



Barrantagh Small Cap Canadian Equity Fund

Management Report of Fund Performance

Period ended December 31, 2023

This Annual 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 1-800-463-FUND (3863) by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario, M5W 1P9, or by visiting our website at www.rbcgam.com/regulatorydocuments or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Barrantagh Small Cap Canadian Equity Fund

Annual Management Discussion of Fund Performance

December 31, 2023

Investment Objectives and Strategies

The Fund's investment objective 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 Manager pursues a disciplined fundamental approach that seeks to identify companies that can combine a dominant business profile with proven management and a financial profile that can be independently analyzed.

Risk

The risks of investing in the Fund remain as outlined in the simplified prospectus.

Results of Operations

Market Update:

The Fund underperformed its benchmark, the S&P/TSX Small Cap Index.

Sentiment shifted to risk-on to start 2023 after a challenging 2022 for global markets followed by substantial swings through most of the year. Canadian equity markets struggled to find traction, in part due to weakening commodity prices, frustratingly lagging versus global benchmarks. Investors gravitated to larger more liquid names with small caps underperforming.

There was a substantial shift in the market narrative during the fourth quarter driving risk markets higher to close out the year. Supportive economic data of cooling inflation and signaling from central banks raised prospects for an end to the coordinated interest rate hikes that defined the previous period. Interest rates fell, interest rate sensitive securities got bid higher and a relief rally ensued to end 2023.

Despite the welcome lift it was a challenging year for Canadian small caps given how narrow the leadership in the market was during the period. Though breadth improved during Q4/23, performance for the year was bifurcated by market cap size. Of the ~460 Canadian equities we track the median return of the top quartile (largest companies) was +12%, second quartile +3%, third quartile +2%, and bottom quartile (smallest companies) -13%. Over the last year, investors in smaller cap equities were battling strongly against this tide.

Key Contributors/Detractors:

The largest driver of underperformance during the period were negative selection in information technology where value tech stocks underperformed and health care where the Fund's exposure to health care services lagged the other sub-sectors. This was partially offset by positive selection in real estate where the Fund's holdings were much more resilient than the benchmark in a challenging environment for the sector.

Assets:

The Fund was relatively flat during the period as modest flows during the period were offset by the small negative return.

Recent Developments

The flip side of the lagging performance from small cap equities is the highly attractive opportunity ahead. Looking at current valuations for the same grouping of ~460 Canadian stocks noted above the largest group currently trades at a 5% discount to their five-year average, the next largest trades at a 17% discount, the third largest trades at a 20% discount, and the smallest group trades at a 32% discount. Simple mean reversion implies stronger future returns for smaller stocks. Further, as interest rates steady and eventually go lower, this previous headwind on valuation and deal activity will become a tailwind for smaller cap

equities and free cash flow growth should reaccelerate driving compounding intrinsic value for the Fund's holdings. In this context, a number of existing holdings were added to over the period given the increasingly attractive risk-reward proposition.

Related Party Transactions

Manager, Trustee and Portfolio Adviser:

Barrantagh Investment Management Inc. ("BIM") is the manager, trustee, and portfolio adviser of the Fund. The Fund pays BIM an annual management fee of 1% for F-Series calculated, accrued, and paid monthly as a percentage of the net asset value of the Fund. Unitholders in the O-Series pay a negotiated fee directly to BIM.

Registrar and Transfer Agent:

RBC Inestory & Treasury Services is the registrar and transfer agent of the Fund, and as such maintains all unitholder records, processes purchase and redemption orders, issues investor statements and prepares annual tax reporting information on behalf of the Fund.

Buying and Selling Securities:

BIM has established an independent review committee ("IRC") which acts as an impartial and independent committee to review and provide recommendations or, if appropriate, approval respecting any conflict-of-interest matters referred to it by BIM. The IRC prepares, at least annually, a report of its activities for securityholders of the Fund. The report is available on the BIM website.

There are no other related party transactions; as such, there are no relevant standing instructions requirements that securities transactions with related parties conducted by BIM (i) are free from any influence by an entity related to BIM and without taking into account any consideration relevant to an entity related to BIM; (ii) represent the business judgment of BIM uninfluenced by considerations other than the best interests of the Fund; (iii) comply with the applicable policies and procedures of BIM; and (iv) achieve a fair and reasonable result for the Fund.

Management Fees

As manager and trustee of the Fund, BIM is responsible for the overall business and affairs of the Fund, including activities related to making units of the Fund available to investors, and providing, or arranging for the provision of, investment advisory services and marketing services to the fund. In consideration for the provision of such series, each series of the Fund pays BIM a management fee.

Management fees are calculated and accrued as a percentage of the net asset value of each series of units of the Fund, as of the close of business on each business day for each series and are paid monthly to BIM.

The simplified prospectus discloses a specified annual management fee rate that BIM can charge for each series of the Fund. Of the annual management fees for F-Series, 100% of investment advisory, trustee, marketing services and others are rendered.

Management Fees of each series of the Fund are payable to BIM and calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The management fee, breakdown of services received in consideration of the management fee, as a percentage of the management fee are as follows:

	Management Fees	<u>Breakdown of Services</u>	
		Distribution	Other
Series A	2%	10%	90%
Series F	1%	10%	90%
Series O*	n/a	n/a	n/a

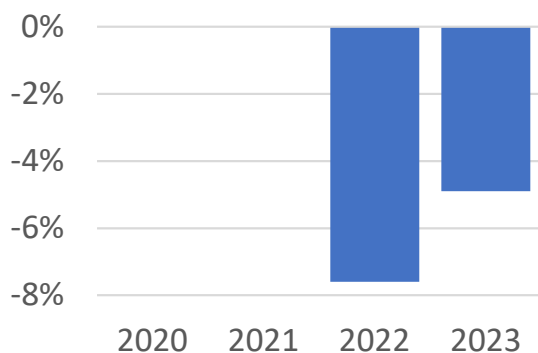
*Series O has no management fees as unitholders pay a negotiated fee directly to BIM for investment-counselling services.

Barrantagh Small Cap Canadian Equity Fund

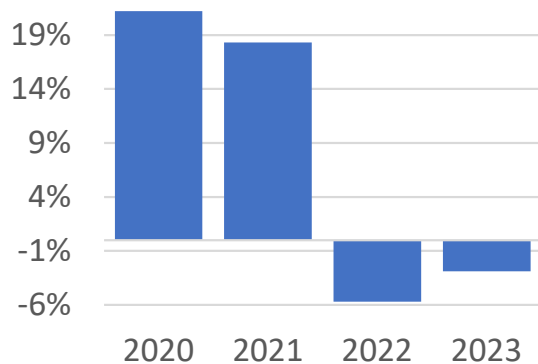
Year-by-Year Returns

The bar chart indicates the Fund's annual performance for each of the year's shown and illustrates how the Fund's performance has changed from year to year.

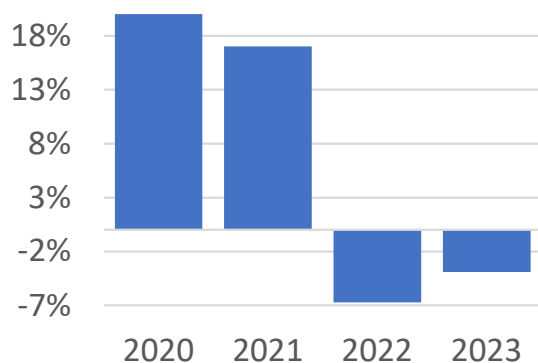
Series A (%)



Series O (%)



Series F (%)



Annual Compound Returns

The following table shows the Fund's historical annual compound total returns for each of the periods indicated ended on December 31, 2023 as compared to the performance of the S&P/TSX Small Cap Index..

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A1	-4.9%				-1.7%
Benchmark	4.8%				0.0%
Series F2	-3.9%	1.6%			6.0%
Benchmark	4.8%	4.6%			6.8%
Series O2	-2.9%	2.7%			7.1%
Benchmark	4.8%	4.6%			6.8%

Footnote (1) Inception date April 30, 2021

Footnote (2) Inception date May 27, 2019

BARRANTAGH SMALL CAP CANADIAN EQUITY FUND

Summary of investment portfolio

As at December 31, 2023

The summary of investment portfolio may have changed since December 31, 2023 due to ongoing portfolio transactions of the Fund.

Top 25 Holdings	Percentage of Net Asset Value (%)
Boyd Group Services Inc.	5.4
Trisura Group Ltd.	4.5
Definity Financial Corp.	4.5
Boralex Inc.	4.4
EQB Inc.	4.3
Jamieson Wellness Inc.	4.2
MTY Food Group Inc.	4.0
Andlauer Healthcare Group Inc.	4.0
StorageVault Canada Inc.	3.9
Cargojet Inc.	3.9
Brookfield Business Corp.	3.9
Calian Group Ltd.	3.8
Premium Brands Holdings Corp.	3.8
Neighbourly Pharmacy Inc.	3.5
Tamarack Valley Energy Ltd.	3.5
Chemtrade Logistics Income Fund	3.4
Softchoice Corp.	3.4
Minto Apartment Real Estate Investment Trust	3.4
Dye & Durham Ltd.	3.3
Gibson Energy Inc.	3.3
Savaria Corp.	3.3
ARC Resources Ltd.	3.2
Superior Plus Corp.	3.1
Tidewater Midstream and Infrastructure Ltd.	3.1
Ag Growth International Inc.	3.0
Total Net Asset Value	\$98,867,381

Portfolio by Category

Asset Type	Percentage of Net Asset Value (%)
Equities	97.7
Short-term Investments	1.0
Cash	1.0
Other Net Assets (Liabilities)	0.3
	100.0

Sector	Percentage of Net Asset Value (%)
Industrials	23.3
Financials	15.3
Energy	14.7
Consumer Staples	11.5
Utilities	7.5
Real Estate	7.3
Information Technology	6.7
Health Care	4.0
Consumer Discretionary	4.0
Materials	3.4
Short-term Investments	1.0
Cash	1.0
Other Assets (Liabilities)	0.3
	100.0

BARRANTAGH SMALL CAP CANADIAN EQUITY FUND
The Fund's net assets attributable to holders of redeemable units per unit¹
Series A

	2023 ⁽³⁾	2022 ⁽⁴⁾	2021 ⁽¹¹⁾
Net assets attributable to holders of redeemable units, beginning of year	\$ 9.71	\$ 10.81	\$ 10.00
Increase (decrease) from operations:			
Total Revenue	0.53	0.21	0.17
Total Expenses	(0.24)	(0.26)	(0.21)
Realized gains (losses) for the year	(0.29)	0.36	0.11
Unrealized gains (losses) for the year	(0.32)	(0.71)	0.47
Total increase (decrease) from operations²	(0.32)	(0.40)	0.54
Distributions:			
From income (excluding dividends)	-	-	-
From dividends	(0.01)	-	(0.03)
From capital gains	(0.11)	(0.27)	(0.02)
Return of Capital	-	-	-
Total Annual Distributions	(0.12)	(0.27)	(0.05)
Net assets attributable to holders of redeemable units, end of year	\$ 9.12	\$ 9.71	\$ 10.81

Ratios and Supplemental Data:

Total net asset value	\$ 3,153,481	\$ 1,324,679	\$ 636,482
Number of units outstanding	345,837	136,366	58,863
Management expense ratio ⁷	2.53%	2.50%	2.69%
Management expense ratio before waivers or absorptions ⁸	2.53%	2.50%	2.69%
Trading expense ratio ⁸	0.05%	0.07%	0.13%
Portfolio turnover rate ⁹	12.14%	20.56%	27.77%
Net asset value per unit	\$ 9.12	\$ 9.71	\$ 10.81

The Fund's net assets attributable to holders of redeemable units per unit¹
Series F

	2023 ⁽³⁾	2022 ⁽⁴⁾	2021 ⁽⁵⁾	2020 ⁽⁶⁾	2019 ⁽¹⁰⁾
Net assets attributable to holders of redeemable units, beginning of year	\$ 13.04	\$ 14.42	\$ 12.36	\$ 10.35	\$ 10.00
Increase (decrease) from operations:					
Total Revenue	0.61	0.27	0.30	0.29	0.23
Total Expenses	(0.19)	(0.20)	(0.23)	(0.18)	(0.21)
Realized gains (losses) for the year	(0.19)	0.56	0.46	(0.16)	(0.16)
Unrealized gains (losses) for the year	(0.74)	(1.53)	1.46	3.47	1.32
Total increase (decrease) from operations²	(0.51)	(0.90)	1.99	3.42	1.18
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.08)	(0.05)	(0.02)	(0.06)	-
From capital gains	(0.15)	(0.36)	(0.02)	-	-
Return of Capital	-	-	-	-	-
Total Annual Distributions	(0.23)	(0.41)	(0.04)	(0.06)	-
Net assets attributable to holders of redeemable units, end of year	\$ 12.31	\$ 13.04	\$ 14.42	\$ 12.36	\$ 10.35

Ratios and Supplemental Data:

Total net asset value	\$ 58,447,097	\$ 56,306,894	\$ 54,641,198	\$ 21,444,938	\$ 5,120,985
Number of units outstanding	4,748,396	4,316,471	3,788,129	1,734,420	494,676
Management expense ratio ⁷	1.44%	1.46%	1.54%	1.61%	2.51%
Management expense ratio before waivers or absorptions ⁸	1.44%	1.46%	1.54%	1.75%	2.51%
Trading expense ratio ⁸	0.05%	0.07%	0.13%	0.08%	0.37%
Portfolio turnover rate ⁹	12.14%	20.56%	27.77%	15.97%	16.54%
Net asset value per unit	\$ 12.31	\$ 13.04	\$ 14.42	\$ 12.36	\$ 10.35

The Fund's net assets attributable to holders of redeemable units per unit¹
Series O

	2023 ⁽³⁾	2022 ⁽⁴⁾	2021 ⁽⁵⁾	2020 ⁽⁶⁾	2019 ⁽¹⁰⁾
Net assets attributable to holders of redeemable units, beginning of year	\$ 13.21	\$ 14.61	\$ 12.50	\$ 10.42	\$ 10.00
Increase (decrease) from operations:					
Total Revenue	0.60	0.28	0.29	0.26	0.29
Total Expenses	(0.06)	(0.06)	(0.09)	(0.07)	(0.16)
Realized gains (losses) for the year	(0.14)	0.56	0.51	(0.28)	(0.17)
Unrealized gains (losses) for the year	(0.81)	(1.62)	1.49	2.38	0.97
Total increase (decrease) from operations²	(0.41)	(0.84)	2.20	2.29	0.93
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.21)	(0.19)	(0.14)	(0.13)	-
From capital gains	(0.15)	(0.37)	(0.02)	-	-
Return of Capital	-	-	-	-	-
Total Annual Distributions	(0.36)	(0.56)	(0.16)	(0.13)	-
Net assets attributable to holders of redeemable units, end of year	\$ 12.46	\$ 13.21	\$ 14.61	\$ 12.50	\$ 10.42

Ratios and Supplemental Data:

Total net asset value	\$ 37,266,803	\$ 43,513,865	\$ 43,542,442	\$ 28,553,048	\$ 19,711,322
Number of units outstanding	2,991,920	3,293,851	2,980,627	2,284,366	1,892,241
Management expense ratio ⁷	0.41%	0.40%	0.49%	0.60%	1.90%
Management expense ratio before waivers or absorptions ⁸	0.41%	0.40%	0.49%	0.69%	1.90%
Trading expense ratio ⁸	0.05%	0.07%	0.13%	0.08%	0.37%
Portfolio turnover rate ⁹	12.14%	20.56%	27.77%	15.97%	16.54%
Net asset value per unit	\$ 12.46	\$ 13.21	\$ 14.61	\$ 12.50	\$ 10.42

Notes to Financial Highlights

(1) This information is derived from the Fund's audited annual financial statements.

(2) Net assets attributable to holders of redeemable units 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 year. This table is not intended to be a reconciliation of the net asset value per unit.

Ratios and Supplemental Data

(3) For the year ended December 31, 2023

(4) For the year ended December 31, 2022

(5) For the year ended December 31, 2021

(6) For the year ended December 31, 2020

(7) The management expense ratio is based on total expenses (excluding commissions and other portfolio costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. It is calculated by dividing the total of operating expenses (excluding commissions and portfolio transaction costs) and management fees, including applicable taxes, by the average net asset value of the Fund for the financial period, then multiplying the result by 100.

(8) 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.

(9) 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 period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

(10) For the period from April 15, 2019 (date of commencement of operations) to December 31, 2019

(11) For the period from April 30, 2021 (date of commencement of operations) to December 31, 2021