date, each unitholder of the Funds is entitled to receive an amount equal to the Funds' net income for the year, divided by the number of units outstanding, and multiplied by the number of units held by the unitholder at fiscal year-end.

10. Income tax status:

Landry Global Equity Long/Short Fund and Landry Razorbill Income Plus Fund are mutual fund trusts under the *Income Tax Act* (Canada). The Funds are subject to federal and provincial taxes applicable on their assessed income, including taxable capital gains for the fiscal year, so far as those were not distributed to the unitholders. The Landry Adaptive Value Long/Short Fund is a unit trust. Unit trusts are subject to alternative minimum tax.

LANDRY PRIVATE FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2017

10. Income tax status (continued):

Tax loss carryforwards:

The Funds have accumulated realized capital losses/non-capital losses that are available for utilization against realized gains or net income for tax purposes in future years. Capital losses have no expiry date. Non-capital losses can be carried forward for up to 20 years.

	Total capital losses	Non-capital losses by expiry date				
		2033	2034	2035	2036	2037
Landry Global Equity Long/Short Fund	\$13,373,000	\$ -	\$ 424,972	\$ 2,786,986	\$ 1,273,123	\$ 130,884
Landry Adaptive Value Long/Short Fund	309,004	1,983	83,850	32,188	-	-
Landry Razorbill Income Plus Fund	-	-	-	-	-	-

11. Related party transactions:

(a) Management fees:

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

The management fee for Landry Global Equity Long/Short Fund is 2% for Class A units and 1% for Class F units. The management fee for Landry Adaptive Value Long/Short Fund is 2.5% for Class A units and 1.5% for Class F units. For Landry Razorbill Income Plus Fund, the management fee is 0.70% for Class F units. It is calculated on a daily basis to the NAV of the Funds and payable monthly. No management fee is charged to Classes G, H, I and J units; instead a negotiated fee is paid by these unitholders to the Manager directly.

Refer to the statement of comprehensive income of each Fund for the management fee expenses as at December 31, 2017 and 2016 and to the statement of financial position of each Fund for the management fee payable balance as at December 31, 2017 and 2016.

(b) Performance fees:

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 monthly.

LANDRY PRIVATE FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2017

11. Related party transactions (continued):

(b) Performance fees (continued):

For the Landry Global Equity Long/Short Fund, the Manager will charge a negotiated performance fee for Class H units.

No performance fee will be charged for Class I units of the Landry Adaptive Value Long/Short Fund and for all classes of units of the Landry Razorbill Income Plus Fund.

For all other class of units, the Manager will charge a performance fee to the Landry Global Equity Long/Short Fund and the Landry Adaptive Value Long/Short Fund of 20% of the return of the class of units of these Funds in excess of their respective benchmark return.

For performance fee calculation purposes, the benchmarks of the Funds are as follows:

Funds	Index
Landry Global Equity Long/Short Fund	Higher of three-month Canada Treasury bills or +2% for Class A and Class F; 2% for Class I; and three-month Canada Treasury bills plus 2% for Class J units
Landry Adaptive Value Long/Short Fund	Three-month Canada Treasury bills +2% for Class F

Performance fees incurred by the Funds in 2017 and 2016 are presented in the statement of comprehensive income. There are no performance fees that remain payable as at December 31, 2017 and 2016.

(c) Other:

In the normal course of business, transactions between the Funds and officers of the Manager take place. At December 31, 2017 and 2016, the total percentages of net assets attributable to holders of redeemable units owned as a result of units held by key management personnel of the Manager of the Funds are as follows:

	2017	2016
Landry Global Equity Long/Short Fund	4.36%	4.22%
Landry Adaptive Value Long/Short Fund	9.79%	9.32%
Landry Razorbill Income Plus Fund	5.14%	3.24%

LANDRY PRIVATE FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2017

12. Financial instruments by category:

Investments have been designated at FVTPL. Derivatives are being held-for-trading and cash and other receivables are carried at amortized cost. All of the Funds' financial liabilities are carried at amortized cost, except investments sold short.

The following tables present the net gains (losses) on financial instruments by category for the years ended December 31, 2017 and 2016.

Landry Global Equity Long/Short Fund:

	2017	2016
Financial assets and liabilities:		
Designated at inception	\$ 1,026,338	\$ (74,717)

Landry Adaptive Value Long/Short Fund:

	2017	2016
Financial assets and liabilities at FVTPL:		
Designated at inception	\$ 111,264	\$ 629,798

Landry Razorbill Income Plus Fund:

	2017	2016
Financial assets and liabilities at FVTPL:		
Designated at inception	\$ 475,271	\$ 89,584

LANDRY PRIVATE FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2017

13. Responsibility of the Trustee:

The Funds must indemnify and save harmless the Trustee, its affiliates or any director, officer, employee or agent of the Trustee from and against:

- (a) all claims whatsoever (including legal fees, other costs, charges and expenses in connection therewith) brought, commenced or prosecuted against it for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Trustee's and Manager's duties;
- (b) all other costs, charges and expenses which sustain or incur in or about or in relation to the affairs of the Funds and the execution of the Trustee's and Manager's duties; and
- (c) any personal liabilities of the Trustee incurred in connection with the failure of the Funds, or the Manager, on behalf of the Funds, to report, remit or withhold taxes, as required by the tax act or otherwise failing to comply with the tax act, so long as the Trustee has relied in good faith on the Manager in the performance of its duties hereunder and such personal liabilities have not been caused by the Trustee's bad faith, willful misconduct, gross negligence, reckless disregard of its duties or the breach by the Trustee of its standard of care.

This indemnification shall survive the resignation or removal of the Trustee or Manager and the termination of this Master Trust Agreement solely to the extent that such liabilities have been incurred in connection with taxation years occurring during the term of this Master Trust Agreement.

14. Comparative information:

Certain comparative information has been reclassified to conform to the presentation adopted in the current year.