



Brigata Canadian Balanced Fund Series A and Series F

Management Report of Fund Performance
and Financial Statements
for the six months ended June 30, 2011

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The Brigata Canadian Balanced Fund

The views of the management of Brigata Capital Management Inc. contained in this report are as of the day they were written, and this report is not intended to provide legal, accounting, tax or specific investment advice. Portfolio holdings and allocations are as at June 30, 2011, unless otherwise noted. Views, portfolio holdings and allocations may have changed subsequent to these dates. Securityholders may contact us by writing to us at Brigata Capital Management Inc., 35 Antares Drive, Ottawa, Ontario K2E 8B1 or by calling toll-free 1-888-BRIGATA (1-888-274-4282) or in Ottawa (613) 288-0572 to request a copy of the Fund's quarterly portfolio disclosure, proxy voting policies and procedures or proxy voting disclosure record.

Commissions, trailing commissions, management fees and expenses may all be associated with mutual fund investments. Please read the simplified prospectus before investing. The indicated rates of return are the historical and annual compounded total returns including changes in security value and reinvestment of all dividends/distributions, and do not take into account sales, redemption, dividend/distributions or optional charges, or income taxes payable by any investor, which would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Mutual funds are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer.

This report includes statements that include information concerning possible or assumed future results of the Fund's operations, earnings, liquidity and cash flows, asset levels, merger activities and the effect of completed merger transactions, regulatory developments, demand for and pricing of each Fund, and general economic and securities market conditions. Such statements may be considered "forward-looking statements". When used in this report, words such as "believes," "expects", "anticipates", "intends", "plans", "estimates", "projects", and future or conditional verbs such as "will", "may", "could", "should" and "would", or any other statement that necessarily depends on future events are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Although we make such statements based on assumptions that we believe to be reasonable, there can be no assurance that actual results will not differ materially from our expectations. We caution investors not to rely unduly on any forward-looking statements. In connection with any forward-looking statements, you should carefully consider the areas of risk described in the most recent simplified prospectus of the Funds. You may obtain these documents from the SEDAR website at www.sedar.com.

I. MANAGEMENT REPORT OF FUND PERFORMANCE

This management report of fund performance ("MRFP") is intended to provide readers with the financial highlights and an assessment of the performance of Brigata Canadian Balanced Fund (the "Fund") as at and for the six months ended June 30, 2011. All figures in the MRFP are in Canadian dollars unless otherwise indicated.

Investment Objectives and Strategies

The Fund's investment objective is to provide long-term total investment returns with low to medium risk through a combination of long-term capital growth and current income.

The Fund invests primarily in common and preferred shares of large- and mid-capitalization Canadian companies, Canadian federal and provincial bonds, Canadian corporate bonds rated A- or better, and high quality money market instruments. Up to 30% of the assets of the Fund may be held in foreign securities.

The Portfolio Manager uses a disciplined investment process which takes the entire investment universe and narrows investment options to only companies with market leadership, quality management and excellent businesses trading at attractive prices from a valuation standpoint.

Risk

All mutual funds involve some level of risk. The risks associated with investing in a mutual fund are the risks associated with the securities in which the mutual fund invests.

There have been no changes to the Fund during the six months ended June 30, 2011 which have affected the overall level of risk associated with an investment in the Fund as set forth in the Fund's current simplified prospectus.

The Brigata Canadian Balanced Fund is suitable for investors who are able to accept a low to medium level of risk and who intend to hold the Fund for 5 to 10 years.

Results of Operations

For the six months ended June 30, 2011, the Brigata Canadian Balanced Fund Series A units had a return of 0.1%. This compares to the Brigata Canadian Balanced Fund blended benchmark which is comprised of 60% S&P/TSX Composite Index (0.16%), 35% PC Bond Index (2.2%), 5% PC Bond 91-Day Treasury Bill Index (0.53%) which rose 0.89% for the period.

The equity/fixed income ratio of the Fund at June 30, 2011 was 78.3% equity (including 9.7% of preferred shares), 20.8% fixed income and 0.9% cash equivalents. The equity portion of the portfolio was 86.4% in Canadian securities and 13.6% in foreign securities (9.3% of the total portfolio). The foreign holdings are up from 7.4% at year end 2010 as we continue to take advantage of the strong Canadian dollar to diversify into solid, non-Canadian multinational firms. The top equity holdings as of June 30, 2011 were Toronto Dominion Bank, Royal Bank of Canada, Rogers Communications, Johnson & Johnson, Bank of Montreal, Talisman Energy and Manulife Financial Corp.

Our largest foreign holdings were Johnson & Johnson, CVS Caremark Corp. Cisco Systems Inc. Vodafone Group and Novartis AG.

Results of Operations (*continued*)

The Fund's equity sector weightings include an overweight position in Financials, Energy, Telecommunication Services and Consumer Staples, and an underweight position in Materials. The overweight position in Financials and an underweight position in Materials helped relative performance, offset somewhat by our returns from energy stocks. We believe that oil focused Canadian energy companies are particularly attractive given our long term outlook and the potential for supply disruptions.

Our bond holdings are all rated A- or better. We continue to have an overweight exposure to high quality corporate bonds. The overall duration of the fixed income portfolio is below the benchmark as we feel long term bond yields are not being adequately compensated for the risk of higher interest rates. This hurt relative performance this year to date as long dated bonds have outperformed the index.

The Fund's investment strategy had been established using a bottom-up fundamental approach "Great Companies at Great Prices" to both fixed income and stock selections in domestic (Canadian) and foreign securities. The Fund has been built to provide a diversified and balanced portfolio to achieve capital preservation, dividend and interest income, and capital growth.

Recent Developments

At June 30, 2011 the Manager developed a plan to meet the timetable published by the Canadian Institute of Chartered Accountants (CICA) for changeover to International Financial Reporting Standards (IFRS). The Manager has presently determined that the differences between Canadian GAAP and IFRS are not expected to impact on Net Assets or Net Asset Values. The Manager expects that the implementation on the Funds' financial statements will result in additional disclosures and potentially a different presentation of unitholder interests and certain other items. However, this present determination is subject to change if new standards or new interpretations of existing standards are issued. In January 2011 the Canadian Accounting Standards Board (the AcSB) extended the mandatory adoption date of IFRS for Investment Companies to January 1, 2013.

Related Party Transactions

Brigata Capital Management Inc. (BCMI) is the Manager of the Fund pursuant to a management agreement. BCMI is responsible for the daily administration of the Fund and provides the Fund, or makes sure the Fund is provided with, all services (accounting, custody, portfolio management, record maintenance, transfer agent) required to function properly. The Fund pays all its operating expenses, together with all applicable taxes, such as HST. The Fund pays the Manager management fees before HST, calculated daily on the net asset value of the Fund at the annual rate of 1.95% for Series A units and 1.00% for Series F units.

Independent Planning Group Inc. (IPG) is affiliated with the Manager. As at June 30, 2011, IPG owned 75.47% of the issued and outstanding shares of the Manager.

Operating expenses of the Fund are being absorbed by the Manager in amount sufficient to ensure that the management expenses ratio (MER) will not exceed 2.50% per annum in respect of Series A units and 1.55% per annum in respect of Series F units (exclusive of HST). For the six months ended June 30, 2011, the Manager absorbed \$62,261 of the Fund's operating expenses, of which \$30,954 are shown as a receivable from the Manager as at June 30, 2011. The Manager may amend or remove this absorption of expenses at its discretion.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance since inception.

Series A**The Fund's Net Assets Per Unit (\$) ⁽¹⁾**

Series A*	2011**	2010*	2009*	2008*
Net assets, beginning of the period ⁽²⁾	9.95	9.40	7.79	10.00
Increase (decrease) from operations:				
Total revenue	0.18	0.34	0.32	0.30
Total expenses	(0.14)	(0.25)	(0.21)	(0.23)
Realized gains (losses) for the year	0.01	0.09	(0.04)	(0.64)
Unrealized gains (losses) for the year	(0.05)	0.44	1.61	(2.17)
Total increase(decrease) from operations ⁽²⁾	-	0.62	1.68	(2.74)
Distributions:				
From income	-	-	-	(0.01)
From dividends	-	(0.02)	(0.02)	(0.05)
From capital gains	-	-	-	-
Return of capital	-	-	-	-
Total annual distributions ⁽³⁾	-	(0.02)	(0.02)	(0.06)
Net assets, end of the period ⁽⁴⁾	9.96	9.95	9.40	7.79

Series F**The Fund's Net Assets Per Unit (\$) ⁽¹⁾**

Series F*	2011**	2010*	2009*	2008*
Net assets, beginning of the period ⁽²⁾	10.09	9.52	7.83	10.00
Increase (decrease) from operations:				
Total revenue	0.19	0.35	0.32	0.30
Total expenses	(0.09)	(0.15)	(0.12)	(0.15)
Realized gains (losses) for the year	0.01	0.10	(0.07)	(0.62)
Unrealized gains (losses) for the year	(0.07)	0.47	1.61	(1.69)
Total increase(decrease) from operations ⁽²⁾	0.04	0.77	1.74	(2.16)
Distributions:				
From income	-	-	-	(0.01)
From dividends	-	(0.11)	(0.04)	(0.09)
From capital gains	-	-	-	-
Return of capital	-	-	-	-
Total annual distributions ⁽³⁾	-	(0.11)	(0.04)	(0.10)
Net assets, end of the period ⁽⁴⁾	10.15	10.09	9.52	7.83

(1) This information is derived from the Fund's financial statements. The net assets per unit presented in the financial statements differs from the net asset value calculated for Fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements.

(2) Net assets 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 period.

(3) Distributions were paid in cash or re-invested in additional units of the Fund.

(4) Net assets 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 period. Accordingly totals may not add due to the different basis for computing the per unit amounts.

* The Series A and Series F units were first issued on January 3, 2008. The financial information is for the period ending December 31, 2008, and the years ending December 31, 2009 and 2010

** The financial information is for the six month period ending June 30, 2011.

Ratios and Supplementary Data

Series A*	2011**	2010*	2009*	2008*
Total net asset value ⁽¹⁾	\$28,617,468	\$26,606,475	\$16,942,619	\$3,804,281
Number of units outstanding ⁽¹⁾	2,867,660	2,669,152	1,798,895	487,208
Management expense ratio ⁽²⁾	2.80%	2.61%	2.52%	2.52%
Management expense ratio before waivers or absorption	3.21%	3.29%	4.50%	8.90%
Trading expense ratio ⁽³⁾	0.01	0.03	0.05	0.11
Portfolio turnover rate ⁽⁴⁾	2.38%	10.24%	8.53%	11.31%
Net asset value per unit ⁽¹⁾	\$9.98	\$9.97	\$9.42	\$7.81

Series F*	2011**	2010*	2009*	2008*
Total net asset value ⁽¹⁾	2,562,429	\$2,178,530	\$1,315,814	\$784,444
Number of units outstanding ⁽¹⁾	251,889	215,513	137,943	99,969
Management expense ratio ⁽²⁾	1.75%	1.58%	1.52%	1.52%
Management expense ratio before waivers or absorption	2.16%	2.26%	3.71%	9.23%
Trading expense ratio ⁽³⁾	0.01	0.03	0.05	0.12
Portfolio turnover rate ⁽⁴⁾	2.38%	10.24%	8.53%	11.31%
Net asset value per unit ⁽¹⁾	\$10.17	\$10.11	\$9.54	\$7.85

(1) The information is provided as at June 30, 2011 and December 31, 2010, 2009 and 2008.

(2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period, and includes GST/HST.

(3) 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.

(4) 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 year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

* The Series A and Series F units were first issued on January 3, 2008. The financial information is for the period ending December 31, 2008, and the years ending December 31, 2009 and 2010.

** The financial information is for the six month period June 30, 2011.

Past Performance

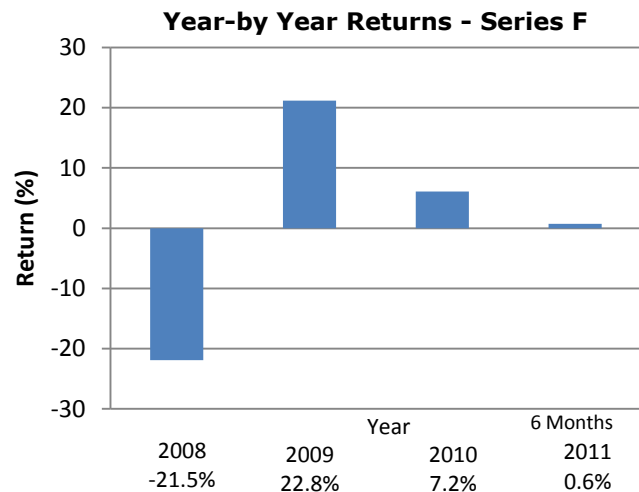
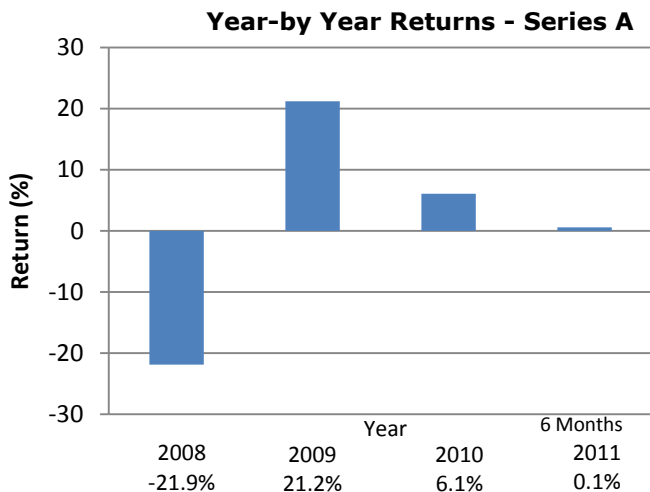
The past performance of the Fund is set out in the Year-by-Year Returns charts. Performance returns:

- are calculated as of June 30, 2011, December 31, 2008, 2009 and 2010.
- assume all dividends and distributions made by the Fund were reinvested without charge to purchase additional shares of the Fund; and are not reduced by any income taxes payable by you.
- you will be taxed on the dividends and distributions of net income even if you have reinvested them to purchase additional shares, unless your investment is in a registered tax plan.

The past performance of the Fund does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

This bar chart shows the Fund’s performance for the six months ended June 30, 2011 and years ended December 31, 2008, 2009 and 2010. The chart shows in percentage terms how an investment made on January 1 would have increased or decreased by December 31, of each year and to June 30, 2011, and how the performance varied during the respective periods.



Management Fees

The management fee for Series A and Series F is calculated as a percentage of its daily pricing NAV. The Fund's management fees were used by Brigata Capital Management Inc. to pay costs for managing the investment portfolio, providing investment analysis and recommendations, making investment decisions and providing other services. BCMI also used the management fees to fund trailer fees to dealers for units of the Fund bought and held by investors.

For the six months ended June 30, 2011, approximately 44% (2010 – 47%), of the total management fee revenues received from the Fund were used to fund trailer fees to dealers. The remainder of the management fees were used to fund the investment management services and other expenses.

II. SUMMARY OF INVESTMENT PORTFOLIO as at June 30, 2011

The *Summary of Investment Portfolio* may change due to ongoing portfolio transactions. Updates are available at www.brigatafunds.com for quarterly periods where an annual or semi-annual report is not published. For more information, please contact us at info@brigatafunds.com or 1-888-BRIGATA (1-888-274-4282).

TOP 25 HOLDINGS	1	Toronto Dominion Bank	5.11%
	2	Royal Bank of Canada	4.95%
	3	Suncor Energy	4.12%
	4	Rogers Communications Class B	3.31%
	5	Johnson & Johnson Inc.	2.88%
	6	Bank of Montreal	2.85%
	7	Talisman Energy Inc.	2.60%
	8	Manulife Financial Corp.	2.57%
	9	Power Corp. of Canada Inc.	2.50%
	10	TransCanada Corp.	2.44%
	11	Bank of Nova Scotia	2.42%
	12	Sun Life Financial Corp.	2.33%
	13	Vermilion Energy Inc.	2.13%
	14	CP Railway Ltd.	2.12%
	15	Cenovus Energy Inc.	2.10%
	16	Nexen Inc.	2.09%
	17	Dorel Industries Inc. Class B	2.03%
	18	Shoppers Drug Mart	2.78%
	19	Canadian National Railway Co.	1.73%
	20	BCE Inc.	1.70%
	21	Petrobakken Energy Ltd.	1.49%
	22	EnCana Corp.	1.38%
	23	Labrador Iron Ore Royalty Corp.	1.24%
	24	Reitmans Canada Ltd.	1.25%
	25	CVS/Caremark Corporation	1.16%
			60.26%
ASSET ALLOCATION	Canadian Equity		68.96%
	Fixed Income Securities		20.79%
	U.S. Equity		6.79%
	Foreign Equity		2.52%
	Cash and Cash Equivalents		0.94%
	Total asset allocation		100.00%
SECTOR ALLOCATION	Financials		31.65%
	Fixed Income		20.79%
	Energy		20.47%
	Telecommunications		5.81%
	Consumer Staples		5.47%
	Industrial		4.37%
	Health Care		3.64%
	Consumer Discretionary		3.26%
	Information Technology		2.36%
	Materials		1.24%
	Cash and Cash Equivalents		0.94%
	Total sector allocation		100.00%
GEOGRAPHIC ALLOCATION	Canada		90.67%
	United States		6.81%
	United Kingdom		1.27%
	Switzerland		1.25%
		Total geographic allocation	

Brigata Canadian Balanced Fund

Semi-Annual Financial Statements

June 30, 2011 (Unaudited)

Brigata Canadian Balanced Fund

Statements of Net Assets

As at June 30, 2011 and December 31, 2010 (Unaudited)

	2011	2010
Assets		
Investments at fair value (notes 3 and 9)	\$ 30,924,924	\$ 28,566,417
Cash	155,454	139,265
Accrued interest and dividends receivable	127,005	119,421
Due from manager (note 7)	30,954	18,217
Subscriptions receivable	8,565	-
Total Assets	31,246,902	28,843,320
Liabilities		
Management fees payable (note 7)	47,323	45,256
Accounts payable and accrued liabilities	82,249	66,879
Total Liabilities	129,572	112,136
Net Assets representing unitholders' equity	\$ 31,117,330	\$ 28,731,184
Net Assets representing unitholders' equity per series (note 4)		
Series A	\$ 28,560,043	\$ 26,556,726
Series F	\$ 2,557,287	\$ 2,174,458
Units Outstanding (note 5)		
Series A	2,867,660	2,669,152
Series F	251,889	215,513
Net Assets per unit		
Series A	\$ 9.96	\$ 9.95
Series F	\$ 10.15	\$ 10.09

(See accompanying notes to financial statements)

Brigata Canadian Balanced Fund

Statements of Operations

For the six-month periods ended June 30 (Unaudited)

	2011	2010
Investment income		
Dividend income (net of withholding tax: \$3,028; 2010 - \$2,971)	\$ 406,593	\$ 293,153
Interest income	143,686	104,782
Foreign exchange gain (loss)	(4,129)	(6,741)
Other income	-	140
	<u>546,150</u>	<u>391,334</u>
Expenses		
Management fees (note 7)	317,071	220,158
Financial reporting expense	3,064	3,039
Interest expense	-	15
Legal fees	5,571	5,711
Audit fees	16,711	9,159
Custody fees	7,242	6,154
Securityholder reporting costs	70,668	34,519
Trustee fees	6,128	4,487
Operating expenses	9,474	26,869
IRC fees	13,078	11,907
Transaction fees	1,673	5,430
Valuation fees	20,273	23,780
Other expenses	527	683
Total expenses	<u>471,480</u>	<u>351,911</u>
Less:		
Expenses absorbed by manager (note 7)	<u>(62,261)</u>	<u>(100,205)</u>
	<u>409,219</u>	<u>251,706</u>
Net investment income (loss)	<u>136,931</u>	<u>139,628</u>
Realized and unrealized gain (loss) on investments		
Net realized gain (loss) on sale of investments	34,240	44,333
Transaction costs	(1,893)	(3,431)
Change in unrealized appreciation (depreciation) on investments	(168,498)	(858,931)
Net gain (loss) on investments	<u>(136,151)</u>	<u>(818,029)</u>
Increase (decrease) in Net Assets from operations	<u>\$ 780</u>	<u>\$ (678,401)</u>
Increase (decrease) in Net Assets from operations per series		
Series A	\$ (8,872)	\$ (640,102)
Series F	\$ 9,652	\$ (38,299)
Increase (decrease) in Net Assets from operations per unit		
Series A	\$ (0.00)	\$ (0.29)
Series F	\$ 0.04	\$ (0.23)

(See accompanying notes to financial statements)

Brigata Canadian Balanced Fund**Statements of Changes in Net Assets***For the six-month periods ended June 30 (Unaudited)*

	Series A	Series F	Total	Series A	Series F	Total
	2011			2010		
Increase (decrease) in Net Assets from operations	\$ (8,872)	\$ 9,652	\$ 780	\$ (640,102)	\$ (38,299)	\$ (678,401)
Distributions to unitholders						
From net investment income	-	-	-	-	-	-
Capital unit transactions						
Proceeds from units issued	3,490,606	375,422	3,866,028	7,155,165	501,706	7,656,871
Amounts paid for units redeemed	(1,478,417)	(2,245)	(1,480,662)	(1,000,436)	(1,382)	(1,001,818)
Units issued on reinvestment of distributions	-	-	-	-	-	-
	2,012,189	373,177	2,385,366	6,154,729	500,324	6,655,053
Increase (decrease) in Net Assets for the period	2,003,317	382,829	2,386,146	5,514,627	462,025	5,976,652
Net Assets, beginning of the period	26,556,726	2,174,458	28,731,184	16,904,122	1,312,824	18,216,946
Net Assets, end of the period (note 4)	\$ 28,560,043	\$ 2,557,287	\$ 31,117,330	\$ 22,418,749	\$ 1,774,849	\$ 24,193,598

(See accompanying notes to financial statements)

Brigata Canadian Balanced Fund

Statement of Investments

As at June 30, 2011 (Unaudited)

No. of Shares or Par Value	Description	Coupon Rate (%)	Maturity	Average Cost \$	Fair Value \$	% of Net Assets
SHORT TERM INVESTMENTS						
Bearer Deposit Notes						
100,000	National Bank of Canada	0.991%	7-Jul-11	99,981	99,981	
	Total Short Term Investments			99,981	99,981	0.32
BONDS						
Federal Bonds						
30,000	Canada Housing Trust No. 1	4.800%	15-Jun-12	31,247	30,984	
				31,247	30,984	0.10
Provincial Bonds						
100,000	Province of British Columbia	4.650%	18-Dec-18	105,500	108,596	
150,000	Province of British Columbia	4.100%	18-Dec-19	150,195	155,959	
100,000	Province of Manitoba	5.050%	3-Dec-13	107,948	107,460	
100,000	Province of Manitoba	5.200%	3-Dec-15	111,000	111,192	
150,000	Province of Manitoba	4.150%	3-Jun-20	149,747	155,347	
200,000	Province of Manitoba	4.400%	5-Sep-25	199,264	207,229	
44,000	Province of New Brunswick	4.300%	3-Dec-15	44,914	47,185	
110,000	Province of New Brunswick	4.400%	3-Jun-19	111,624	116,285	
200,000	Province of New Brunswick	4.500%	2-Jun-20	201,740	210,983	
120,000	Province of Nova Scotia	4.150%	25-Nov-19	119,839	124,589	
100,000	Province of Ontario	3.250%	8-Sep-14	101,802	103,354	
60,000	Province of Ontario	4.200%	8-Mar-18	60,137	63,593	
150,000	Province of Ontario	4.400%	2-Jun-19	152,162	159,093	
30,000	Province of Saskatchewan	4.900%	3-Dec-13	31,398	32,149	
100,000	Province of Saskatchewan	4.250%	3-Dec-15	106,520	107,457	
				1,753,790	1,810,471	5.82
Corporate Bonds						
50,000	Bank of Montreal	5.050%	3-Sep-13	50,059	53,083	
40,000	Bank of Montreal	5.180%	10-Jun-15	39,720	43,471	
100,000	Bank of Montreal	3.103%	10-Mar-16	99,805	100,205	
58,000	Bank of Montreal	5.450%	17-Jul-17	58,577	64,224	
200,000	Bank of Montreal	6.020%	2-May-18	215,636	228,679	
100,000	Bank of Montreal	4.609%	10-Sep-25	99,930	99,912	
60,000	Bank of Nova Scotia	5.040%	8-Apr-13	60,226	63,185	
50,000	Bank of Nova Scotia	3.430%	16-Jul-14	51,720	51,332	
300,000	Bank of Nova Scotia	4.100%	8-Jun-17	300,750	310,075	
50,000	Bank of Nova Scotia	4.990%	27-Mar-18	49,575	52,337	
100,000	Bell Canada	6.250%	12-Apr-12	106,950	103,424	
200,000	Bell Canada	4.850%	30-Jun-14	206,392	211,624	
275,000	Bell Canada	4.640%	22-Feb-16	286,145	289,447	
50,000	Canadian Imperial Bank of Commerce	4.350%	1-Nov-11	49,293	50,486	
100,000	Canadian Imperial Bank of Commerce	3.100%	2-Mar-15	100,500	101,231	
50,000	Canadian Imperial Bank of Commerce	5.150%	6-Jun-18	50,076	52,678	
50,000	Enbridge Inc.	4.670%	25-Mar-13	53,200	52,086	
100,000	Enbridge Inc.	5.170%	19-May-16	101,561	108,530	

(See accompanying notes to financial statements)

Brigata Canadian Balanced Fund

Statement of Investments

As at June 30, 2011 (Unaudited)

No. of Shares or Par Value	Description	Coupon Rate (%)	Maturity	Average Cost \$	Fair Value \$	% of Net Assets
120,000	Enbridge Inc.	4.260%	1-Feb-21	120,294	119,132	
75,000	EnCana Corp.	4.300%	12-Mar-12	75,649	76,407	
100,000	EnCana Corp.	5.800%	18-Jan-18	99,315	111,915	
200,000	Great-West Lifeco Inc.	4.650%	13-Aug-20	197,860	203,902	
100,000	Manulife Financial Corp.	4.896%	2-Jun-14	100,000	104,892	
250,000	Manulife Financial Corp.	5.161%	26-Jun-15	271,283	264,790	
200,000	Manulife Financial Corp.	4.079%	20-Aug-15	199,780	203,906	
75,000	Manulife Financial Corp.	7.768%	8-Apr-19	75,000	90,396	
50,000	National Bank of Canada	5.550%	15-Nov-18	50,114	53,424	
50,000	Power Corp of Canada	7.570%	22-Apr-19	50,956	59,737	
65,000	Royal Bank of Canada	5.200%	15-Aug-12	66,095	67,536	
200,000	Royal Bank of Canada	3.360%	11-Jan-16	199,918	202,450	
300,000	Royal Bank of Canada	3.660%	25-Jan-17	299,883	304,544	
50,000	Royal Bank of Canada	5.000%	6-Jun-18	49,985	52,530	
100,000	Shoppers Drug Mart Corp.	4.800%	20-Jan-12	105,290	101,716	
146,000	Shoppers Drug Mart Corp.	4.990%	3-Jun-13	152,900	153,232	
50,000	Shoppers Drug Mart Corp.	5.190%	20-Jan-14	49,992	53,166	
60,000	Suncor Energy Inc.	5.800%	22-May-18	55,140	66,906	
170,000	Thomson Reuters Corp.	5.700%	15-Jul-15	181,466	188,065	
25,000	Toronto-Dominion Bank	5.141%	19-Nov-12	25,590	26,152	
50,000	Toronto-Dominion Bank	4.854%	13-Feb-13	50,282	52,393	
35,000	Toronto-Dominion Bank	5.480%	2-Apr-20	34,836	38,068	
				4,491,743	4,631,268	14.88
	Total Bonds			6,276,780	6,472,723	20.80
	EQUITIES					
	Energy					
18,000	Cenovus Energy Inc.			494,798	653,760	
8,000	Enbridge Inc.			167,122	250,400	
14,500	EnCana Corp.			466,877	430,650	
6,000	Husky Energy Inc., Preferred			151,942	153,660	
30,000	Nexen Inc.			692,690	650,400	
35,000	PetroBakken Energy Ltd., Class A			681,377	461,650	
34,000	Suncor Energy Inc.			1,052,440	1,281,800	
41,000	Talisman Energy Inc.			677,112	810,160	
18,000	TransCanada Corp.			601,101	759,960	
10,000	TransCanada Corp., Preferred, Series 3			248,922	251,500	
13,000	Vermilion Energy Inc.			393,165	661,830	
	Total Energy			5,627,546	6,365,770	20.46
	Materials					
10,000	Labrador Iron Ore Royalty Corp.			183,750	387,000	
	Total Materials			183,750	387,000	1.24
	Industrials					
658	3M Co.			52,170	60,221	

(See accompanying notes to financial statements)

Brigata Canadian Balanced Fund

Statement of Investments

As at June 30, 2011 (Unaudited)

No. of Shares or Par Value	Description	Coupon Rate (%)	Maturity	Average Cost \$	Fair Value \$	% of Net Assets
4,000	ABB Ltd., ADR			65,861	100,100	
7,000	Canadian National Railway Co.			375,452	539,350	
11,000	Canadian Pacific Railway Ltd.			587,019	660,550	
	Total Industrials			1,080,502	1,360,221	4.37
	Consumer Discretionary					
23,500	Dorel Industries Inc., Class B			673,368	630,270	
24,000	Reitmans Canada Ltd.			321,523	384,000	
	Total Consumer Discretionary			994,891	1,014,270	3.26
	Consumer Staples					
10,000	CVS Caremark Corp.			347,823	362,396	
650	Diageo PLC, ADR			48,592	51,365	
5,000	Loblaw Cos Ltd.			171,924	194,450	
1,000	Nestle SA, ADR			43,412	60,203	
8,000	North West Co., Inc.			138,327	161,759	
2,400	SABMiller PLC, ADR			52,798	85,701	
14,000	Shoppers Drug Mart Corp.			580,441	555,800	
2,000	The Coca-Cola Co.			109,018	129,864	
1,700	The Procter & Gamble Co.			103,510	104,216	
	Total Consumer Staples			1,595,845	1,705,754	5.48
	Health Care					
4,000	Novartis AG, ADR			221,620	235,794	
14,000	Johnson & Johnson			881,620	897,969	
	Total Health Care			1,103,240	1,133,763	3.64
	Financials					
400	American Express Co.			8,149	19,954	
9,820	BAM Split Corp., Preferred			245,500	261,212	
14,500	Bank of Montreal			748,700	888,560	
2,000	Bank of Montreal, Preferred			50,000	55,240	
5,000	Bank of Montreal, Preferred			126,102	134,300	
13,000	Bank of Nova Scotia			565,207	754,130	
10,000	Bank of Nova Scotia, Preferred			245,030	251,000	
3,000	Bank of Nova Scotia, Preferred			75,033	81,480	
6,000	Canadian Western Bank, Preferred			163,490	164,100	
7,500	HSBC Bank Canada, Preferred			208,488	205,500	
47,000	Manulife Financial Corp.			904,836	800,410	
5,000	Manulife Financial Corp., Preferred			133,537	132,050	
5,371	Manulife Financial Corp., Preferred			134,275	145,554	
29,000	Power Corp. of Canada			809,990	777,200	
28,000	Royal Bank of Canada			1,441,153	1,539,720	
3,000	Royal Bank of Canada, Preferred			75,139	81,420	
25,000	Sun Life Financial Inc.			777,909	724,250	
3,000	Sun Life Financial Inc., Preferred			82,235	80,310	

(See accompanying notes to financial statements)

Brigata Canadian Balanced Fund

Statement of Investments

As at June 30, 2011 (Unaudited)

No. of Shares or Par Value	Description	Coupon Rate (%)	Maturity	Average Cost \$	Fair Value \$	% of Net Assets
1,125	The Bank of New York Mellon Corp.			38,583	27,806	
19,500	Toronto-Dominion Bank			1,294,286	1,594,710	
3,000	Toronto-Dominion Bank, Preferred			74,973	81,930	
	Total Financials			8,202,615	8,800,836	28.29
	Real Estate					
6,000	Brookfield Asset Management Inc.			150,000	147,000	
6,000	Brookfield Asset Management Inc., Preferred			148,358	146,400	
12,000	Brookfield Asset Management Inc., Preferred			322,940	324,720	
12,000	Brookfield Asset Management Inc., Preferred			300,832	306,000	
4,500	RioCan Real Estate Investment Trust			66,511	116,505	
	Total Real Estate			988,641	1,040,625	3.34
	Information Technology					
23,000	Cisco Systems Inc.			468,755	346,279	
1,000	International Business Machines Corp.			125,993	165,438	
8,000	Research In Motion Ltd.			422,208	222,480	
	Total Information Technology			1,016,956	734,197	2.36
	Telecommunication Services					
14,000	BCE Inc.			392,178	529,480	
27,000	Rogers Communications Inc., Class B			876,610	1,028,970	
9,750	Vodafone Group PLC, ADR			216,873	251,334	
	Total Telecommunication Services			1,485,661	1,809,784	5.82
	Total Equities			22,279,647	24,352,220	78.26
	Total Investments			28,656,408	30,924,924	99.38
	Less: Transaction Costs (note2)			(11,804)		
	Total Investments			28,644,604	30,924,924	99.38
	Other net assets			192,406	192,406	0.62
	Total net assets			28,837,010	31,117,330	100.00

(See accompanying notes to financial statements)

BRIGATA CANADIAN BALANCED FUND

Notes to the Financial Statements

June 30, 2011 (Unaudited)

1. Establishment of Fund

Brigata Canadian Balanced Fund (the "Fund") is an open-end investment trust established under the laws of the Province of Ontario by a Master Declaration of Trust (the "Declaration of Trust"). The Declaration of Trust establishing the Fund was dated as of January 2, 2008. The Manager and Trustee of the Fund is Brigata Capital Management Inc. (the "Manager" and "Trustee") and the custodian of the Fund is RBC Dexia Investor Services Trust (the "Custodian"). The Fund commenced operation on January 3, 2008 with Series A and Series F units.

Series A units are available to all investors. Series F units are only sold to investors in fee based accounts that do not require the payment of trailer fees to dealers.

2. Summary of Significant Accounting Policies

These interim financial statements have been prepared on a consistent basis with the annual financial statements. The interim financial statements, together with the notes to financial statements, should be read in conjunction with the most recent annual financial statements. Certain disclosures presented in the notes to the annual financial statements that are required under Canadian Generally Accepted Accounting Principles ("GAAP") have been omitted here.

Basis of Presentation

These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles (Canadian GAAP), which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reporting year. Actual results could vary from these estimates.

Basis of fair value measurement

All financial instruments recognized at fair value on the Statement of Net Assets are classified into three fair value hierarchy levels, based on the transparency of the input values, as follows:

- | | |
|---------|---|
| Level 1 | Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Investment Manager has the ability to access at the measurement date. |
| Level 2 | Inputs other than quoted prices that is observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active. |
| Level 3 | Inputs that are unobservable. There is little if any market activity. Inputs into the determination of fair value require significant management judgment or estimation. |

Valuation of investments

Investments are categorized as held for trading and are recorded at fair value. The fair value of investments as at the financial reporting period is determined as follows:

- (i) Securities listed upon a recognized public stock exchange are valued at their last bid prices on the valuation date. Securities with no available bid prices are valued at the closing sale prices.
- (ii) Securities not listed upon a recognized public stock exchange are valued using valuation techniques, on such basis and in such manner established by the Manager.
- (iii) Short-term notes, treasury bills and bonds are valued at the average bid quotations from recognized investment dealers.

BRIGATA CANADIAN BALANCED FUND

Notes to the Financial Statements

June 30, 2011 (Unaudited)

2. Summary of Significant Accounting Policies (continued)

Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs are expensed and are included in "Transactions costs" in the Statement of Operations.

Cost of investments

The cost of investments represents the amount paid for each security, and is determined on an average cost basis excluding transaction costs.

Investment transactions and income

Investment transactions are accounted for on the trade date. Interest income is accrued daily and dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis.

Cash

Cash is comprised of cash on deposit and is deemed to be held for trading and carried at fair value.

Foreign currency translation

Assets and liabilities in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the period end. Purchases and sales of investments and income and expenses are translated into Canadian dollars at the rate of exchange prevailing at the transaction date.

Unit Valuation

Units of the Fund are offered for sale on a continuous basis and may be purchased or redeemed on any valuation date at the Net Asset Value per unit. A valuation date is each day on which the Toronto Stock Exchange is open for business. The Net Asset Value per unit of a series for the purposes of subscription or redemption is computed by dividing the Net Asset Value of the Fund attributable to the series (that is, the total market value of the assets of the Fund less its liabilities) by the total number of units of the series of the Fund outstanding at such time. Net Asset Value is calculated in accordance with Section 14.2 of National Instrument 81-106. This differs from Net Assets calculated in accordance with Section 3855 of Canadian GAAP presented on the Financial Statements. For a comparison of Net Asset Value to Net Assets refer to note 4.

Increase (decrease) in net assets from operations per unit

Increase (decrease) in net assets from operations per unit of the respective series in the statement of operations represents the increase (decrease) in net assets from operations for the period, attributable to the series, divided by the weighted average number of units outstanding in that series during the period.

3. Fair value disclosures

The Fund's assets recorded at fair value have been categorized based upon the fair value hierarchy as disclosed in Note 2. The following fair value hierarchy table presents information about the Fund's assets measured at fair value on a recurring basis as of June 30, 2011 and December 31, 2010.

BRIGATA CANADIAN BALANCED FUND

Notes to the Financial Statements

June 30, 2011 (Unaudited)

3. Fair value disclosures (continued)

	Financial Assets at fair value as at June 30, 2011			
	Level 1	Level 2	Level 3	Total
Cash	\$ 155,454	\$ -	\$ -	\$ 155,454
Equities	24,206,316	145,904	-	24,352,220
Bonds	-	6,472,723	-	6,472,723
Short-term notes	-	99,981	-	99,981
	\$ 24,361,770	\$ 6,718,608	\$ -	\$ 31,080,378

	Financial Assets at fair value as at December 31, 2010			
	Level 1	Level 2	Level 3	Total
Cash	\$ 139,265	\$ -	\$ -	\$ 139,265
Equities	21,637,800	143,487	-	21,781,287
Bonds	-	6,285,240	-	6,285,240
Short-term notes	-	499,890	-	499,890
	\$ 21,777,065	\$ 6,928,617	\$ -	\$ 28,705,682

During the periods there were no transfers of investments between levels.

4. Reconciliation of Net Asset Value

Net Asset Value ("NAV") is the value of the total assets of a Fund less the value of its total liabilities at a valuation date for the purpose of processing unitholder transactions. Net assets are determined in accordance with *CICA Handbook* Section 3855, "Financial Instruments – Recognition and Measurement" ("Section 3855"). Section 3855 required the use of bid prices for long positions and ask prices for short positions in the fair valuation of investments, rather than the use of closing prices currently used for the purpose of determining NAV. The following is the reconciliation between Net Assets and Net Asset Value.

	Net Asset Value			Net Asset Value Per Unit		
	Net Asset Value	Adjustment	Net Assets	Value Per Unit	Adjustment	Net Assets Per Unit
	\$	\$	\$	\$	\$	\$
As at June 30, 2011						
Series A	\$ 28,617,468	\$ (57,425)	\$ 28,560,043	\$ 9.98	\$ (0.02)	\$ 9.96
Series F	\$ 2,562,429	\$ (5,142)	\$ 2,557,287	\$ 10.17	\$ (0.02)	\$ 10.15
As at December 31, 2010						
Series A	\$ 26,606,475	\$ (49,749)	\$ 26,556,726	\$ 9.97	\$ (0.02)	\$ 9.95
Series F	\$ 2,178,530	\$ (4,072)	\$ 2,174,458	\$ 10.11	\$ (0.02)	\$ 10.09

BRIGATA CANADIAN BALANCED FUND

Notes to the Financial Statements

June 30, 2011 (Unaudited)

5. Unitholders' Equity

The Fund currently consists of Series A and Series F units which are available on a daily basis. The number of Series A and Series F units of the Fund that may be issued is unlimited unless the Manager determines otherwise in its sole discretion. Unit transactions of the Fund for the periods ended June 30, 2011 and 2010 were as follows:

	2011		2010	
	Series A	Series F	Series A	Series F
Units - Beginning of period	2,669,152	215,513	1,798,895	137,943
Unit issued	344,858	36,595	761,198	53,105
Units redeemed	(146,350)	(219)	(106,574)	(143)
Units - End of period	2,867,660	251,889	2,453,519	190,905

6. Brokerage Commissions on Securities Transactions

The total fees paid to brokers in connection with investment portfolio transactions for the period ended June 30, 2011 were \$1,893 (2010 - \$3,431). There were \$339 (2010 - \$309) soft dollars commissions paid by the Fund during this period. The term "soft dollar" is used to describe a widely acceptable business practice by which the investment advisor receives various benefits from the broker throughout the course of the normal business relationship. Such benefits may be in the form of research, or other materials that aid the investment process, thus contributing to long-term realization of the unit holders.

7. Management Fees and Expenses

The Manager is responsible for the day-to-day management of the Fund and its investment portfolio in compliance with the Fund's constating documents. The Manager monitors and evaluates the performance of the Fund, pays for the services of the Portfolio Managers and pays for the investment management services of the Investment Advisors.

Pursuant to the terms of the trust agreement, the Manager receives a management fee from the Fund equal to 1.95% of the net asset value (the "Net Asset Value") of Series A units of the Fund and 1.00% of net asset value (the "Net Asset Value") of Series F units of the Fund, calculated daily in arrears and payable monthly. For the period ended June 30, 2011, management fees incurred by the Brigata Canadian Balanced Fund Series A and Series F were \$303,238 (2010 - \$211,719) and \$13,833 (2010 - \$8,439) respectively.

In addition to the management fee, the fund pays its own operating expenses. These expenses include, but are not limited to audit, accounting and legal fees, custodial, trustee, valuation, recordkeeping, operating, Independent Review Committee and filing fees, and all costs associated with the qualification for sale of Series A and Series F units of the Fund.

The Management Expense Ratio ("MER") per series of units of each Fund for a fiscal period represents the total expenses of the series of units of the Fund expressed as a percentage of the average daily net asset values for the series of units during the fiscal period.

BRIGATA CANADIAN BALANCED FUND

Notes to the Financial Statements

June 30, 2011 (Unaudited)

7. Management Fees and Expenses (continued)

The Manager may absorb some of the operating expenses generally payable by the Fund. Operating expenses of the Fund were absorbed by the Manager in amounts sufficient to ensure that the MER for the Fund did not exceed 2.50% per annum in respect of the Series A and 1.55% per annum in respect of series F. The absorption of expenses is exclusive of HST and the Manager may amend or remove the absorption of expenses at its discretion.

8. Income Taxes

The Fund has qualified as a mutual fund trust as defined in the Income Tax Act (Canada) as it meets the number of unitholders requirement. Pursuant to the terms of the Declaration of Trust, the Fund pays or makes payable in the calendar year to the unitholders all the net income and such portion of the net capital gains which will result in the Fund paying no tax under the current provisions of the Act. As a result, under existing tax legislation, the net income and net capital gains are taxable in the hands of the unitholders of the Fund. Accordingly, no provision for Canadian income taxes has been made in these financial statements.

As at December 15, 2010, the Fund's latest taxation year, the Fund had \$150,000 (2009 - \$268,000) in capital losses carried forward and no non-capital losses carried forward.

9. Risks Arising From Financial Instruments

The Fund's financial instruments consist of cash and investments. As a result, the Fund is exposed to various types of risks that are associated with its investment strategies, financial instruments, and markets in which it invests. These risks include market risk, currency risk, interest rate risk, credit risk and liquidity risk. The value of investments within a fund's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, and market and company news related to specific securities within the fund. The level of risk depends on the Fund's investment objectives and the type of securities it invests in. These risks and related risk management practices employed by the Fund are discussed below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, currency fluctuations and changes in interest rates. The investments of the Fund are subject to normal market fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from financial instruments held by the Fund is determined by the fair value of the financial instruments. The Manager manages this risk through a careful selection of securities within specified limits and diversification of the investment portfolio. The Investment Manager monitors the Fund's overall market positions on a daily basis and positions are maintained within established ranges.

(i) Market Fluctuation Risk

The Fund is exposed to market fluctuation risk to the extent of its investment in equity instruments. If the market indexes had increased (decreased) by 5% at June 30, 2011, with all other variables held constant, this could have approximately increased (decreased) net assets by \$1,218,000 (December 31, 2010 - \$1,089,000). In practice, actual results may differ from the sensitivity analysis and the difference may be material.

BRIGATA CANADIAN BALANCED FUND

Notes to the Financial Statements

June 30, 2011 (Unaudited)

9. Risks Arising From Financial Instruments (continued)

(ii) Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of the Fund, will fluctuate due to changes in foreign exchange rates. Equities in foreign markets and foreign bonds are exposed to currency risk as the prices denominated in foreign currencies are converted to the Fund's functional currency in determining fair value.

Exposures to foreign currencies as at June 30, 2011 and December 31, 2010 are presented in the table below:

As at June 30, 2011	Currency	Cash and other Foreign Holdings Cdn \$	Investments at Fair Value Cdn \$	Total Foreign Holdings Cdn \$	Percentage of Net Assets (%)
US Dollar		17,510	2,898,639	2,916,149	9.37

As at December 31, 2010	Currency	Cash and other Foreign Holdings Cdn \$	Investments at Fair Value Cdn \$	Total Foreign Holdings Cdn \$	Percentage of Net Assets (%)
US Dollar		2,899	2,107,722	2,110,621	7.35

As at June 30, 2011, if the exchange rate between the Canadian Dollar and the US Dollar increased or decreased by 5%, with all other variables being constant, the increase or decrease respectively in net assets could approximately amount to \$146,000 (December 31, 2010 - \$106,000). In practice, actual results may differ from the sensitivity analysis and the difference may be material.

(iii) Interest rate risk

Interest rate risk is the risk that the market value of the Fund's interest-bearing investments will fluctuate due to changes in market interest rates. The Fund's exposure to interest rate risk is concentrated in its investment in debt securities (such as bonds, money market instruments and debentures). Other assets and liabilities are short-term in nature and non-interest bearing.

The Fund attempts to mitigate the interest rate risk by managing the duration of the bond portfolio with an emphasis to minimize interest rate risk.

The following table summarizes the Fund's exposure to interest rate risk. It includes the Fund's assets and trading liabilities at fair values, categorized by the earlier of contractual re-pricing or maturity dates.

BRIGATA CANADIAN BALANCED FUND

Notes to the Financial Statements

June 30, 2011 (Unaudited)

9. Risks Arising From Financial Instruments (continued)

(iii) interest rate risk (continued)

Debt Instruments By Maturity Dates	2011		2010	
	Fair Value \$	Percentage (%)	Fair Value \$	Percentage (%)
Less than 1 year	462,997	1.5	697,297	2.4
1-4 years	1,541,137	5.0	1,449,307	5.0
5-8 years	3,253,449	10.5	2,910,053	10.1
9-12 years	1,007,981	3.2	1,423,394	5.0
13-16 years	307,140	1.0	305,080	1.1
Total Interest Bearing	6,572,704	21.1	6,785,131	23.6
Non-interest Bearing	24,544,626	78.9	21,946,053	76.4
Net Assets	31,117,330	100.0	28,731,184	100.0

At June 30, 2011, should interest rates have decreased by 25 basis points with all other variable remaining constant, increase in net assets for the period would amount to approximately \$95,000 (December 31, 2010 - \$99,000). Conversely, if interest rates had risen by 25 basis points, the decrease in net assets could be amount to approximately \$95,000 (December 31, 2010 - \$99,000). In practice, actual results may differ from the sensitivity analysis and the difference may be material.

Credit risk

The Fund's main credit risk concentration is spread on bond and short-term debt securities and preferred shares. The Fund limits its exposure to credit loss by placing its cash and cash equivalents and short-term investments in high credit quality investments. To maximize the credit quality of its investments, the Fund's investment manager performs ongoing credit evaluations based upon factors surrounding the credit risk of customers, historical trends and other information.

The Fund invests in financial assets, which have an investment grade rated primarily by DBRS and Standard & Poor's. Ratings for securities that subject the Fund to credit risk at June 30, 2011 and December 31, 2010 are noted below:

Portfolio by rating category	2011	2010
	As a % of Net Assets	As a % of Net Assets
Bond and Preferred Share Rating		
AAA	1.6%	1.2%
AA	9.5%	12.0%
A	10.8%	11.7%
A-	8.6%	8.2%
Total	30.5%	33.1%

All transactions in listed securities are settled for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

BRIGATA CANADIAN BALANCED FUND

Notes to the Financial Statements

June 30, 2011 (Unaudited)

9. Risks Arising From Financial Instruments (continued)

Liquidity risk

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligations on time or at a reasonable price. The Fund is exposed to daily cash redemptions of redeemable units. The units of the Fund are redeemed on demand at the current NAV per unit at the option of the unitholder. Liquidity risk is managed by investing the majority of the Funds' assets in investments that are traded in an active market and can be readily disposed. In addition, the Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity.

The Fund's investments are considered readily realizable and highly liquid, therefore the Fund's liquidity risk is considered minimal.

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