



Barrantagh Small Cap Canadian Equity Fund

Management Report of Fund Performance

Period ended December 31, 2024

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, 2024

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.

Overall, it was a good year for equity markets with Canadian stocks rallying for much of the period before finishing December on a softer note. Globally, AI-enthusiasm drove larger-cap tech winners to all-time highs with respect to share prices and market concentration. Donald Trump's sweeping victory in the U.S. election propelled risk markets as enthusiasm for deregulation and pro-business posturing offset fears around the impact of his more protectionist ambitions. Medium and longer-term interest rates backed up considerably upon the commencement of the Fed loosening in September as bond investors swung back to concerns around stickier levels of inflation and structurally higher rates.

There were some fits and starts for non-resource small caps during the year. As rates moved lower, sentiment towards smaller names that were out of favour got bid. However, this partially reversed towards the end of the year (with rates), leaving 2024 as another more narrow, large cap led market.

Given the strength in resources during the year the combined weight to energy and materials grew to over 50% in the small cap benchmark. This outsized weight in highly cyclical sectors can drive significant volatility in benchmark results. Our quality value style drives a "commodity-light" approach and provides lower risk exposure to small cap equities, which can lag during periods of resource strength. However, historically this approach has produced superior full cycle returns by protecting capital in market drawdowns.

Heading into 2025, the outlook for Canadian small-cap stocks looks solid. Despite the double-digit positive returns in 2024, valuations look attractive both on an absolute basis (company multiples 12% below 5-year averages) and relative to large cap stocks (small cap multiples 35% below large caps). As certain pockets of the market contend with lofty valuations, we think breadth is set to improve benefitting areas of the market that are currently being overlooked. Markets move in cycles and the current setup looks quite attractive for smaller cap names going forward

Key Contributors/Detractors:

Two areas of strength throughout the year for the Portfolio were the financials and information technology sectors. Propel Holdings (PRL) led financials with strong earnings growth and a rerate as volumes and underwriting continue to surprise to the upside. In tech, Softchoice (SFTC) book-ended 2024 with two big shareholder wins: 1) a \$4/sh special dividend in Q1 signalling strong confidence in the outsized cash flow generation of the business; and 2) a \$24.50 take-private offer at a premium in Q4, continuing the undervalued M&A theme. The most significant detractor for the Portfolio for the year was the metals and mining sub-sector (of which gold miners are the most significant component and the Portfolio has no exposure), which lead the small cap index and was a relative ~775 bps drag accounting for more than the total performance delta to the benchmark.

Assets:

The Fund was down slightly during the period as modest negative flows during the period were partially offset by the positive return.

Recent Developments

After the successful outcome of the Sleep Country (ZZZ) takeover, another specialty retailer was added to the portfolio: Pet Value (PET). PET is a market leader in the Canadian pet food industry with 18% market share. Similar to trends impacting ZZZ, there was a boom in activity during the pandemic where people increased spending around the home, including pet ownership. This was followed by a decline from the pandemic heights and a more competitive challenged consumer landscape over the past two years. We are now seeing green shoots of a return to growth and free cash flow inflection (with share buyback recently initiated). We like the potential inflection with this high-quality business trading at a low valuation multiple on low earning expectations and fundamentals set up to improve over the next year.

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 and 2% for A-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 Inventory & 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 services, 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

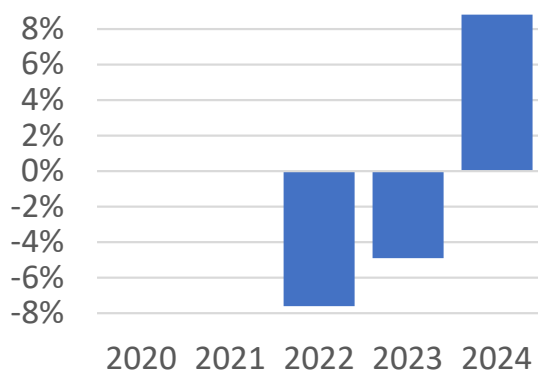
*Series O has no management fees as unitholders pay a negotiated fee directly to BIM for investment-counselling services.

Barrantagh Small Cap Canadian Equity Fund

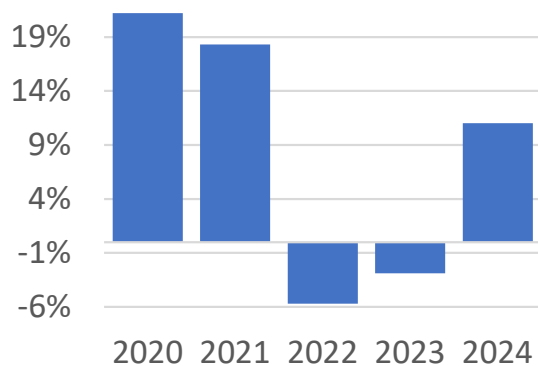
Year-by-Year Returns

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.

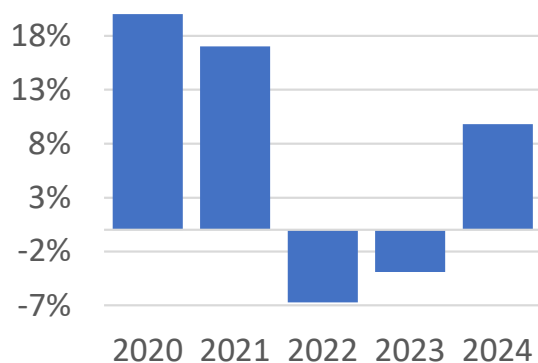
Series A (%)



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, 2024 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 A ¹	8.8%				1.0%
Benchmark	18.8%				4.8%
Series F ²	9.8%	-0.5%			6.6%
Benchmark	18.8%	4.1%			8.9%
Series O ²	11.0%	0.6%			7.7%
Benchmark	18.8%	4.1%			8.9%

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, 2024

The summary of investment portfolio may have changed since December 31, 2024 due to ongoing portfolio transactions of the Fund.

Top 25 Holdings	Percentage of Net Asset Value (%)
Definity Financial Corp.	6.3
Propel Holdings Inc.	5.1
Softchoice Corp.	4.8
Trisura Group Ltd.	4.5
Jamieson Wellness Inc.	4.4
Trican Well Service Ltd.	4.4
EQB Inc.	4.3
NuVista Energy Ltd.	4.2
Andlauer Healthcare Group Inc.	4.1
Headwater Exploration Inc.	4.1
Boyd Group Services Inc.	4.0
First Capital Real Estate Investment Trust	4.0
Brookfield Business Corp.	4.0
Chemtrade Logistics Income Fund	3.9
Savaria Corp.	3.9
Dye & Durham Ltd.	3.7
Gibson Energy Inc.	3.6
Boralex Inc.	3.4
Canadian Treasury Bill	3.2
Cargojet Inc.	3.1
Pet Valu Holdings Ltd.	3.0
Calian Group Ltd.	2.9
Ag Growth International Inc.	2.7
StorageVault Canada Inc.	2.6
Mainstreet Equity Corp.	2.5
Total Net Asset Value	\$94,194,274

Portfolio by Category

Asset Type	Percentage of Net Asset Value (%)
Equities	95.4
Short-term Investments	3.2
Cash	1.3
Other Net Assets (Liabilities)	0.1
	100.0

Sector	Percentage of Net Asset Value (%)
Industrials Sector	20.6
Financials Sector	20.2
Energy Sector	18.2
Real Estate Sector	9.1
Information Technology Sector	8.5
Consumer Staples Sector	4.4
Health Care Sector	4.1
Materials Sector	3.9
Utilities Sector	3.4
Short Term Investments	3.2
Consumer Discretionary Sector	3.0
Cash	1.3
Other Assets (Liabilities)	0.1
	100.0

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

	2024 ⁽³⁾	2023 ⁽⁴⁾	2022 ⁽⁵⁾	2021 ⁽¹¹⁾
Net assets attributable to holders of redeemable units, beginning of year	\$ 9.12	\$ 9.71	\$ 10.81	\$ 10.00
Increase (decrease) from operations:				
Total Revenue	0.32	0.53	0.21	0.17
Total Expenses	(0.25)	(0.24)	(0.26)	(0.21)
Realized gains (losses) for the year	(0.25)	(0.29)	0.36	0.11
Unrealized gains (losses) for the year	0.98	(0.32)	(0.71)	0.47
Total increase (decrease) from operations²	0.80	(0.32)	(0.40)	0.54
Distributions:				
From income (excluding dividends)	-	-	-	-
From dividends	(0.13)	(0.01)	-	(0.03)
From capital gains	-	(0.11)	(0.27)	(0.02)
Return of Capital	-	-	-	-
Total Annual Distributions	(0.13)	(0.12)	(0.27)	(0.05)
Net assets attributable to holders of redeemable units, end of year	\$ 9.78	\$ 9.12	\$ 9.71	\$ 10.81

Ratios and Supplemental Data:

Total net asset value	\$ 3,644,587	\$ 3,153,481	\$ 1,324,679	\$ 636,482
Number of units outstanding	372,510	345,837	136,366	58,863
Management expense ratio ⁷	2.52%	2.53%	2.50%	2.69%
Management expense ratio before waivers or absorptions	2.52%	2.53%	2.50%	2.69%
Trading expense ratio ⁸	0.12%	0.05%	0.07%	0.13%
Portfolio turnover rate ⁹	27.12%	12.14%	20.56%	27.77%
Net asset value per unit	\$ 9.78	\$ 9.12	\$ 9.71	\$ 10.81

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

	2024 ⁽³⁾	2023 ⁽⁴⁾	2022 ⁽⁵⁾	2021 ⁽⁶⁾	2020 ⁽⁷⁾
Net assets attributable to holders of redeemable units, beginning of year	\$ 12.31	\$ 13.04	\$ 14.42	\$ 12.36	\$ 10.35
Increase (decrease) from operations:					
Total Revenue	0.44	0.61	0.27	0.30	0.29
Total Expenses	(0.21)	(0.19)	(0.20)	(0.23)	(0.18)
Realized gains (losses) for the year	(0.31)	(0.19)	0.56	0.46	(0.16)
Unrealized gains (losses) for the year	1.29	(0.74)	(1.53)	1.46	3.47
Total increase (decrease) from operations²	1.21	(0.51)	(0.90)	1.99	3.42
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.29)	(0.08)	(0.05)	(0.02)	(0.06)
From capital gains	-	(0.15)	(0.36)	(0.02)	-
Return of Capital	-	-	-	-	-
Total Annual Distributions	(0.29)	(0.23)	(0.41)	(0.04)	(0.06)
Net assets attributable to holders of redeemable units, end of year	\$ 13.23	\$ 12.31	\$ 13.04	\$ 14.42	\$ 12.36

Ratios and Supplemental Data:

Total net asset value	\$ 52,671,084	\$ 58,447,097	\$ 56,306,894	\$ 54,641,198	\$ 21,444,938
Number of units outstanding	3,980,071	4,748,396	4,316,471	3,788,129	1,734,420
Management expense ratio ⁷	1.47%	1.44%	1.46%	1.54%	1.61%
Management expense ratio before waivers or absorptions	1.47%	1.44%	1.46%	1.54%	1.75%
Trading expense ratio ⁸	0.12%	0.05%	0.07%	0.13%	0.08%
Portfolio turnover rate ⁹	27.12%	12.14%	20.56%	27.77%	15.97%
Net asset value per unit	\$ 13.23	\$ 12.31	\$ 13.04	\$ 14.42	\$ 12.36

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

	2024 ⁽³⁾	2023 ⁽⁴⁾	2022 ⁽⁵⁾	2021 ⁽⁶⁾	2020 ⁽⁷⁾
Net assets attributable to holders of redeemable units, beginning of year	\$ 12.46	\$ 13.21	\$ 14.61	\$ 12.50	\$ 10.42
Increase (decrease) from operations:					
Total Revenue	0.45	0.60	0.28	0.29	0.26
Total Expenses	(0.08)	(0.06)	(0.06)	(0.09)	(0.07)
Realized gains (losses) for the year	(0.32)	(0.14)	0.56	0.51	(0.28)
Unrealized gains (losses) for the year	1.34	(0.81)	(1.62)	1.49	2.38
Total increase (decrease) from operations²	1.39	(0.41)	(0.84)	2.20	2.29
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.45)	(0.21)	(0.19)	(0.14)	(0.13)
From capital gains	-	(0.15)	(0.37)	(0.02)	-
Return of Capital	-	-	-	-	-
Total Annual Distributions	(0.45)	(0.36)	(0.56)	(0.16)	(0.13)
Net assets attributable to holders of redeemable units, end of year	\$ 13.38	\$ 12.46	\$ 13.21	\$ 14.61	\$ 12.50

Ratios and Supplemental Data:

Total net asset value	\$ 37,878,603	\$ 37,266,803	\$ 43,513,865	\$ 43,542,442	\$ 28,553,048
Number of units outstanding	2,829,982	2,991,920	3,293,851	2,980,627	2,284,366
Management expense ratio ⁷	0.42%	0.41%	0.40%	0.49%	0.60%
Management expense ratio before waivers or absorptions	0.42%	0.41%	0.40%	0.49%	0.69%
Trading expense ratio ⁸	0.12%	0.05%	0.07%	0.13%	0.08%
Portfolio turnover rate ⁹	27.12%	12.14%	20.56%	27.77%	15.97%
Net asset value per unit	\$ 13.38	\$ 12.46	\$ 13.21	\$ 14.61	\$ 12.50

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, 2024

(4) For the year ended December 31, 2023

(5) For the year ended December 31, 2022

(6) For the year ended December 31, 2021

(7) For the year ended December 31, 2020

(8) 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.

(9) 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.

(10) 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.

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