

## **MALACHITE AGGRESSIVE PREFERRED FUND**

Semi-Annual Report  
June 28, 2019  
(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	Long Name	Book Value	Market Value	Weight in Portfolio (at market)
4,400	ALA.PR.A	AltaGas Ltd. 5Yr Series 'A' Pr	62,722	60,148	0.9%
2,700	AZP.PR.C	Atlantic Power Preferred Eqty Ltd. Ser '3' Pr	32,891	48,627	0.7%
1,200	BAM.PF.E	Brookfield Asset Managemnt Inc Cl A Pr Ser 38	24,719	19,272	0.3%
6,000	BAM.PF.F	Brookfield Asset Management Inc Cl Pr Ser 40	119,138	102,720	1.6%
600	BAM.PF.G	Brookfield Asset Management Inc Cl A Pr Sr 42	12,140	10,326	0.2%
5,900	BAM.PR.R	Brookfield Asset Managemnt Cl A Pr Ser 24	107,508	88,323	1.4%
25,300	BAM.PR.T	Brookfield Asset Managemnt Inc. Cl A Pr Ser 26	479,151	380,259	5.8%
4,400	BCE.PR.R	BCE Inc. 1st Pr Series 'R'	68,656	68,200	1.0%
1,800	BCE.PR.Y	BCE Inc. 1st Pr Series 'Y'	26,624	26,478	0.4%
2,800	BMO.PR.T	Bank of Montreal 5-Yr Reset Cl 'B' Pr Ser 29	51,922	47,544	0.7%
3,600	BPO.PR.P	Brookfield Properties Corp. Cl AAA Pr Ser 'P'	75,943	56,448	0.9%
4,200	CF.PR.C	Canaccord Financial Inc. 5-Yr Ser 'C'	83,391	68,922	1.1%
2,800	CM.PR.O	Canadian Imperial Bank Series '39' Pr	51,408	48,076	0.7%
4,200	CM.PR.P	Canadian Imperial Bank Series '41' Pr	75,432	68,586	1.1%
1,300	CM.PR.Q	Canadian Imperial Bank Series '43' Pr	26,013	24,674	0.4%
36,000	CU.PR.C	Canadian Utilities Limited 2nd Pr Ser 'Y'	664,430	656,640	10.1%
4,100	ECN.PR.C	ECN Capital Corp. 6.25% 5-Yr Reset Ser 'C' Pr	94,674	84,173	1.3%
4,000	EFN.PR.I	Element Fleet Management Corp 5.75% Pr Ser I	85,171	79,000	1.2%
5,400	ENB.PR.B	Enbridge Inc. Pr Ser 'B'	101,175	80,244	1.2%
1,500	ENB.PR.T	Enbridge Inc. Pr Ser 'R'	23,925	23,355	0.4%
3,900	FFH.PR.G	Fairfax Financial Holdings Ltd. Ser 'G' Pr	80,939	57,135	0.9%
45,600	GWO.PR.N	Great-West Lifeco Inc. 1st Pr Series N	935,697	651,168	10.0%
49,800	HSE.PR.A	Husky Energy Inc. Series '1' Pr	879,513	621,504	9.5%
2,800	HSE.PR.E	Husky Energy Inc. Series '5' Pr	54,544	54,068	0.8%
1,300	HSE.PR.G	Husky Energy Inc. Series '7' Pr	25,231	25,220	0.4%
37,900	IFC.PR.A	Intact Financial Corporation Cl A Series 1	813,169	564,710	8.7%
5,800	IFC.PR.C	Intact Financial Corporation Cl A Series 3	112,554	105,560	1.6%
7,600	INE.PR.A	Innergex Renewable Energy Inc. Series 'A' Pr	119,040	105,640	1.6%
43,400	MFC.PR.F	Manulife Financial Corp. Cl 1 Pr Ser '3'	873,430	576,786	8.8%
4,700	MFC.PR.L	Manulife Financial Corp. Cl 1 Pr Ser '15'	90,047	77,127	1.2%
2,600	RY.PR.H	Royal Bank of Canada 1st Pr Non-Cum Ser 'BB'	50,635	46,540	0.7%
8,700	RY.PR.J	Royal Bank of Canada 1st Pr NVCC Ser 'BD'	181,755	173,739	2.7%
4,400	SJR.PR.A	Shaw Communications Inc. Cl 2 Pr Ser 'A'	80,090	59,312	0.9%
33,500	SLF.PR.G	Sun Life Financial Inc. Class 'A' Pr Ser 8R	596,801	452,585	6.9%
15,100	SLF.PR.H	Sun Life Financial Inc. Class 'A' Pr Ser 10	267,849	240,694	3.7%
6,700	TRP.PR.A	TC Energy Corporation 1st Pr Series '1'	132,292	91,656	1.4%
100	TRP.PR.B	TC Energy Corporation 1st Pr Series '3'	1,444	1,154	0.0%
40,200	TRP.PR.C	TC Energy Corporation 1st Pr Series '5'	692,514	484,008	7.4%
1,400	TRP.PR.D	TC Energy Corporation 1st Pr Series '7'	27,048	22,848	0.4%
4,200	TRP.PR.E	TC Energy Corporation 1st Pr Series '9'	68,360	64,344	1.0%
<b>Total</b>			<b>8,349,986</b>	<b>6,517,813</b>	<b>100.0%</b>

**Balance Sheet**

<b>Assets</b>	
Investments at Market Value	6,517,813
Cash in Bank	36,156
Accounts Receivable	100,000
Dividends Due	61,176
Due From Dealers	87,765
<b>Total Gross Assets (after rounding)</b>	<b>6,802,909</b>
<b>Liabilities</b>	
Margin Borrowing	55,731
Accounts Payable	23,732
Accrued Expenses	13,785
Due to Dealers	177,465
<b>Total Gross Liabilities</b>	<b>270,713</b>
<b>Net Assets</b>	
Paid-in Capital	8,536,608
Losses of Prior Years	(67,235)
Net Unrealized Gain (Loss) on Investments	(1,832,173)
Net Realized Gain (Loss) on Investments	(105,004)
<b>Total Net Assets</b>	<b><u>6,532,196</u></b>

Units Issued and Outstanding: 807,481.3608  
Net Asset Value Per Unit: 8.0896

## Statement of Operations

<b>Investment Income</b>	
Dividends	163,615
Interest	(839)
<b>Total Investment Income</b>	<b>162,776</b>
<b>Expenses</b>	
Office and Banking Expenses	34
Legal & Audit	7,800
Expenses covered by HIMI	(300)
<b>Total Expenses</b>	<b>7,534</b>
<b>Net Investment Income</b>	<b>155,242</b>
<b>Net Realized Gain (Loss) on Investments</b>	<b>(105,004)</b>
<b>Change in Unrealized Gain (Loss) on Investments</b>	<b>(366,032)</b>
<b>Net Increase (Decrease) in net assets resulting from operations</b>	<b>(315,794)</b>

## Statement of Changes in Net Assets

<b>Net Increase (Decrease) in net assets resulting from operations</b>	<b>(315,794)</b>
<b>Net Increase (Decrease) in net assets resulting from Distributions from Income</b>	<b>(155,242)</b>
<b>Net Increase (Decrease) in net assets resulting from issue of units</b>	<b>353,779</b>
<b>Net Increase (Decrease) in net assets resulting from redemption of units</b>	<b>(265,872)</b>
<b>Total Increase (Decrease) in net assets</b>	<b>(383,129)</b>
<b>Net Assets, Beginning of Period</b>	<b>6,915,324</b>
<b>Net Assets, End of Period (after rounding)</b>	<b>6,532,196</b>

## Notes

### **Trading Volume & Expense**

Cost of securities Purchased	3,231,110
Securities Sold, at cost	3,263,613
Securities received as subscriptions in kind	0
Total Commissions Paid	3,236