



Barrantagh Small Cap Canadian Equity Fund

Semi Annual Report

Period Ended June 30, 2019

NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS

Barrantagh Investment Management Inc., the Manager of the Funds, appoints independent auditors to audit the Funds' Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Interim Financial Statements, it must be disclosed in an accompanying notice. The Funds' independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by the Institute of Chartered Professional Accountants. The next report on the Funds will contain annual audited financial information as of

BARRANTAGH SMALL CAP CANADIAN EQUITY FUND

Statement of Financial Position

As at June 30, 2019 (unaudited)

	<i>Note</i>	30-Jun-19 ⁽¹⁾
Assets		
Current assets		
Investments, at fair value	\$	4,996,833
Cash		492,491
Subscriptions receivable		30,000
Dividends receivable		17,083
		<u>5,536,407</u>
Liabilities		
Current liabilities		
Management fees payable		298
Accrued expenses		14,545
		<u>14,843</u>
Net assets attributable to holders of redeemable units		5,521,564
Net assets attributable to holders of redeemable units per class		
Class F		438,162
Class O		5,083,402
Units outstanding		
Class F		43,566
Class O		505,000
Net assets attributable to holders of redeemable units per unit		
Class F	\$	10.06
Class O	\$	10.07

Approved by:

Wally Kusters (Signed)
Director

Marino Scarmozzino (Signed)
Director

August 19, 2019

(1) For the period April 15, 2019 (Date of commencement of operations) to June 30, 2019

BARRANTAGH SMALL CAP CANADIAN EQUITY FUND

Statement of Comprehensive Income

For the period from April, 15 to June 30, 2019 (unaudited)

	<i>Note</i>	2019
Income		
Net gain (loss) on investments		
Dividends	\$	29,254
Change in Net Unrealized Gain (Loss) on Foreign Currency		(8)
Change in unrealized appreciation (depreciation) on investments		30,556
Total net gain (loss) on investments		59,802
Other income		851
Foreign exchange gain (loss) on cash		-
Total other income		851
Total income		60,653
Expenses		
Management fees		298
Custody fees		347
Recordkeeping fees		9,074
Transaction fees		6,847
Audit fees		1,430
Legal Fees		1,986
Harmonized sales tax		1,707
Total Expenses		21,689
Increase (decrease) in net assets from operations attributable to holders of redeemable units		38,964
Increase (decrease) in net assets from operations attributable to holders of redeemable units per class		
Class F		5,562
Class O		33,402
Weighted average number of units		
Class F		19,220
Class O		231,447
Increase (decrease) in net assets from operations attributable to holders of redeemable units per daily average number of units per class		
Class F	\$	0.29
Class O	\$	0.14

BARRANTAGH SMALL CAP CANADIAN EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

For the period from April, 15 to June 30, 2019 (unaudited)

	Note	Class F	Class O	Total Fund
Net assets attributable to holders of redeemable units, beginning of period	\$	-	\$	-
Increase (decrease) in net assets from operations attributable to holders of redeemable units		5,562	33,402	38,964
Redeemable unit transactions				
Proceeds from redeemable units issued		432,600	5,050,000	5,482,600
Redemption of redeemable units		-	-	-
Net Increase (Decrease) from Redeemable Unit Transactions		432,600	5,050,000	5,482,600
Net increase (decrease) in net assets attributable to holders of redeemable units		438,162	5,083,402	5,521,564
Net assets attributable to holders of redeemable units, end of period	\$	438,162	\$	5,521,564

Redeemable Unit Transactions	Class F	Class O	Total Fund
Redeemable Unit Outstanding, Beginning of the period	-	-	-
Redeemable Unit Issued	43,566	505,000	548,566
Redeemable Units Redeemed	-	-	-
Redeemable Unit Outstanding, End of the period	43,566	505,000	548,566

BARRANTAGH SMALL CAP CANADIAN EQUITY FUND

Statement of Cash Flows

For the period from April, 15 to June 30, 2019 (unaudited)

	2019
Cash and cash equivalents, beginning of period	\$ -
Cash flows from operating activities	
Increase (decrease) in net assets attributable to holders of redeemable units	38,964
Adjustments:	
Foreign exchange unrealized (gain) loss on cash	8
Change in unrealized (appreciation) depreciation of investments	(30,556)
Purchases of investments	(4,966,277)
Proceeds from sales and maturities of investments	-
(Increase) decrease in dividends receivable	(17,083)
Increase (decrease) in subscription receivable	(30,000)
Increase (decrease) in management fees payable	298
Increase (decrease) in accrued expenses	14,545
Net cash provided by (used in) operating activities	<u>(4,990,101)</u>
Cash flows from financing activities	
Proceeds from redeemable units issued	5,482,600
Amount paid on redemption of redeemable units	-
Net cash provided by (used in) financing activities	<u>5,482,600</u>
Net increase (decrease) in cash and cash equivalents	492,499
Foreign exchange unrealized gain (loss) on cash	(8)
Cash and cash equivalents, end of period	<u>\$ 492,491</u>
Other cash flow information:	
Dividends received, net of withholding taxes	<u>12,171</u>

BARRANTAGH SMALL CAP CANADIAN EQUITY FUND
Schedule of Investment Portfolio
As at June 30, 2019 (unaudited)

Share/Par Value	Average Cost (\$)	Fair Value (\$)	Fair Value (%)
Energy			
35,819 Birchcliff Energy Ltd.	120,543	93,129	
54,955 CES Energy Solutions Corp.	126,753	132,991	
23,717 Freehold Royalties Ltd.	197,711	200,883	
8,931 Gibson Energy Inc.	200,707	208,539	
5,201 Parkland Fuel Corp.	212,604	216,102	
162,952 Tidewater Midstream and Infrastructure Ltd.	237,735	233,021	
48,038 TORC Oil & Gas Ltd.	209,438	196,475	
	1,305,491	1,281,140	23.2%
Materials			
14,386 Altius Minerals Corp.	176,232	182,990	
20,370 Hudbay Minerals Inc.	133,246	144,423	
11,991 Intertape Polymer Group Inc.	226,991	220,754	
	536,469	548,167	9.9%
Industrials			
10,446 Aecon Group Inc.	185,883	200,250	
5,426 Badger Daylighting Ltd.	258,676	259,254	
2,156 Boyd Group Income Fund	355,788	356,753	
3,611 Cargojet Inc.	309,056	303,902	
7,077 Morneau Shepell Inc.	211,694	209,267	
11,170 Wajax Corp.	174,755	175,704	
	1,495,852	1,505,130	27.3%
Utilities			
12,383 Boralex Inc.	228,420	243,822	
13,084 Superior Plus Corp.	162,084	174,802	
	390,504	418,624	7.6%
Consumer Discretionary			
6,574 Boston Pizza Royalties Income Fund	113,483	114,453	
74,390 Diversified Royalty Corp.	240,370	229,122	
	353,853	343,575	6.2%
Consumer Staples			
12,763 Cott Corp.	225,039	223,097	
7,508 Jamieson Wellness Inc.	145,664	150,986	
2,167 Premium Brands Holdings Corp.	181,429	193,968	
	552,132	568,051	10.3%
Real Estate			
7,950 Minto Apartment Real Estate Investment Trust	155,118	149,540	
63,405 StorageVault Canada Inc.	183,704	182,606	
	338,822	332,146	6.0%
	4,973,123	4,996,833	90.5%
Commissions and other portfolio transaction costs (Note 3)	(6,846)		
Total Investment Portfolio	4,966,277	4,996,833	90.5%
Other Net Assets (Liabilities)		524,731	9.5%
Net Assets Attributable to Holders of Redeemable Shares		5,521,564	100.0%
Net Assets Attributable to Holders of Redeemable Shares		5,521,564	100.0%

BARRANTAGH SMALL CAP CANADIAN EQUITY FUND

Notes to Financial Statements

For the period ended June 30, 2019 (unaudited)

1. General information

Barrantagh Small Cap Canadian Equity Fund (the “Fund”) is a mutual fund trust established under the laws of Ontario pursuant to a Trust Agreement dated April 15, 2019. The Fund commenced operations on April 15, 2019. The investment objective of the Fund is to outperform the S&P/TSX Small Cap Canadian equity index over market cycles. The Fund primarily invests in common shares within the small cap area of the Canadian market.

The Fund’s registered office is at 100 Yonge Street, Suite 1700, Toronto ON M5C 2W1, Canada.

Barrantagh Investment Management Inc. (“the Manager”) provides investment advisory services and arranges for the provision of all general management and administrative services required by the Fund in its day-to-day operations, as the portfolio adviser for the Fund, the Manager is responsible for the management of the Fund’s investment portfolio.

The Fund is available in either Series F or Series O and these are differentiated by the rate and method of payment of management fees.

The Fund’s custodian, trustee and administrator is RBC Investor & Treasury Services.

The Semi-annual financial statements were approved by the Board of Directors of the Manager on August xx, 2019.

2. Basis of presentation

These financial statements have been prepared in accordance with those requirements of International Financial Reporting Standards including International Accounting Standards (“IAS”) 34: Interim Financial Reporting, as issued by the International Accounting Standards Board (“IFRS”) and use the historical cost basis, except for financial assets and liabilities measured at fair value.

These financial statements are presented in Canadian dollars, the functional currency of the Fund.

3. Summary of significant accounting policies

Financial Instruments

The Fund’s financial instruments include: equities, cash, receivable for investments sold, subscriptions receivable, dividend receivable, prepaid expenses, payable for investments purchased, redemptions payable, management fee payable, accrued expenses, and distributions payable. The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date. The Fund’s investments and liabilities are measured at fair value. The Fund’s Net Assets Attributable to Holders of Redeemable Shares are measured at fair value. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract’s effective interest rate. The Fund’s accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its net asset value (“NAV”) for transactions with shareholders.

The Fund only offsets financial assets and financial liabilities if the Fund has a legally enforceable right to offset recognized amounts and either intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Valuation of investments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of financial assets and liabilities traded in active markets (such as publicly traded marketable securities) are based on last traded prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day’s bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific circumstances. The Fund’s policy is to recognize transfers in and out of the fair value hierarchy levels as at the end of the reporting period for transfers between Level 1 and 2 and as at the date of the transfer for transfers in and out of Level 3.

BARRANTAGH SMALL CAP CANADIAN EQUITY FUND

Notes to Financial Statements

For the period ended June 30, 2019 (unaudited)

The fair values of the investments are determined as follows:

- a) Securities listed on a recognized public stock exchange are stated at their close prices on the valuation date.
- b) Securities not listed on a recognized public stock exchange are valued based upon available public quotations in common use or at prices estimated to be fair value as determined by the Manager of the applicable Fund.
- c) Short term investments are stated at amortized cost which, given the short term nature of the investments, approximates fair value.
- d) Mutual fund units held are priced using the net asset value (“NAV”) per unit as of the valuation date for the particular fund.

Investment transactions, income recognition and transaction costs

Investment transactions are recorded on the trade date, which is the date on which the Fund commits to purchase or sell the investment. Interest for distribution purposes shown on the statements of comprehensive income consists of interest income from cash and the coupon interest on debt instruments accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities. Realized gains and losses from investment transactions are calculated on an average cost basis. Unrealized gains and losses are determined using the difference between the fair value and average cost.

Transaction costs, when incurred, are included in the cost of investments purchased or are a reduction in the proceeds received on the sale of an investment. These costs are immediately recognized in profit or loss as an expense in the statements of comprehensive income. As at June 30, 2019, the Fund incurred \$6,847 in transaction costs.

Receivable for investments sold / payable for investments purchased

Receivable for investments sold and payable for investments purchased represent investment transactions that have been contracted for but not yet settled or delivered on the statement of financial position dates, respectively.

These amounts are recognized initially at fair value and subsequently measured at amortized cost, which approximates fair value.

Cash

Cash includes cash on hand, deposits held on call with banks and bank overdraft. Bank overdraft are shown in current liabilities in the statements of financial position.

Other assets and liabilities

Dividend receivable, subscriptions receivable, receivable for investments sold, and other receivables are classified as loans and receivables and recorded at amortized cost. Redemptions payable, distributions payable, management fees payable, payable for investments purchased and accrued expenses are classified as other liabilities and recorded at cost or amortized cost. Other assets and liabilities are short term in nature and amortized cost approximates fair value.

Translation of foreign currencies

The functional and presentation currency of the Fund is Canadian dollars.

- a) The fair value of investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing rates on each valuation date.
- b) Purchases and sales of investments, as well as interest income denominated in foreign currencies are translated into Canadian dollars at the prevailing rates of exchange on the dates of the related transactions.
- c) Foreign currency gains and losses resulting from translations are reported in the statements of comprehensive income. Foreign currency gains and losses relating to cash and cash equivalents are presented in the statements of comprehensive income within net foreign exchange gain (loss) on cash and cash equivalents. Foreign currency gains and losses relating to financial assets and liabilities carried as FVTPL are presented in the statements of comprehensive income within change in unrealized appreciation (depreciation) of investments.

Unitholder transactions

For each unit issued, the Fund receives an amount equal to the NAV per unit on the valuation date. Units are redeemable at the option of the unitholder at the NAV per unit on the valuation date as determined in Note 4.

Increase (decrease) in net assets from operations attributable to holders of redeemable units

Movements in net assets attributable to holders of redeemable units are recognized in the statements of changes in net assets attributable to holders of redeemable units. Increase (decrease) in net assets from operations attributable to holders of redeemable units per daily

BARRANTAGH SMALL CAP CANADIAN EQUITY FUND

Notes to Financial Statements

For the period ended June 30, 2019 (unaudited)

average number of units in the statements of comprehensive income represents the increase (decrease) in net assets attributable to holders of redeemable units, divided by the average daily number of units outstanding for each class of units.

Unit valuation

A separate NAV is calculated on every valuation date for each Series of units. A valuation date is each day that the Manager is open for business and on which the Toronto Stock Exchange is open for trading. The NAV of each specific Series of units is computed by calculating the value of the Series' proportionate share of the assets and liabilities of the Fund attributable only to that Series. Expenses directly attributable to a Series are charged directly to that Series. Other expenses, income, and realized and unrealized capital gains and losses are allocated proportionately to each Series based on the relative NAV of each Series.

Taxation

The Fund qualifies as mutual fund trust under the provisions of the Income Tax Act (Canada) (the "Act") and are not subject to tax on net income, including net realized taxable capital gains for the taxation year, which is paid or payable to unitholders at the end of the taxation year. However, such part of the Fund's taxable income including net realized taxable capital gains that is not paid or payable will be taxable to the Fund. Income tax on net taxable realized capital gains not paid or payable will generally be recoverable by virtue of refunding provisions contained in the Act and provincial income tax legislation, as redemptions occur.

Any non-capital losses arising in taxation years that begin after 2018 may be carried forward to reduce future taxable income, subject to the applicable restrictions of non-capital losses under the Act, until their expiry dates. Any capital losses can be carried forward indefinitely.

The Fund may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the statements of comprehensive income.

Income and expense allocation

Realized gains (losses), changes in unrealized appreciation (depreciation) on investments, income and expenses that are common to the Fund as a whole are allocated daily to each Series based on the proportionate share of the NAV of the Series. The proportionate share of each Series is determined by adding the current day's net unitholder transactions of the Series to the prior day's NAV of the Series. Any income or expense amounts that are unique to a particular Series are accounted for separately in that particular Series and do not affect the NAV of the other Series.

Critical accounting estimates and assumptions

The preparation of financial statements in compliance with IFRS requires management to exercise its judgment in applying its accounting policies and to make estimates and assumptions about the future. The most significant accounting judgments and estimates that the Fund has made in preparing the financial statements related to the fair values of some financial instruments are as follows:

- a) The Fund may, from time to time, hold financial instruments that are not quoted in active markets. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding.
- b) Where no market data is available, the Fund 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 experienced personnel of the Manager, independent of the party that created them. The model used for debt securities is based on net present value of estimated future cash flows, adjusted as appropriate for liquidity, and credit and market risk factors.
- c) Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), 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 Manager considers 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. Refer to Note 10 for further information about the fair value measurement of the Fund's financial instruments.

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Notes to Financial Statements

For the period ended June 30, 2019 (unaudited)

4. Redeemable units

The capital of the Fund is represented by the number of issued and outstanding redeemable units. The Fund is authorized to issue an unlimited number of Series F and Series O units, which do not have any nominal or par value. The units are entitled to participate in the distribution of net income and net capital gains. The Fund's net assets are managed according to the investment objectives of the Fund.

Redeemable units are issued and redeemed at the unitholder's option at the Fund's NAV per unit at the time of issue or redemption. The Fund's NAVs per unit is calculated by dividing the Fund total NAV of each Series by the total number of outstanding redeemable units for that Series.

Redeemable units are carried at the redemption amount that is payable on the statements of financial position date if the holder exercises the right to put the units back in the Fund. If the unitholders redeem units, they are entitled to the proportionate share of NAV, represented by the Fund's NAV per unit. The relevant movements are shown in the statements of changes in net assets attributable to holders of redeemable units.

Series F and Series O units are available to investors who have been approved by the Manager and who have invested a negotiated minimum amount pursuant to a subscription agreement.

All distributions of the Fund in respect of income and realized capital gains are reinvested automatically in units of the Fund at the NAV thereof without sales commission unless the unitholder requests in writing not to be reinvested and instead to receive cash.

Detail chart summarizing redeemable unit transactions for the period ended June 30, 2019 is presented in the Statement of Changes in Net Assets.

5. Financial risk management

The Fund is exposed to a variety of financial risks: market risk (including price risk, interest rate risk, foreign currency risk, liquidity risk, concentration risk and credit risk).

The Fund's overall risk management program seeks to maximize the returns derived for the level of risk to which the Fund is exposed and minimize potential adverse effects from the unpredictability of financial markets on the Fund's financial performance.

All exposures to financial instruments represent a risk of loss of capital. The maximum loss of capital on long equity and debt securities is limited to the fair value of those positions.

The success of the Fund's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Fund's investments. Unexpected volatility or illiquidity could impair the Fund's profitability or result in losses.

The value of the Fund's investments may change due to one or more of the following financial instrument risks:

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency or interest rate risk).

The investments of the Fund are subject to normal market fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from financial instruments held by the Fund is determined by the fair value of the financial instruments. The Manager moderates this risk through a careful selection of securities within specified limits and the Fund's market price risk is managed through diversification of the investment portfolio. The Manager monitors the Fund's overall market positions on a daily basis and positions are maintained within established ranges.

At June 30, 2019 the overall market exposures were as follows:

	June 30, 2019	
	Fair Value	% Net Assets
Long Equity Investments	\$ 4,996,833	90.5%

BARRANTAGH SMALL CAP CANADIAN EQUITY FUND

Notes to Financial Statements

For the period ended June 30, 2019 (unaudited)

If the fair value of the Long equity investments held by the Fund as at June 30, 2019 had increased or decreased by 5%, with all other variables held constant, this would have increased or decreased net assets by approximately \$249,842.

Interest rate risk

The majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates.

Foreign Currency risk

Foreign currency risk arises as the value of future transactions, recognized monetary assets and liabilities denominated in other currencies other than the Canadian dollar, fluctuate due to changes in foreign exchange rates. The Fund holds assets and liabilities, including cash that are in Canadian dollars only. Therefore, there is no currency risk as at June 30, 2019.

Credit risk

Credit risk is the risk that a loss could arise when a security issuer or counterparty to a financial instrument is unable to meet its financial obligations. Financial instruments that potentially subject the Fund to a concentration of credit risk consist primarily of cash, short-term investments, and derivatives. The Fund attempts to reduce its exposure to capital losses by investing its cash and short-term funds with high quality government and financial institutions. To mitigate the credit risk in the portfolios, the Fund's Manager continuously tracks the credit quality by reviewing corporate financials, attending company presentations and analyzing industry information and research.

All transactions in listed securities are settled upon delivery using approved brokers. The credit risk of default related to associated receivables is considered minimal. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

As at June 30, 2019, the Fund's direct exposure to credit risk was nil as the Fund had no exposure to debt instruments.

Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to the daily cash redemptions of its redeemable units. Units are redeemable on demand at the then current NAV per unit.

The Fund may invest in fixed income securities that are traded over the counter. As a result, the Fund may be unable to quickly liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirements, or may be unable to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

This risk is managed by investing the majority of its assets in investments that are traded in active markets and can be readily disposed. In addition, the Fund retains sufficient cash and cash equivalents to maintain liquidity. The Manager monitors the Fund's liquidity position on a daily basis.

The contractual maturity of the Fund's financial liabilities is less than three months except for redemption payable.

Concentration risk

Concentration risk arises from financial instruments that have similar characteristics and are affected similarly by changes in economic or other conditions. The following is a summary of the Fund's concentration risk:

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Notes to Financial Statements

For the period ended June 30, 2019 (unaudited)

Portfolio by Category	Percentage of Net Assets (%)
	June 30, 2019
Industrials	27.4
Energy	23.2
Consumer Staples	10.2
Materials	9.9
Utilities	7.6
Consumer Discretionary	6.2
Real Estate	6.0
Total	90.5

Capital risk management

Redeemable units issued and outstanding are considered to be the capital of the Fund. The Fund does not have any specific capital requirements on the subscription and redemption of the units, other than certain minimum subscription requirements. Holders of redeemable units are entitled to require payment of the NAV per unit of the Fund for all or any of the units of such holder of redeemable units by giving written notice to the Manager.

6. Fair value disclosure

The following describes the three levels of the fair value hierarchy for fair value measurements based on the transparency of inputs to the valuation for assets or liabilities as of the measurement date. The hierarchy provides 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: This category includes financial assets and financial liabilities that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis.

Level 2: This category includes financial assets and financial liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions in the same instrument or based on available market data. The main asset classes included in this category are financial assets for which pricing is obtained through pricing services based on broker quotes and not determined in an active market.

Level 3: This category includes financial assets and financial liabilities whose fair value is determined using a valuation technique (model) for which more than an insignificant level of inputs used in the overall valuation are not market observable.

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.

Where there is a significant impact to the fair value estimate of Level 3 financial instruments in applying reasonable possible alternative assumptions, a range in fair value will be disclosed in the financial statements.

Fair value hierarchy

The following fair value hierarchy table presents information about the Fund's assets measured at fair value as at June 30, 2019.

	Level 1	Level 2	Level 3	Total
	(\$000's)	(\$000's)	(\$000's)	(\$000's)
Equities	4,996,833	-	-	4,996,833

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Notes to Financial Statements

For the period ended June 30, 2019 (unaudited)

	Level 1	Level 2	Level 3	Total
	(\$000's)	(\$000's)	(\$000's)	(\$000's)
Total Investments	4,996,833	-	-	4,996,833

All fair value measurements above are performed on a regular basis. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1 and reclassified into Level 2 or Level 3, as appropriate.

The following provides the detail of determining Levels by asset classes:

Level 1 securities include:

- Equity securities and exchange traded securities using quoted market prices (unadjusted).

Level 2 securities include:

- Equity securities that are not frequently traded in active markets. In such cases, fair value is determined based on observable market data (e.g., transactions for similar securities of the same issuer).
- Fixed-income securities valued at evaluated bid prices provided by recognized investment dealers (i.e. third-party pricing vendors based on a variety of factors including broker input, financial information on the issuer and other observable market inputs).
- Derivative assets and liabilities such as forward currency contracts, which are valued based on observable inputs such as the notional amount, forward market rate, contract rates, interest and credit spreads. To the extent that the inputs used are observable and reliable, these derivatives are included in Level 2.
- Investments in other mutual funds valued at their respective daily NAV per unit on relevant valuation dates.

Level 3 securities include:

- Investments valued using valuation techniques that are based on unobservable market data. These techniques are determined pursuant to procedures established by the Manager.

Movements between Level 1 and Level 2 financial instruments

There were no transfers between Level 1 and 2 for the periods ended June 30, 2019.

Valuation of Level 3 financial instruments

The Fund did not hold any Level 3 investments at the beginning of, during, or at the end of June 30, 2019.

7. Related Party transactions

(a) Management fees:

Barrantagh Investment Management Inc. ("the Manager") is entitled to an annual management fee for acting as the Manager of the Fund. The management fee covers fees for services we provide, or cause to be provided, to the Fund, including the investment management of the Fund, oversight of the service providers and general administration. This list is not exhaustive.

The management fee in respect of Series F units is paid by the Fund at a rate of 1.00% per annum of the Fund's NAV attributable to the Series F units calculated daily, based on the average daily NAV and payable monthly in arrears.

The management fee in respect of Series O units is negotiated between the unitholder and the Manager at maximum rates of up to 1.00% per annum of the Fund's NAV attributable to the Series O units calculated daily, based on the average daily NAV and payable either monthly or quarterly, and subject to review from time to time. The management fee in respect of the Series O units is not paid by the Fund but by the unitholder directly

Management fees are subject to applicable taxes, including GST and HST. The Manager may choose to absorb or waive some of the management fees incurred by the Fund.

BARRANTAGH SMALL CAP CANADIAN EQUITY FUND

Notes to Financial Statements

For the period ended June 30, 2019 (unaudited)

(b) Operating Expenses:

The Fund pays its own operating expenses. These expenses include audit and accounting fees, custodial expenses, accounting and recordkeeping costs, legal expenses, prospectus preparation and filing costs (other than the cost of preparing the initial prospectus for the Fund), and other day-to-day operating expenses. The Fund also pays HST or GST (as applicable) on these expenses.

The Fund is also responsible for the fees and expenses of its Independent Review Committee (IRC). Each member of the IRC is paid \$10,000 per annum and the Chairman is paid \$15,000 per annum.