

## **MALACHITE AGGRESSIVE PREFERRED FUND**

Semi-Annual Report  
June 29, 2018  
(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:.

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## **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	47,844	0.6%
13,200	BAM.PF.C	Brookfield Asset Managemnt Inc Cl A Pr Ser 36	286,740	284,460	3.5%
8,600	BAM.PR.N	Brookfield Asset Managemnt Inc Cl A Pr Ser 18	183,852	181,632	2.2%
12,900	BAM.PR.T	Brookfield Asset Managemnt Inc. Cl A Pr Ser 26	270,481	263,547	3.3%
4,100	BPO.PR.P	Brookfield Properties Corp. Cl AAA Pr Ser 'P'	86,800	82,410	1.0%
4,200	CF.PR.C	Canaccord Financial Inc. 5-Yr Ser 'C'	83,396	76,650	0.9%
13,900	CU.PR.C	Canadian Utilities Limited 2nd Pr Ser 'Y'	295,173	313,584	3.9%
21,400	CU.PR.G	Canadian Utilities Limited 2nd Pr Ser 'DD'	456,772	452,610	5.6%
3,100	ECN.PR.C	ECN Capital Corp. 6.25% 5-Yr Reset Ser 'C' Pr	73,434	66,371	0.8%
4,000	EFN.PR.I	Element Fleet Management Corp 5.75% Pr Ser I	85,171	79,840	1.0%
27,500	EIT.PR.A	Canoe EIT Income Fund 4.80% Ser 1 Pr Un	701,820	689,975	8.5%
4,200	EIT.PR.B	Canoe EIT Income Fund 4.80% Ser 2 Pr Un	105,064	104,832	1.3%
5,400	ENB.PR.B	Enbridge Inc. Pr Ser 'B'	101,175	99,036	1.2%
3,900	FFH.PR.G	Fairfax Financial Holdings Ltd. Ser 'G' Pr	80,939	79,638	1.0%
42,500	GWO.PR.N	Great-West Lifeco Inc. 1st Pr Series N	876,747	798,575	9.9%
21,200	HSE.PR.A	Husky Energy Inc. Series '1' Pr	370,059	369,304	4.6%
13,400	IAG.PR.G	Industrial Alliance Ins & Fin Serv 4.30% Pr G	316,061	313,560	3.9%
34,700	IFC.PR.A	Intact Financial Corporation Cl A Series 1	749,521	673,180	8.3%
2,200	IFC.PR.G	Intact Financial Corporation Cl A Ser 7 Pr	54,438	54,384	0.7%
7,600	INE.PR.A	Innergex Renewable Energy Inc. Series 'A' Pr	119,040	137,560	1.7%
1,300	MFC.PR.C	Manulife Financial Corporation Ser '3' Pr	27,162	27,664	0.3%
43,400	MFC.PR.F	Manulife Financial Corp. Cl 1 Pr Ser '3'	873,430	820,260	10.2%
4,400	SJR.PR.A	Shaw Communications Inc. Cl 2 Pr Ser 'A'	80,090	80,520	1.0%
33,300	SLF.PR.D	Sun Life Financial Inc. Class 'A' Pr Series 4	709,964	712,620	8.8%
18,400	SLF.PR.G	Sun Life Financial Inc. Class 'A' Pr Ser 8R	374,587	356,960	4.4%
3,900	TA.PR.F	TransAlta Corporation 1st Pr Ser 'C'	61,919	69,342	0.9%
6,700	TRP.PR.A	TransCanada Corporation 1st Pr Series '1'	132,292	134,737	1.7%
100	TRP.PR.B	TransCanada Corporation 1st Pr Series '3'	1,444	1,686	0.0%
40,200	TRP.PR.C	TransCanada Corporation 1st Pr Series '5'	692,514	708,324	8.8%
<b>Total</b>			<b>8,282,973</b>	<b>8,081,105</b>	<b>100.0%</b>

**Balance Sheet**

<b>Assets</b>	
Investments at Market Value	8,081,105
Cash in Bank	92,595
Accounts Receivable	0
Dividends Due	19,456
Due From Dealers	0
<b>Total Gross Assets (after rounding)</b>	<b>8,193,156</b>
<b>Liabilities</b>	
Margin Borrowing	48,256
Accounts Payable	2,436
Accrued Expenses	12,970
Due to Dealers	0
<b>Total Gross Liabilities</b>	<b>63,662</b>
<b>Net Assets</b>	<b><u>8,129,494</u></b>
Paid-in Capital	8,392,360
Losses of Prior Years	(374,158)
Net Unrealized Gain (Loss) on Investments	(201,864)
Net Realized Gain (Loss) on Investments	294,352
<b>Total Net Assets</b>	<b><u>8,110,690</u></b>

Units Issued and Outstanding: 791,151.4581  
Net Asset Value Per Unit: 10.2518

## Statement of Operations

<b>Investment Income</b>	
Dividends	162,233
Interest	(1,138)
<b>Total Investment Income</b>	<b>161,095</b>
<b>Expenses</b>	
Office and Banking Expenses	225
Legal & Audit	7,800
Expenses covered by HIMI	0
<b>Total Expenses</b>	<b>8,025</b>
<b>Net Investment Income</b>	<b>153,070</b>
<b>Net Realized Gain (Loss) on Investments</b>	<b>294,352</b>
<b>Change in Unrealized Gain (Loss) on Investments</b>	<b>(138,578)</b>
<b>Net Increase (Decrease) in net assets resulting from operations</b>	<b>308,844</b>

## Statement of Changes in Net Assets

<b>Net Increase (Decrease) in net assets resulting from operations</b>	<b>308,844</b>
<b>Net Increase (Decrease) in net assets resulting from Distributions from Income</b>	<b>(153,070)</b>
<b>Net Increase (Decrease) in net assets resulting from issue of units</b>	<b>230,467</b>
<b>Net Increase (Decrease) in net assets resulting from redemption of units</b>	<b>(381,675)</b>
<b>Total Increase (Decrease) in net assets</b>	<b>4,566</b>
<b>Net Assets, Beginning of Period</b>	<b>8,106,124</b>
<b>Net Assets, End of Period (after rounding)</b>	<b>8,110,690</b>

## Notes

### **Trading Volume & Expense**

Cost of securities Purchased	3,307,309
Securities Sold, at cost	3,545,834
Securities received as subscriptions in kind	0
Total Commissions Paid	1,248