

MALACHITE AGGRESSIVE PREFERRED FUND

Semi-Annual Report
June 30, 2015
(unaudited)

General

Malachite Aggressive Preferred Fund is an unincorporated open-ended mutual fund trust established under the laws of the Province of Ontario by a Master Declaration of Trust, as amended (for the Malachite Funds in general) and an associated Fund Regulation (for the Fund itself). Hymas Investment Management Inc. is the Trustee and Manager of the fund.

Further information is available on the website of the Manager/Trustee, www.himinvest.com.

And from:

James Hymas
President
jiHymas@himinvest.com
(416) 604-4204

SIGNIFICANT ACCOUNTING POLICIES

Portfolio Valuation

Investments are stated at market value. For securities held long, this value is usually determined by the last bid price on the Toronto Stock Exchange on the Valuation Date; further details are contained in the Master Declaration of Trust.

Investment Transactions and Investment Income

Investment transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date.

Tax Status

It is the intention of the Trustee that sufficient income and net realized capital gains of the fund will be payable to unitholders in each taxation year so that the fund will not be liable for tax under Part I of the Tax Act.

Organization Costs

Costs incurred in the organization of the fund have been amortized over a period of 60 months from the date of recognition. Costs were recognized within 12 months of the commencement of fund operations.

Declaration of Trust

Further details of fund valuation are contained in the Master Declaration of Trust, available from the website of the Manager/Trustee, <http://www.himinvest.com>.

Portfolio of Investments

Shares	Security	Book Value	Market Value	Weight in Portfolio (at market)
3,600	Aimia Inc. Cumulative Series '2' Pr AIM.PR.A	70,621	67,572	1.0%
2,700	Atlantic Power Preferred Eqty Ltd. Ser '3' Pr AZP.PR.C	33,916	37,125	0.6%
500	Brookfield Asset Managemnt Inc Cl A Pr Ser 34 BAM.PF.B	10,787	10,750	0.2%
2,400	Brookfield Asset Managemnt Inc Cl A Pr Ser 17 BAM.PR.M	51,350	50,160	0.8%
3,600	Brookfield Asset Managemnt Inc Cl A Pr Ser 18 BAM.PR.N	79,716	74,772	1.1%
13,300	Brookfield Asset Managemnt Cl A Pr Ser 24 BAM.PR.R	279,424	257,621	3.9%
1,000	Brookfield Asset Managemnt Inc. Cl A Pr Ser 26 BAM.PR.T	21,607	20,570	0.3%
13,400	Brookfield Asset Managemnt Inc Cl A Pr Ser 28 BAM.PR.X	247,637	230,480	3.5%
3,600	BCE Inc. 1st Pr Series 'AF' BCE.PR.F	59,633	58,140	0.9%
6,600	Bank of Montreal 5-Yr Reset Cl 'B' Pr Ser 25 BMO.PR.Q	149,312	155,100	2.3%
5,700	Bank of Nova Scotia (The)5-Yr Reset Pr Ser 32 BNS.PR.Z	133,024	134,805	2.0%
4,200	Canaccord Financial Inc. 5-Yr Ser 'C' CF.PR.C	83,391	69,300	1.0%
3,800	Capital Power Corporation Series '3' Pr CPX.PR.C	79,575	72,770	1.1%
7,000	Dividend 15 Split Corp. II Pr DF.PR.A	70,637	70,770	1.1%
2,100	Enbridge Inc. Pr Ser 'B' ENB.PR.B	41,857	36,393	0.5%
1,700	Enbridge Inc. Pr Ser 'F' ENB.PR.F	35,747	31,025	0.5%
2,900	Enbridge Inc. Pr Ser 'N' ENB.PR.N	60,827	54,607	0.8%
700	Enbridge Inc. Pr Ser 'P' ENB.PR.P	13,984	12,824	0.2%
8,500	Enbridge Inc. Pr Ser 'R' ENB.PR.T	171,214	157,250	2.4%
2,100	Enbridge Inc. Pr Ser '3' ENB.PR.Y	41,671	37,338	0.6%
3,900	Fairfax Financial Holdings Ltd. Ser 'I' Pr FFH.PR.I	74,189	69,420	1.0%
6,900	First National Financial Corp Cl A Pr Ser '1' FN.PR.A	132,576	96,255	1.4%
1,900	Fortis Inc. 1st Pr Series 'K' FTS.PR.K	40,594	40,546	0.6%
11,700	Great-West Lifeco Inc. 4.50% 1st Pr Ser I GWO.PR.I	262,971	265,473	4.0%
35,100	Great-West Lifeco Inc. 3.65% 1st Pr Series N GWO.PR.N	751,645	591,435	8.9%
36,400	Husky Energy Inc. Series '1' Pr HSE.PR.A	625,668	582,400	8.8%
1,900	Industrial Alliance Insurance & Fin Serv B PR IAG.PR.A	43,214	42,370	0.6%
30,800	Intact Financial Corporation Cl A Series 1 IFC.PR.A	673,320	593,824	8.9%
4,900	Innergex Renewable Energy Inc. Series 'A' Pr INE.PR.A	77,351	75,509	1.1%
2,200	Manulife Financial Corp. Cl A Pr Ser '2' MFC.PR.B	52,088	49,830	0.7%
33,500	Manulife Financial Corp. Cl 1 Pr Ser '3' MFC.PR.F	727,791	582,900	8.8%
100	Manulife Financial Corp. Cl 1 Pr Ser '13' MFC.PR.K	2,452	2,246	0.0%
1,100	Manulife Financial Corp. Cl 1 Pr Ser '19' MFC.PR.N	24,394	24,838	0.4%
3,500	Northland Power Inc. Series 1 Pr NPI.PR.A	70,482	57,785	0.9%
25,300	Power Financial Corp. 4.40% Series 'P' 1st Pr PWF.PR.P	467,678	455,400	6.9%
4,600	Sun Life Financial 4.45% Cl 'A' Ser '3' Pr SLF.PR.C	102,526	103,224	1.6%
7,800	Sun Life Financial Inc. Class 'A' Pr Series 4 SLF.PR.D	167,349	175,110	2.6%
34,400	Sun Life Financial Inc. Class 'A' Pr Ser 8R SLF.PR.G	742,488	559,688	8.4%
7,700	Sun Life Financial Inc. Class 'A' Pr Ser 10 SLF.PR.H	172,616	161,854	2.4%
3,000	TransAlta Corporation 1st Pr Ser 'E' TA.PR.H	64,118	48,750	0.7%
100	TransCanada Corporation 1st Pr Series '1' TRP.PR.A	1,882	2,002	0.0%
22,900	TransCanada Corporation 1st Pr Series '2' TRP.PR.F	421,851	427,085	6.4%
Total (May not sum precisely due to rounding)		7,435,174	6,647,316	100%

Balance Sheet

Assets	
Investments at Market Value	6,647,316
Cash in Bank	155,173
Accounts Receivable	0
Dividends Due	4,543
Due From Dealers	56,461
Total Gross Assets (after rounding)	6,863,493
Liabilities	
Margin Borrowing	124,477
Accounts Payable	49,527
Accrued Expenses	4,944
Due to Dealers	51,381
Total Gross Liabilities	230,329
Net Assets	<u>6,633,164</u>
Paid-in Capital	7,512,649
Losses of Prior Years	(111,082)
Net Unrealized Gain (Loss) on Investments	(787,858)
Net Realized Gain (Loss) on Investments	19,455
Total Net Assets	<u>6,633,164</u>

Units Issued and Outstanding: 704,302.8907
Net Asset Value Per Unit: 9.4181

Statement of Operations

Investment Income	
Dividends	181,013
Interest	(3,191)
Total Investment Income	177,822
Expenses	
Office and Banking Expenses	95
Legal & Audit	11,341
Expenses covered by HIMI	(4,448)
Total Expenses	6,988
Net Investment Income	170,834
Net Realized Gain (Loss) on Investments	19,455
Change in Unrealized Gain (Loss) on Investments	(831,432)
Net Increase (Decrease) in net assets resulting from operations	(641,143)

Statement of Changes in Net Assets

Net Increase (Decrease) in net assets resulting from operations	(641,143)
Net Increase (Decrease) in net assets resulting from Distributions from Income	(170,834)
Net Increase (Decrease) in net assets resulting from issue of units	890,502
Net Increase (Decrease) in net assets resulting from redemption of units	(666,214)
Total Increase (Decrease) in net assets	(587,689)
Net Assets, Beginning of Period	7,220,853
Net Assets, End of Period (after rounding)	6,633,164

Notes

Trading Volume & Expense

Cost of securities Purchased	7,005,567
Securities Sold, at cost	6,826,038
Securities received as subscriptions in kind	0
Total Commissions Paid	3,649