



**Annual Management Report of Fund Performance**

For the period ended December 31, 2022

**Langdon Canadian Smaller Companies Portfolio**

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-833-864-2677, by writing to us at 30A Hazelton Ave, Suite 400, Toronto, ON M5R 2E2 or by visiting our website at

<https://www.langdonpartners.com> or SEDAR at [www.sedar.com](http://www.sedar.com).

Security holders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

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### **Management Discussion of Fund Performance**

The following discussions of Fund performance outline the portfolio managers view of significant factors and developments that have affected the Fund's returns.

### **Investment Objective and Strategies**

The Investment objective of the Langdon Canadian Smaller Companies Portfolio (the "Fund") is to provide investors with long-term capital growth by investing primarily in common shares of smaller Canadian companies. The Investment Manager aims to identify companies with a well-articulated and quantifiable value proposition for customers as well as a record of sound decision making and a long-term focus. Companies that the Fund invests in should have demonstrated organic growth and a well-established capital allocation framework with the ability to become industry leaders.

We approach the public equity markets as a long-term owner of businesses. We are a patient, primary research-led investment firm, performing intensive due diligence on every investment idea pursued. We seek to invest in high-quality cash generative smaller companies run by talented and long-term oriented teams that are fundamentally undervalued.

### **Risk**

We believe risk is best managed by applying in-depth thorough research to each investment idea in order to understand the risks of the individual business and this is weighted against its return potential. The overall risks of investing in the Fund remains as discussed in the Prospectus. There are several types of risks that an investor faces when investing in the Portfolio. These include, but are not limited to:

#### **Concentration Risk**

If the Fund holds significant investments in a few companies, changes in the value of the securities of those companies may increase the volatility of the NAV of the Fund. Generally, mutual funds are not permitted to invest more than 10% of their net assets in any one issuer. This restriction does not apply to investments in debt securities issued or guaranteed by the Canadian or U.S. government, securities issued by a clearing corporation, securities issued by mutual funds that are subject to the requirements of National Instrument 81-102 Investment Funds ("NI 81-102") and National Instrument 81-101 Mutual Fund Prospectus Disclosure, or index participation units issued by a mutual fund.

#### **Equity Investment Risk**

Equity investments, such as stocks, carry several risks. A number of factors may cause the price of a stock to fall. These include specific developments relating to the company, stock market conditions where the company's securities trade and general economic, financial and political conditions in the countries where the company operates. Since a Fund's unit price is based on the value of its investments, an overall decline in the value of the stocks it holds will reduce the value of the Fund and, therefore, the value of your investment. However, if the price of the stocks in the portfolio increases, your investment will be worth more. Equity funds generally tend to be more volatile than fixed income funds, and the value of their units can vary widely.

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### **Liquidity Risk**

Liquidity is a measure of how quickly an investment can be sold for cash at a fair market price. If the Fund cannot sell an investment quickly, it may lose money or make a lower profit, especially if it has to meet a large number of redemption requests. Substantial redemptions by unitholders within a short period of time could require the Manager to arrange for the Fund's positions to be liquidated more rapidly than would otherwise be desirable, which could adversely affect the value of the remaining Units. In general, investments in smaller companies, smaller markets or certain sectors of the economy tend to be less liquid than other types of investments. The less liquid an investment, the more its value tends to fluctuate.

### **Results of operations**

In the short period of time since the Fund's commencement of operations on August 29, 2022, we have built a high conviction portfolio representing our best investment ideas within Canada. We were fortunate to have had close to a year to diligently underwrite our Day 1 portfolio, so it is largely identical to the Portfolio that we held at year end. We have long believed that smaller companies in Canada are an under resourced and under explored segment of the market. It would seem that has never been more true than today. The very significant sell off in stocks and bonds has meant people are selling what they 'can' and not necessarily at prices that make sense to us as rational business-minded investors. Liquidity tends to dry up in these periods and the discount that is required to sell is deeper than when markets are functioning well and risk appetites are higher (see 2010-mid 2022). Our eclectic portfolio of businesses are all well positioned to deal with high inflation, rising wages and rising cost of debt given their pricing power and under-levered balance sheets. We think this is a sensible and time tested investment approach that is critical to creating long term value for our clients. We don't know what the future is going to look like, how many times are central banks going to hike interest rates and at what level they will pause stop or re-start. What we do know is by never participating in the 'greater fool theory' approach to investing where we buy a business and hope to find someone who wants to pay more for it down the road, we feel insulated from any major economic shock. Currently we are finding a concentration of tremendous ideas in consumer and financials. We are even buying some wonderful and growing companies below the net cash and marketable securities held on their balance sheet! We think our Blue-Chip small cap approach which has a proven track record will remain a valuable tool in generating world class returns for our clients.

### **Recent Developments**

We're excited about the long-term opportunities we are finding in the market to build wealth for our investors. Returns in smaller companies can be very episodic and require patience and discipline on our part as investors and on the part of our clients. We do not attempt nor are we very talented at predicting 1) the direction of short term fluctuations in the market nor 2) how the policy response from the Fed and other central banks will impact the economy in the short term. What we are very capable at is identifying and partnering with exceptional smaller companies that are exceptionally undervalued on a long term basis.

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### Related Party Transactions

#### Manager and Trustee

Langdon Equity Partners ('Langdon') is the Investment Manager, and Trustee of the Fund. Langdon received a management fee in consideration for services provided to the Fund such as investment management, distribution, marketing, and promotion of the Fund. Langdon is also responsible for the day-to-day operation of the Fund and does from time to time absorb operating costs such as, but not limited to legal fees, audit fees and administrative and system costs.

The Management fees payable are set out below.

Class	Annual Management Fee Rate
Class A	2.15% of class net asset value
Class F	1.15% of class net asset value
Class I	Negotiated with the Manager
Class P	Negotiated with the Manager

#### Independent Review Committee

The Fund receives standing instructions (the "SI") from the independent review committee (the "IRC"). The SI constitutes a written approval or recommendation from the IRC that permits the Manager to proceed with specific action(s) set out in the SI on an ongoing basis. The SI is designed to ensure that the Manager's actions are carried out in accordance with the law, the instrument and the Manager's policies and procedures in order to achieve a fair and reasonable result for the Fund. The SI outlines actions related to i) Fees and Expenses; ii) Trade Allocations; iii) Broker Selections; iv) Code of Ethics and Conduct; v) Portfolio Pricing Issues, amongst other things. The Manager must provide the IRC with a written report summarizing each instance where the Manager has relied on the SI. For the period August 29, 2022, to December 31, 2022, the IRC did not provide any recommendations to the Manager.

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### Financial Highlights

The following tables show selected key financial information about the fund and are intended to help you understand the Fund's financial performance for the past five years ended December 31, or if shorter, the period since the series commenced operations. This information is derived from the Fund's audited annual financial statements.

	<b>Class A</b>
	<b>08/29/2022* to 12/31/2022</b>
<b>The Fund's Net Assets per Unit<sup>1</sup></b>	
<b>Net Assets, Beginning of Period \$</b>	10.00
<b>Increase (Decrease From Operations)</b>	
Total Revenue \$	0.04
Total Expenses \$	(0.13)
Realized Gains (Losses) for the Period \$	(0.10)
Unrealized Gains (Losses) for the Period	0.55
<b>Total Increase (Decrease) From Operations \$<sup>2</sup></b>	0.36
<b>Distributions</b>	
From Net Investment Income (Excluding Dividends) \$	0.00
From Dividends \$	0.00
From Capital Gains \$	0.00
Return of Capital \$	0.00
<b>Total Annual Distributions \$<sup>3</sup></b>	0.00
<b>Net Assets, End of Period \$</b>	10.22

\* Commencement of operations

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

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	<b>Class A</b>
	<b>08/29/2022* to 12/31/2022</b>
<b>Ratios and Supplemental data</b>	
Total Net Asset Value (000's) \$ <sup>1</sup>	698
Number of Units Outstanding	68,319
Management Expense Ratio % <sup>2</sup>	3.84
Management Expense Ratio Before Waivers or Absorptions %	3.84
Trading Expense Ratio % <sup>3</sup>	0.77
Portfolio Turnover Rate % <sup>4</sup>	18
Net Asset Value per Unit \$	10.22

\*Commencement of operations

1. This information is provided as at December 31 of the year shown
2. Management expense ratio is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.
3. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
4. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

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		<b>Class F</b>
		<b>08/29/2022* to 12/31/2022</b>
<b>The Fund's Net Assets per Unit<sup>1</sup></b>		
<b>Net Assets, Beginning of Period \$</b>		10.00
<b>Increase (Decrease From Operations)</b>		
Total Revenue \$		0.04
Total Expenses \$		(0.10)
Realized Gains (Losses) for the Period \$		(0.09)
Unrealized Gains (Losses) for the Period		0.51
<b>Total Increase (Decrease) From Operations \$<sup>2</sup></b>		0.36
<b>Distributions</b>		
From Net Investment Income (Excluding Dividends) \$		0.00
From Dividends \$		0.00
From Capital Gains \$		0.00
Return of Capital \$		0.00
<b>Total Annual Distributions \$<sup>3</sup></b>		0.00
<b>Net Assets, End of Period \$</b>		10.26

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3. Distributions were reinvested in additional units of the Fund.

		<b>Class F</b>
		<b>08/29/2022* to 12/31/2022</b>
<b>Ratios and Supplemental data</b>		
Total Net Asset Value (000's) \$ <sup>1</sup>		5,290
Number of Units Outstanding		515,824
Management Expense Ratio % <sup>2</sup>		2.89
Management Expense Ratio Before Waivers or Absorptions %		2.89
Trading Expense Ratio % <sup>3</sup>		0.77
Portfolio Turnover Rate % <sup>4</sup>		18
Net Asset Value per Unit \$		10.26

\*Commencement of operations

1. This information is provided as at December 31 of the year shown
2. Management expense ratio is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.
3. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
4. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

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	<b>Class I</b> <b>08/29/2022* to 12/31/2022</b>
<b>The Fund's Net Assets per Unit<sup>1</sup></b>	
<b>Net Assets, Beginning of Period \$</b>	10.00
<b>Increase (Decrease From Operations)</b>	
Total Revenue \$	0.04
Total Expenses \$	(0.01)
Realized Gains (Losses) for the Period \$	(0.10)
Unrealized Gains (Losses) for the Period	0.30
<b>Total Increase (Decrease) From Operations \$<sup>2</sup></b>	0.23
<b>Distributions</b>	
From Net Investment Income (Excluding Dividends) \$	0.00
From Dividends \$	0.00
From Capital Gains \$	0.00
Return of Capital \$	0.00
<b>Total Annual Distributions \$<sup>3</sup></b>	0.00
<b>Net Assets, End of Period \$</b>	10.34

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	<b>Class I</b> <b>08/29/2022* to 12/31/2022</b>
<b>Ratios and Supplemental data</b>	
Total Net Asset Value (000's) \$ <sup>1</sup>	569
Number of Units Outstanding	55,002
Management Expense Ratio % <sup>2</sup>	0.20
Management Expense Ratio Before Waivers or Absorptions %	0.20
Trading Expense Ratio % <sup>3</sup>	0.77
Portfolio Turnover Rate % <sup>4</sup>	18
<b>Net Asset Value per Unit \$</b>	10.34

\*Commencement of operations

1. This information is provided as at December 31 of the year shown
2. Management expense ratio is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.
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4. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

**Class P**



## Annual Management Report of Fund Performance

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08/31/2022\* to 12/31/2022

<b>The Fund's Net Assets per Unit<sup>1</sup></b>	
<b>Net Assets, Beginning of Period \$</b>	10.00
<b>Increase (Decrease From Operations)</b>	
Total Revenue \$	0.04
Total Expenses \$	(0.10)
Realized Gains (Losses) for the Period \$	(0.09)
Unrealized Gains (Losses) for the Period	0.77
<b>Total Increase (Decrease) From Operations \$<sup>2</sup></b>	0.62
<b>Distributions</b>	
From Net Investment Income (Excluding Dividends) \$	0.00
From Dividends \$	0.00
From Capital Gains \$	0.00
Return of Capital \$	0.00
<b>Total Annual Distributions \$<sup>3</sup></b>	0.00
<b>Net Assets, End of Period \$</b>	10.44

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3. Distributions were reinvested in additional units of the Fund.

	<b>Class P</b>
	08/31/2022* to 12/31/2022
<b>Ratios and Supplemental data</b>	
Total Net Asset Value (000's) \$ <sup>1</sup>	1,813
Number of Units Outstanding	173,781
Management Expense Ratio % <sup>2</sup>	0.03
Management Expense Ratio Before Waivers or Absorptions %	0.02
Trading Expense Ratio % <sup>3</sup>	0.77
Portfolio Turnover Rate % <sup>4</sup>	18
Net Asset Value per Unit \$	10.44

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### Management Fees

Langdon Equity Partners receives a monthly management fee as compensation for services provided to the Fund. The management fee is based on the daily NAV of the Class A, F, I, and P units. For the period ended December 31, 2022, the Fund paid Langdon Equity Partners management fee of \$23,117.

For the year ended December 31, 2022, a summary of services provided to the Fund in exchange of the management fee is presented below.

	Trailing commissions	Portfolio advisor and other fees <sup>1</sup>
Class A	46.51%	53.49%
Class F	N/A	100%
Class I	N/A	100%
Class P	N/A	100%

1. Portfolio advisor and other fees include investment advisory and portfolio management services which comprise investment selection, analysis, and monitoring, as well as all operating expenses to the extent that these expenses exceed the management fee received Langdon absorbed the cost.

### Past Performance

Investment performance is not provided for a Fund that has been available for less than one year. It is NI 81-106 that has the MRFP requirements that states to follow sections of 81-102. Would exclude any additional commentary in this section.

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### Summary of Investment Portfolio as at December 31, 2022

This summary of investment portfolio may change due to the ongoing portfolio transactions of the fund and quarterly updates are available on the internet at <https://www.langdonpartners.com/> or <https://www.sedar.com>.

TOP 25 POSITIONS	% OF NAV
WESTAIM CORP/THE	9.0%
WATERLOO BREWING LTD	8.8%
UNI SELECT INC	8.8%
GUARDIAN CAPITAL GROUP LTD	8.2%
RICHELIEU HARDWARE LTD	7.4%
ENGHOUSE SYSTEMS LTD	6.2%
TOPICUS.COM INC	5.0%
COLLIERS INTERNATIONAL GROUP	5.0%
EQB INC	4.9%
ARITZIA INC	4.9%
PRAIRIESKY ROYALTY LTD	4.9%
BOYD GROUP SERVICES INC	4.9%
FIRSTSERVICE CORP	4.8%
ATS AUTOMATION TOOLING SYSTEM	3.8%
WINPAK LTD	3.4%
STORAGEVAULT CANADA INC	2.6%
ANDLAUER HEALTHCARE GROUP INC	2.2%
ADENTRA INC	1.7%
<b>TOTAL</b>	<b>96.5%</b>

SECTOR ALLOCATION	% OF NAV
FINANCIALS	22.0%
INDUSTRIALS	17.6%
CONSUMER DISCRETIONARY	13.6%
REAL ESTATE	12.2%
INFORMATION TECHNOLOGY	11.1%
CONSUMER STAPLES	8.8%
ENERGY	4.9%
MATERIALS	3.4%
HEALTHCARE	2.1%
CASH	4.3%

### Contact Us

#### Investor Contact Details

Langdon Equity Partners

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