



## Brigata Canadian Equity Fund Series A and Series F

Management Report of Fund Performance  
and Financial Statements  
for the six months ended June 30, 2010

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The Brigata Canadian Equity 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, 2010, 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](http://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 Equity Fund (the "Fund") as at and for the six months ended June 30, 2010. All figures in the MRFP are in Canadian dollars unless otherwise indicated.

### *Investment Objectives and Strategies*

The Fund's investment objective is to achieve long-term capital growth.

The Fund invests primarily in a broadly diversified portfolio of large- and mid-capitalization Canadian equity securities across various sectors which may include income trusts.

Up to 30% of the assets in the Fund may be held in foreign securities and up to 25% of the assets of the Fund may be held in cash and short-term fixed income instruments.

During difficult market conditions, the Fund may call upon its discretion to make use of cash components to dampen the effects of poorly performing markets.

### *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, 2010 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 Equity Fund is suitable for investors who are able to accept an average level of risk and who intend to hold the Fund for five to ten years.

### *Results of Operations*

For the six months ended June 30, 2010, the S&P/TSX composite total return index was down 2.55% while the S&P 500 (-5.38%), the MSCI Eurofirst (-15.58%) and the MSCI World Equity (-8.61%) all reported smaller increases during the same period. At the same time, the Series A units of the Fund declined 6.45%, as compared to the 70% S&P/TSX Composite Total Return Index, and 30% MSCI World Equity Index, blended benchmark which showed a decline of 4.37% for the period. The Fund underperformed the benchmark due to its appropriate overweight levels of cash during the period, as well as being substantially underweight in the Energy and Materials sectors and being substantially overweight in the Information Technology and the more stable Consumer Staples sectors. Helping to improve the Fund's performance was its larger underweight position in Financials. As it is the policy of the Fund not to have more than 20% of their assets invested in any one sector, the Energy sector represents 12.08% of the Fund (26.55% of the TSX Composite Index) and the Financial sector 16.04% (30.12% of the TSX Composite Index).

Having felt that recent commodity and crude oil prices were overvalued based on actual fundamentals we remained underweight in both energy and the materials sector. Going forward we feel we will have a better understanding on the ramifications of the Euro and Chinese market situation as more information should be available and this should give us a clearer picture of whether or not, and to what degree, we

***Results of Operations (continued)***

would want to establish more appropriate weighting in these sectors. Our emphasis has been more towards the Consumer Staples and Consumer Discretionary sectors; two more defensive areas in a declining market and key components in our "dividends are back in vogue" theme.

In light of the relative market volatility we continue to maintain a substantial cash position in the Fund.

***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 of its operating expenses, together with all applicable taxes such as GST/HST. The Fund also pays the Manager management fees, before GST/HST, calculated daily on the net asset value of the Fund at an annual rate of 1.95% for Series A units and 1.00% for Series F units.

Independent Planning Group Inc. (IPG) acts as the Fund's principal distributor and as such receives no additional fee or commission from the Fund. As at June 30, 2010, IPG owned 75.8% of the issued and outstanding shares of the Manager.

Operating expenses of the Fund are being capped such that the management expense ratio (MER) will not exceed 2.40% per annum in respect of Series A units and 1.45% per annum in respect of Series F units (exclusive of GST/HST). For the six months ended June 30, 2010, the Manager absorbed \$100,201 of the Fund's operating expenses, of which \$68,146 is shown as a receivable from the Manager as at June 30, 2010. The Manager may amend or remove this cap 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 (\$) <sup>(1)</sup>**

Series A*	2010**	2009*	2008*
<b>Net assets, beginning of the period</b>	<b>9.05</b>	<b>7.41</b>	<b>10.00</b>
<b>Increase (decrease) from operations:</b>			
Total revenue	0.10	0.17	0.16
Total expenses	(0.10)	(0.21)	(0.26)
Realized gains (losses) for the year	0.16	0.01	(2.05)
Unrealized gains (losses) for the year	(0.73)	1.75	(1.85)
<b>Total increase(decrease) from operations <sup>(2)</sup></b>	<b>(0.57)</b>	<b>1.72</b>	<b>(4.00)</b>
<b>Distributions:</b>			
From income	-	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	-	-	-
<b>Total annual distributions <sup>(3)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets, end of the period <sup>(4)</sup></b>	<b>8.48</b>	<b>9.05</b>	<b>7.41</b>

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

Series F*	2010**	2009*	2008*
<b>Net assets, beginning of the period</b>	<b>9.23</b>	<b>7.48</b>	<b>10.00</b>
<b>Increase (decrease) from operations:</b>			
Total revenue	0.10	0.17	0.16
Total expenses	(0.06)	(0.13)	(0.18)
Realized gains (losses) for the year	0.17	(0.01)	(1.41)
Unrealized gains (losses) for the year	(0.76)	1.75	(1.98)
<b>Total increase(decrease) from operations <sup>(2)</sup></b>	<b>(0.55)</b>	<b>1.78</b>	<b>(3.41)</b>
<b>Distributions:</b>			
From income	-	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	-	-	-
<b>Total annual distributions <sup>(3)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets, end of the period <sup>(4)</sup></b>	<b>8.69</b>	<b>9.23</b>	<b>7.48</b>

(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 year ending December 31, 2009.

\*\* The financial information is for the six months ended June 30, 2010.

## Ratios and Supplementary Data

Series A*	2010**	2009*	2008*
Total net asset value <sup>(1)</sup>	\$11,589,676	\$11,091,816	\$4,922,033
Number of units outstanding <sup>(1)</sup>	1,366,147	1,223,103	662,755
Management expense ratio <sup>(2)</sup>	2.52%	2.52%	2.52%
Management expense ratio before waivers or absorption	4.01%	5.32%	7.48%
Trading expense ratio <sup>(3)</sup>	-	0.23	0.46
Portfolio turnover rate <sup>(4)</sup>	30.16%	54.04%	58.3%
Net asset value per unit <sup>(1)</sup>	\$8.48	\$9.07	\$7.43

Series F*	2010**	2009*	2008*
Total net asset value <sup>(1)</sup>	\$415,379	\$421,146	\$233,768
Number of units outstanding <sup>(1)</sup>	47,811	45,556	31,183
Management expense ratio <sup>(2)</sup>	1.52%	1.52%	1.52%
Management expense ratio before waivers or absorption	3.08%	4.41%	7.73%
Trading expense ratio <sup>(3)</sup>	-	0.23	0.46
Portfolio turnover rate <sup>(4)</sup>	30.16%	54.04%	58.3%
Net asset value per unit <sup>(1)</sup>	\$8.69	\$9.24	\$7.50

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

\*\* The financial information is for the six month period ending June 30, 2010.

### Past Performance

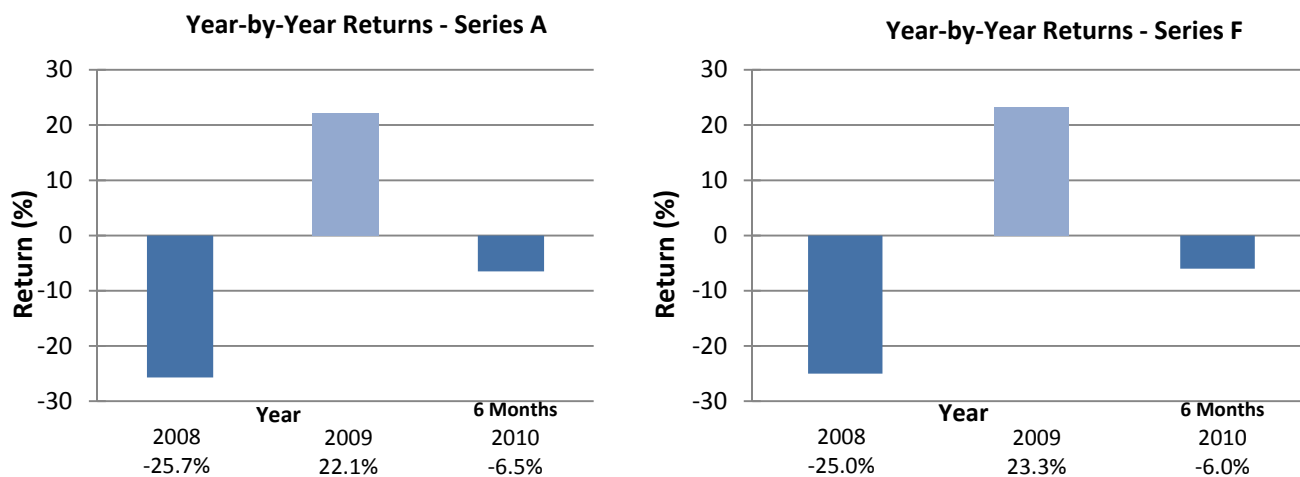
The past performance of the Fund is set out in the Year-by-Year Returns charts. Performance returns:

- are calculated as of June 30, 2010, December 31, 2008 and 2009.
- 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, 2010 and years ended December 31, 2008 and 2009. 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, 2010 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 Independent Planning Group Inc. (IPG) for units of the Fund bought and held by investors.

For the six months ended June 30, 2010, approximately 48% (2009 - 48%) of the total management fee revenues received from Brigata Funds were used to fund trailer fees to IPG. In comparison, such trailer fee payments for the Fund represented 46% (2009 - 46%) of the management fees paid.

***Future Changes in Accounting Standards***

The Manager has developed a changeover 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.

## II. SUMMARY OF INVESTMENT PORTFOLIO as at June 30, 2010

The *Summary of Investment Portfolio* may change due to ongoing portfolio transactions. Updates are available at [www.brigatafunds.com](http://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](mailto:info@brigatafunds.com) or 1-888-BRIGATA (1-888-274-4282).

<b>TOP 25 HOLDINGS</b>	1	Cash and Cash Equivalents	16.16%
	2	IShares MSCI Emerging Markets Index	3.80%
	3	Royal Bank of Canada common	2.75%
	4	TMX Group Inc. common	2.59%
	5	TransCanada Corp. common	2.54%
	6	McDonalds Corp. common	2.45%
	7	Telus Corp. common	2.44%
	8	Canadian Tire Corp. common	2.44%
	9	Thomson Reuters	2.41%
	10	Canadian Oil Sands common	2.41%
	11	Goldcorp Inc. common	2.37%
	12	Cisco Systems Inc. common	2.30%
	13	Reitmans Canada Ltd. common	2.29%
	14	SNC-Lavalin Group Inc. common	2.27%
	15	Tim Hortons Inc. common	2.27%
	16	Wal-Mart Stores common	2.26%
	17	Toronto-Dominion Bank common	2.24%
	18	Canadian Natural Resources common	2.24%
	19	Novartis ADR	2.22%
	20	Vodafone Group common	2.20%
	21	Manulife Financial Inc. common	2.19%
	22	Canadian National Railways common	2.19%
	23	Shaw Communications Inc. common	2.13%
	24	Power Corp. Canada common	2.12%
	25	Emera Inc. common	2.09%
<b>ASSET ALLOCATION</b>	<b>Aggregate % of top holdings</b>		<b>73.31%</b>
		Canadian Equity	61.22%
		Cash and Cash Equivalents	16.16%
		U.S. Equity	14.96%
		Foreign Equity	7.66%
<b>SECTOR ALLOCATION</b>	<b>Total asset allocation</b>		<b>100.00%</b>
		Financial	16.84%
		Cash & Cash Equivalents	16.16%
		Consumer Discretionary	15.84%
		Energy	12.88%
		Consumer Staples	9.89%
		Information Technology	8.16%
		Industrial	5.65%
		Materials	5.63%
		Telecommunications	4.64%
		Health Care	2.22%
		Utilities	2.09%
	<b>GEOGRAPHIC ALLOCATION</b>	<b>Total sector allocation</b>	
		Canada	75.31%
		United States	17.02%
		Switzerland	3.85%
		U.K.	2.20%
		Australia	1.62%
<b>Total geographic allocation</b>		<b>100.00%</b>	

# **Brigata Canadian Equity Fund**

## **Semi-Annual Financial Statements**

**June 30, 2010**

**(Unaudited)**

## Brigata Canadian Equity Fund

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### Statements of Net Assets

As at June 30, 2010 (Unaudited) and December 31, 2009 (Audited)

	2010	2009
<b>Assets</b>		
Investments at fair value	\$ 10,061,258	\$ 10,339,426
(Cost: \$10,105,722; 2009 - \$9,367,731)		
Cash	1,920,266	1,136,677
Accrued dividends receivable	26,257	19,681
Due from manager	68,146	68,110
Subscriptions receivable	5,000	-
<b>Total Assets</b>	<b>12,080,927</b>	<b>11,563,894</b>
<b>Liabilities</b>		
Management fees payable (note 7)	20,802	19,024
Accounts payable and accrued liabilities	58,784	55,406
<b>Total Liabilities</b>	<b>79,586</b>	<b>74,430</b>
<b>Net Assets representing unitholders' equity</b>	<b>\$ 12,001,341</b>	<b>\$ 11,489,464</b>
<b>Net Assets representing unitholders' equity per series</b>		
Series A	\$ 11,586,090	\$ 11,069,178
Series F	\$ 415,251	\$ 420,286
<b>Units Outstanding (note 5)</b>		
Series A	1,366,147	1,223,103
Series F	47,811	45,556
<b>Net Assets per unit</b>		
Series A	\$ 8.48	\$ 9.05
Series F	\$ 8.69	\$ 9.23

(See accompanying notes to financial statements)

## Brigata Canadian Equity Fund

### Statements of Operations

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

	2010	2009
<b>Investment income</b>		
Dividend income (net of withholding tax: \$5,925; 2009 - \$825)	\$ 150,788	\$ 75,673
Interest income	-	677
Foreign exchange gain (loss)	(8,692)	3,957
Other income	-	6,817
	<b>142,096</b>	<b>87,124</b>
<b>Expenses</b>		
Management fees (note 7)	122,631	62,780
Financial reporting expense	1,738	2,261
Legal fees	2,480	2,480
Audit fees	9,159	13,515
Custody fees	6,154	6,840
Securityholder reporting costs	36,041	39,962
Trustee fees	4,487	7,568
IRC fees	11,907	11,464
Operating expenses	18,490	14,847
Transaction fees	4,525	4,525
Valuation fees	23,780	23,686
Other expenses	683	9,535
Total expenses	242,075	199,463
Less:		
Expenses absorbed by manager (note 7)	(100,201)	(121,835)
	<b>141,874</b>	<b>77,628</b>
<b>Net investment (loss)</b>	<b>222</b>	<b>9,496</b>
<b>Realized and unrealized gain (loss) on investments and transaction costs</b>		
Net realized gain (loss) on sale of investments	236,644	(83,969)
Transaction costs	(10,321)	(8,243)
Change in unrealized appreciation (depreciation) on investments	(1,016,159)	833,870
<b>Net gain (loss) on investments</b>	<b>(789,836)</b>	<b>741,658</b>
<b>Increase (decrease) in Net Assets from operations</b>	<b>\$ (789,614)</b>	<b>\$ 751,154</b>
<b>Increase (decrease) in Net Assets from operations per series</b>		
Series A	\$ (763,813)	\$ 718,451
Series F	\$ (25,801)	\$ 32,703
<b>Increase (decrease) in Net Assets from operations per unit</b>		
Series A	\$ (0.57)	\$ 0.89
Series F	\$ (0.55)	\$ 0.90

(See accompanying notes to financial statements)

## Brigata Canadian Equity 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
	2010			2009		
<b>Increase (decrease) in Net Assets from operations</b>	<b>\$ (763,813)</b>	<b>\$ (25,801)</b>	<b>\$ (789,614)</b>	\$ 718,451	\$ 32,703	\$ 751,154
<b>Capital unit transactions</b>						
Proceeds from units issued	1,874,627	20,766	1,895,393	2,591,594	84,875	2,676,469
Amounts paid for units redeemed	(593,902)	-	(593,902)	(119,613)	(2,033)	(121,646)
	<b>1,280,725</b>	<b>20,766</b>	<b>1,301,491</b>	2,471,981	82,842	2,554,823
<b>Increase (decrease) in Net Assets for the period</b>	<b>516,912</b>	<b>(5,035)</b>	<b>511,877</b>	3,190,432	115,545	3,305,977
<b>Net Assets, beginning of the period</b>	<b>11,069,178</b>	<b>420,286</b>	<b>11,489,464</b>	4,909,721	233,183	5,142,904
<b>Net Assets, end of the period (note 4)</b>	<b>\$ 11,586,090</b>	<b>\$ 415,251</b>	<b>\$ 12,001,341</b>	\$ 8,100,153	\$ 348,728	\$ 8,448,881

(See accompanying notes to financial statements)

## Brigata Canadian Equity Fund

### Statement of Investments

As at June 30, 2010 (Unaudited)

No. of Shares or Par Value	Description	Average Cost \$	Fair Value \$	% of Net Assets
<b>EQUITIES</b>				
<b>Energy</b>				
7,600	Canadian Natural Resources Ltd.	215,941	268,508	
10,700	Canadian Oil Sands Trust	296,394	288,793	
8,700	Cenovus Energy Inc.	244,022	238,380	
7,052	Suncor Energy Inc.	237,372	220,939	
14,000	Talisman Energy Inc.	258,634	225,400	
8,550	TransCanada Corp.	307,077	304,466	
	<b>Total Energy</b>	<b>1,559,440</b>	<b>1,546,486</b>	<b>12.88</b>
<b>Materials</b>				
3,800	Agrium Inc.	170,124	197,562	
2,950	BHP Billiton Ltd., ADR	190,084	194,171	
6,100	Goldcorp Inc.	228,830	284,321	
	<b>Total Materials</b>	<b>589,038</b>	<b>676,054</b>	<b>5.63</b>
<b>Industrials</b>				
4,200	Canadian National Railway Co.	211,638	256,242	
8,500	Finning International Inc.	158,886	149,855	
6,400	SNC-Lavalin Group Inc.	298,150	272,704	
	<b>Total Industrials</b>	<b>668,674</b>	<b>678,801</b>	<b>5.66</b>
<b>Consumer Discretionary</b>				
5,500	Canadian Tire Corp. Ltd.	296,320	292,325	
6,450	Cogeco Cable Inc.	214,256	219,816	
4,200	McDonalds Corp.	279,207	293,898	
14,700	Reitmans Canada Ltd. Class A	204,917	275,478	
13,350	Shaw Communications Inc.	273,564	255,920	
7,600	Thomson Reuters Corp.	243,262	289,560	
8,000	Tim Hortons Inc.	247,632	272,640	
	<b>Total Consumer Discretionary</b>	<b>1,759,158</b>	<b>1,899,637</b>	<b>15.83</b>
<b>Consumer Staples</b>				
3,800	Nestle SA, ADR	188,700	194,797	
12,200	North West Co Fund	204,161	233,264	
7,400	Shoppers Drug Mart Corp.	325,324	243,534	
29,750	The Jean Coutu Group PJC Inc.	268,044	244,248	
5,300	Wal-Mart Stores Inc.	291,988	270,621	
	<b>Total Consumer Staples</b>	<b>1,278,217</b>	<b>1,186,464</b>	<b>9.89</b>
<b>Health Care</b>				
5,200	Novartis AG, ADR	277,413	266,786	
	<b>Total Health Care</b>	<b>277,413</b>	<b>266,786</b>	<b>2.22</b>

(See accompanying notes to financial statements)

## Brigata Canadian Equity Fund

### Statement of Investments

As at June 30, 2010 (Unaudited)

No. of Shares or Par Value	Description	Average Cost \$	Fair Value \$	% of Net Assets
<b>Financials</b>				
11,500	iShares MSCI Emerging Markets Index Fund	424,011	455,948	
2,800	Bank of Nova Scotia	141,705	137,312	
17,000	Manulife Financial Corp.	408,144	262,650	
10,000	Power Corp. of Canada	275,099	255,100	
6,500	Royal Bank of Canada	284,145	329,550	
11,200	TMX Group Inc.	361,371	311,248	
3,900	Toronto-Dominion Bank	214,384	269,022	
	<b>Total Financials</b>	<b>2,108,859</b>	<b>2,020,830</b>	<b>16.84</b>
<b>Information Technology</b>				
12,200	Cisco Systems Inc.	305,719	276,141	
10,200	Microsoft Corp.	284,939	249,299	
7,150	QUALCOMM Inc.	290,427	249,366	
3,900	Research In Motion Ltd.	285,417	204,087	
	<b>Total Information Technology</b>	<b>1,166,502</b>	<b>978,893</b>	<b>8.15</b>
<b>Telecommunication Services</b>				
7,300	TELUS Corp.	228,995	293,240	
12,000	Vodafone Group PLC, ADR	273,407	263,453	
	<b>Total Telecommunication Services</b>	<b>502,402</b>	<b>556,693</b>	<b>4.64</b>
<b>Utilities</b>				
10,200	Emera Inc.	207,208	250,614	
	<b>Total Utilities</b>	<b>207,208</b>	<b>250,614</b>	<b>2.09</b>
	<b>Total Investments</b>	<b>10,116,911</b>	<b>10,061,258</b>	<b>83.83</b>
	<b>Less: Transaction Costs (note 2)</b>	<b>(11,189)</b>		
	<b>Total Investments</b>	<b>10,105,722</b>	<b>10,061,258</b>	<b>83.83</b>
	<b>Other net assets</b>	<b>1,939,681</b>	<b>1,940,083</b>	<b>16.17</b>
	<b>Total Net Assets</b>	<b>12,045,403</b>	<b>12,001,341</b>	<b>100.00</b>

(See accompanying notes to financial statements)

## BRIGATA CANADIAN EQUITY FUND

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### Notes to the Financial Statements

June 30, 2010 (Unaudited)

#### 1. Establishment of Fund

Brigata Canadian Equity 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 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 periods. Actual results could vary from these estimates.

##### Basis of fair value measurement

Effective on January 1, 2009, the Fund adopted the recent amendments to CICA 3862, *Financial Instruments – Disclosures*. The amendment establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are 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.

##### Changes in accounting policies

Effective January 20, 2009, the Fund adopted the Emerging Issues Committee abstract, “EIC-173 - Credit Risk and the Fair Value of Financial Assets and Financial Liabilities” (“EIC 173”). The abstract provides further guidance on Section 3855, *Financial instruments – Recognition and Measurement* and concludes that an entity’s own credit risk and credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. Adoption of EIC-173 did not have a material effect on the Funds’ financial position or earnings.

## **BRIGATA CANADIAN EQUITY FUND**

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### **Notes to the Financial Statements**

*June 30, 2010 (Unaudited)*

## **2. Summary of Significant Accounting Policies (continued)**

### **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.

### **Transaction costs**

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commission 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 "Transaction 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 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.

## BRIGATA CANADIAN EQUITY FUND

### Notes to the Financial Statements

June 30, 2010 (Unaudited)

## 2. Summary of Significant Accounting Policies (continued)

### Increase (decrease) in net assets from operations per unit

Increase (decrease) in net assets from operations per unit 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, of the respective series.

## 3. Fair value disclosures

The Fund's assets recorded at fair value have been categorised based upon a fair value hierarchy in accordance with the amendments to CICA Handbook Section 3862, "Financial Instruments – Disclosure" ("Section 3862"). See Note 2 for a discussion of the Fund's policies regarding this hierarchy. 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, 2010 and December 31, 2009.

	Financial Assets at fair value as at June 30, 2010			
	Level 1	Level 2	Level 3	Total
Cash	\$ 1,920,266	\$ -	\$ -	\$ 1,920,266
Equities	9,866,460	194,798	-	10,061,258
	<b>\$ 11,786,726</b>	<b>\$ 194,798</b>	<b>\$ -</b>	<b>\$ 11,981,524</b>

As of June 30, 2010 there were no transfers on investment between levels.

	Financial Assets at fair value as at December 31, 2009			
	Level 1	Level 2	Level 3	Total
Cash	\$ 1,136,677	\$ -	\$ -	\$ 1,136,677
Equities	10,339,426	-	-	10,339,426
	<b>\$ 11,476,103</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,476,103</b>

As of June 30, 2010 and December 31, 2009 there were no transfers on investment 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 defining NAV. For investments that are not traded in an active market, Section 3855 requires the use of specific valuation techniques, rather than the use of valuation techniques by virtue of general practice in investment funds industry.

## BRIGATA CANADIAN EQUITY FUND

### Notes to the Financial Statements

June 30, 2010 (Unaudited)

#### 4. Reconciliation of Net Asset Value (continued)

	Net Asset Value			Net Asset Value Per Unit		
	Net Asset Value	Adjustment	Net Assets	Net Asset Value Per Unit	Adjustment	Net Assets Per Unit
	\$	\$	\$	\$	\$	\$
<b>As at June 30, 2010</b>						
Series A	11,589,676	(3,586)	11,586,090	8.48	-	8.48
Series F	415,379	(128)	415,251	8.69	-	8.69
<b>As at December 31, 2009</b>						
Series A	\$ 11,091,816	\$ (22,638)	\$ 11,069,178	\$ 9.07	\$ (0.02)	\$ 9.05
Series F	\$ 421,146	\$ (860)	\$ 420,286	\$ 9.24	\$ (0.01)	\$ 9.23

#### 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 period ended June 30, 2010 and the year ended December 31, 2009 were as follows:

	2010		2009	
	Series A	Series F	Series A	Series F
<b>Units - Beginning of period</b>	1,223,103	45,556	662,754	31,183
Unit issued	210,254	2,255	595,362	15,647
Units redeemed	(67,210)	-	(35,013)	(1,274)
<b>Units - End of period</b>	<b>1,366,147</b>	<b>47,811</b>	1,223,103	45,556

#### 6. Brokerage Commissions on Securities Transactions

The total fees paid to brokers in connection with investment portfolio transactions for the period ended June 30, 2010 were \$10,321 (2009 - \$8,243). There were \$1,265 (2009 - \$1,341) soft dollar 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 returns for the unit holders.

## **BRIGATA CANADIAN EQUITY FUND**

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### **Notes to the Financial Statements**

*June 30, 2010 (Unaudited)*

### **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 in arrears and payable monthly. For the period ended June 30, 2010, management fees incurred by the Brigata Canadian Equity Fund Series A and Series F were \$120,426 (2009 - \$61,337) and \$2,205 (2009 - \$1,443) 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, IRC 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 the 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.

The Manager may absorb some of the operating expenses generally payable by the Fund. Operating expenses of the Fund will be capped such that the management expense ratio "MER" for the Fund will not exceed 2.40% per annum in respect of the Series A and 1.45% per annum in respect of Series F. These caps are exclusive of GST/HST and the Manager may amend or remove these caps 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 of December 15, 2009, the Fund's latest taxation year, the Fund had \$875,000 (2008 - \$875,000) in capital losses carried forward and \$117,000 (2008 - \$6,000) in non-capital losses carried forward. \$6,000 in non-capital losses expire in 2028 and \$111,000 expire in 2029.

### **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, 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:

## BRIGATA CANADIAN EQUITY FUND

### Notes to the Financial Statements

June 30, 2010 (Unaudited)

## 9. Risks Arising From Financial Instruments (continued)

### 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. 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 moderates this risk through a careful selection of securities within specified limits and the Fund's market price risk is managed through 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

If the market indexes had increased (decreased) by 5% at June 30, 2010, with all other variables held constant, this could have approximately increased (decreased) net assets by \$503,000 (2009 – \$341,000). In practice, actual results may differ from the sensitivity analysis and the difference may be material in relation to the NAV of the Fund.

#### (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, 2010 and December 31, 2009 are presented in the table below:

<b>As at June 30, 2010</b>	Cash and other	Investments at	Total Foreign	Percentage of
Currency	Net Assets	Fair Value	Holdings	Net Assets
	Cdn \$	Cdn \$	Cdn \$	(%)
US Dollar	238,212	2,451,027	2,689,239	22.4
British Pound	-	263,453	263,453	2.2

<b>As at December 31, 2009</b>	Cash and other	Investments at	Total Foreign	Percentage of
Currency	Net Assets	Fair Value	Holdings	Net Assets
	Cdn \$	Cdn \$	Cdn \$	(%)
US Dollar	251,975	1,816,736	2,068,711	18.0
British Pound	-	241,959	241,959	2.1

As at June 30, 2010, if the exchange rate between the Canadian Dollar and the foreign currencies (i.e. British Pound and US Dollar) increased or decreased by 5%, with all other variables being constant, the increase or decrease in net assets respectively, in terms of British Pounds and US Dollars, could amount to approximately \$13,000 (2009 - \$3,000) and \$135,000 (2009 - \$71,000) respectively. In practice, actual results may differ from the sensitivity analysis and the difference may be material in relation to the NAV of the Fund.

## **BRIGATA CANADIAN EQUITY FUND**

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### **Notes to the Financial Statements**

*June 30, 2010 (Unaudited)*

## **9. Risks Arising From Financial Instruments (continued)**

### **(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 majority of the Fund's financial assets are non-interest bearing. The Fund does receive interest on any cash balance. While cash can currently be considered a significant position of the investment portfolio, the interest rate risk is minimal.

### **Credit risk**

As at June 30, 2010, the Fund does not hold any short-term investments. Therefore, the Fund does not have significant exposure to credit risk.

### **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 Transactional 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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