

**MALACHITE AGGRESSIVE PREFERRED FUND**

Semi-Annual Report  
June 30, 2017  
(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](http://www.himinvest.com).

And from:.

James Hymas  
President  
[jiHymas@himinvest.com](mailto: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	Ticker	Security Name	Book Value	Market Value	Weight in Portfolio (at market)
2,700	AZP.PR.C	Atlantic Power Preferred Eqty Ltd. Ser '3' Pr	32,891	45,900	0.7%
7,300	BAM.PR.T	Brookfield Asset Managemnt Inc. Cl A Pr Ser 26	141,969	147,825	2.1%
4,900	BCE.PR.G	BCE Inc. 1st Pr Series 'AG'	66,172	81,977	1.2%
29,100	BMO.PR.Q	Bank of Montreal 5-Yr Reset Cl 'B' Pr Ser 25	620,542	614,010	8.8%
6,900	BMO.PR.T	Bank of Montreal 5-Yr Reset Cl 'B' Pr Ser 29	147,043	148,695	2.1%
3,200	BNS.PR.Y	Bank of Nova Scotia (The)5-Yr Reset Pr Ser 30	70,410	71,232	1.0%
25,500	BNS.PR.Z	Bank of Nova Scotia (The)5-Yr Reset Pr Ser 32	555,355	568,650	8.1%
3,000	BPO.PR.T	Brookfield Office Prop Inc. Cl AAA Pr Ser 'T'	63,960	65,340	0.9%
4,200	CF.PR.C	Canaccord Financial Inc. 5-Yr Ser 'C'	83,391	72,576	1.0%
10,500	CM.PR.P	Canadian Imperial Bank Series '41' Pr	222,289	223,965	3.2%
1,800	CPX.PR.E	Capital Power Corporation Series '5' Pr	26,892	35,604	0.5%
17,000	CU.PR.C	Canadian Utilities Limited 2nd Pr Ser 'Y'	358,145	377,570	5.4%
14,200	CU.PR.G	Canadian Utilities Limited 2nd Pr Ser 'DD'	301,573	318,648	4.6%
7,000	DF.PR.A	Dividend 15 Split Corp. II Pr	71,335	71,190	1.0%
5,200	EIT.PR.A	Canoe EIT Income Fund 4.80% Ser 1 Pr Un	133,806	134,420	1.9%
3,100	FFH.PR.I	Fairfax Financial Holdings Ltd. Ser 'I' Pr	59,838	62,155	0.9%
38,100	GWO.PR.N	Great-West Lifeco Inc. 1st Pr Series N	797,555	636,651	9.1%
1,200	HSE.PR.A	Husky Energy Inc. Series '1' Pr	19,018	18,948	0.3%
28,400	IAG.PR.G	Industrial Alliance Ins & Fin Serv 4.30% Pr G	580,223	653,484	9.3%
30,800	IFC.PR.A	Intact Financial Corporation Cl A Series 1	673,320	585,200	8.4%
7,600	IFC.PR.C	Intact Financial Corporation Cl A Series 3	148,551	169,024	2.4%
7,800	INE.PR.A	Innergex Renewable Energy Inc. Series 'A' Pr	122,172	129,480	1.9%
43,200	MFC.PR.F	Manulife Financial Corp. Cl 1 Pr Ser '3'	872,201	723,600	10.3%
2,500	MFC.PR.L	Manulife Financial Corp. Cl 1 Pr Ser '15'	51,650	52,750	0.8%
18,600	SLF.PR.G	Sun Life Financial Inc. Class 'A' Pr Ser 8R	404,461	312,480	4.5%
36,700	SLF.PR.J	Sun Life Financial Inc. Cl A Fltg Pr Ser 9QR	492,249	590,136	8.4%
4,200	TA.PR.D	TransAlta Corporation 1st Pr Ser 'A'	40,657	57,708	0.8%
1,500	TA.PR.F	TransAlta Corporation 1st Pr Ser 'C'	18,519	26,700	0.4%
100	TRP.PR.B	TransCanada Corporation 1st Pr Series '3'	1,444	1,484	0.0%
		Total	<b>7,175,632</b>	<b>6,997,402</b>	<b>100.0%</b>

**Balance Sheet**

<b>Assets</b>	
Investments at Market Value	6,997,402
Cash in Bank	90,838
Accounts Receivable	0
Dividends Due	9,034
Due From Dealers	101,698
<b>Total Gross Assets (after rounding)</b>	<b>7,198,972</b>
<b>Liabilities</b>	
Margin Borrowing	37,566
Accounts Payable	12,009
Accrued Expenses	13,932
Due to Dealers	137,629
<b>Total Gross Liabilities</b>	<b>201,136</b>
<b>Net Assets</b>	<b><u>6,997,836</u></b>
Paid-in Capital	7,820,749
Losses of Prior Years	(936,953)
Net Unrealized Gain (Loss) on Investments	(178,230)
Net Realized Gain (Loss) on Investments	292,270
<b>Total Net Assets</b>	<b><u>6,997,836</u></b>

Units Issued and Outstanding: 734,195.7752  
Net Asset Value Per Unit: 9.5313

## Statement of Operations

<b>Investment Income</b>	
Dividends	144,901
Interest	(1,452)
<b>Total Investment Income</b>	<b>143,449</b>
<b>Expenses</b>	
Office and Banking Expenses	67
Legal & Audit	7,800
Expenses covered by HIMI	0
<b>Total Expenses</b>	<b>7,867</b>
<b>Net Investment Income</b>	<b>135,582</b>
<b>Net Realized Gain (Loss) on Investments</b>	<b>292,270</b>
<b>Change in Unrealized Gain (Loss) on Investments</b>	<b>367,241</b>
<b>Net Increase (Decrease) in net assets resulting from operations</b>	<b>795,093</b>

## Statement of Changes in Net Assets

<b>Net Increase (Decrease) in net assets resulting from operations</b>	<b>795,093</b>
<b>Net Increase (Decrease) in net assets resulting from Distributions from Income</b>	<b>(135,582)</b>
<b>Net Increase (Decrease) in net assets resulting from issue of units</b>	<b>906,818</b>
<b>Net Increase (Decrease) in net assets resulting from redemption of units</b>	<b>(304,616)</b>
<b>Total Increase (Decrease) in net assets</b>	<b>1,261,713</b>
<b>Net Assets, Beginning of Period</b>	<b>5,736,122</b>
<b>Net Assets, End of Period (after rounding)</b>	<b>6,997,836</b>

## Notes

### **Trading Volume & Expense**

Cost of securities Purchased	4,848,007
Securities Sold, at cost	4,207,078
Securities received as subscriptions in kind	0
Total Commissions Paid	2,469