



BRIDGEHOUSE

Independent Platform

Brandes Greystone Lazard Sionna Morningstar

2017 Interim Management Report
of Fund Performance

Brandes U.S. Small Cap Equity Fund



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BRANDES U.S. SMALL CAP EQUITY FUND

This interim management report of fund performance contains financial highlights but does not contain the complete interim or annual financial statements of the Fund. The interim or annual financial statements are in a separate booklet. You may obtain a copy of the interim or annual financial statements at your request, and at no cost, by calling toll-free 1.888.861.9998, by writing to us at Bridgehouse Asset Managers, 20 Bay Street, Suite 400, Toronto, ON, M5J 2N8, or by visiting our website: www.bridgehousecanada.com or the SEDAR website: www.sedar.com.

You may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure relating to the Fund.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Results of Operations from January 1, 2017 to June 30, 2017

Markets & Effect

In the United States, higher-than-expected earnings growth and low volatility propelled the S&P 500 Index to new all-time closing highs. Market returns in the first half of the year have been largely driven by growth sectors like technology and health care, which accounted for approximately 60% of the S&P 500 Index returns.

Non-U.S. market stocks rebounded in the first half of 2017, with major markets including France, Germany and the Netherlands posting double-digit returns. The Japanese market gained 6.6%, however, stronger economic conditions were partially offset by volatility in the value of the yen.

Emerging markets advanced 14.7% for the first half of the year. Brandes LP believes there is still ample opportunity in the asset class, with valuations remaining attractive relative to developed market equities, especially the United States.

Performance

The Fund's Series A units trailed its benchmark, losing 1.4% versus a gain of 1.5% for the Russell 2000 Index (the "Index").

The Fund returns are after the deduction of fees and expenses while the benchmark returns do not include any costs of investing. See the "Past Performance" section for the returns of the other series, which may vary because of differences in management fees and expenses or timing of series introduction.

Holdings in household durables contributed to performance during the period. Holdings in professional services detracted from performance for the period.

Asset Mix

Over the recent reporting period, the Fund's asset mix did not change significantly. At June 30, 2017, Canadian equities made up 2.5%, global equities made up 71.7%, fixed income represented 0.9%, and approximately 24.9% was in cash and other net assets.

The Fund's most significant industry exposure change was an increase in holdings in oil, gas & consumable fuels to 5.6% from 1.5% at December 31, 2016.

In line with its bottom-up investment philosophy, Brandes LP continues to build the portfolio on a company-by-company basis. Brandes LP only compares the Fund to the Index in the course of ensuring that it remains appropriately diversified. As a result, the Fund's industry weightings were quite different from the Index during the period. For example, at June 30, 2017, the Fund's largest industry exposure was in household durables, which comprised 9.1% of the Fund's portfolio, versus 1.5% for the Index.

Flows & Fees

The Fund's Net Asset Value increased to \$163.8 million at June 30, 2017, from \$121.0 million at December 31, 2016. Of this change, an increase of \$0.8 million was due to positive investment performance (net of investment income), and an increase of \$41.9 million was due to inflows.

For Series A units, the annualized management expense ratio ("MER") at June 30, 2017 is 2.72%, unchanged from December 31, 2016.

Recent Developments

There are no known changes at this time to the strategic positioning of the Fund, the manager, or portfolio sub-advisor.

As noted in the simplified prospectus, this Fund is subject to large transaction risk because it has security holders who individually own more than 10% of the Fund. In order to reduce the impact of this risk to security holders,

Bridgehouse asks, but does not require, large investors to provide notice when significant redemptions are being contemplated.

On May 15, 2017, Bridgehouse announced that it intends to re-designate current investors in Series K to Series A, Series L to Series A, Series M to Series F and will eliminate Series K, Series L, Series M. The change is expected to be implemented on or about July 7, 2017. In anticipation of the Series re-designations, Series K, Series L and Series M will be closed to new purchases as of July 4, 2017.

International Financial Reporting Standards

The International Accounting Standards Board ("IASB") issued IFRS 9 to replace IAS 39, "Financial Instruments—Recognition and Measurement". In December 2014, the IASB made further changes to the standard. With these amendments, IFRS 9 is now complete. IFRS 9 is to be applied retrospectively and it is effective for annual periods beginning on or after January 1, 2018. The Manager continues to assess the impact of IFRS 9.

IFRS 15 "Revenue from Contracts with Customers" was issued in May 2014 and is effective for years beginning on or after January 1, 2018, to be applied retrospectively or on a modified retrospective basis. IFRS 15 clarifies revenue recognition principles, provides a robust framework for recognizing revenue and cash flows arising from contracts with customers and enhances qualitative and quantitative disclosure requirements. IFRS 15 does not apply to insurance contracts, financial instruments and other related contractual rights and obligations and lease contracts. The Funds are assessing the impact of this standard. The Funds do not intend to early adopt this standard.

Related Party Transactions

Manager and Portfolio Advisor

The Fund is managed and advised by Brandes Investment Partners & Co., operating as Bridgehouse Asset Managers ("Bridgehouse") which provides (or arranges for) investment management, distribution, marketing and promotion of the Fund. Bridgehouse receives a monthly management fee based on the daily average net assets of each class of the Fund. In addition, Bridgehouse is entitled to be reimbursed by the Fund for certain operating expenses.

Brandes Investment Partners L.P. ("Brandes LP") continued to be the Manager's portfolio sub-advisor in respect of the Fund. Bridgehouse pays Brandes LP an investment management fee to provide the Fund with investment management services. Bridgehouse and Brandes LP are affiliates.

Forward-Looking Statements

This document may contain forward-looking statements relating to anticipated future events, results, performance, decisions, circumstances, opportunities, risks or other matters. Forward-looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as "may", "will", "should", "could", "expect", "anticipate", "intend", "plan", "believe", or "estimate" or other similar expressions. These statements require us to make assumptions and are subject to inherent risks and uncertainties. Our predictions and other forward-looking statements may not prove to be accurate, or a number of factors could cause actual events, results, performance, etc. to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. These factors could include, among others, market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Fund may invest, and the risks detailed from time to time in the Fund's simplified prospectus. Forward-looking statements are not guarantees of future performance. For these reasons, it is important that readers do not place undue reliance on our forward-looking statements and should be aware that the Fund may not update any forward-looking statements whether as a result of new information, future events or otherwise.

Benchmark Index

Russell 2000 Index: This index measures the performance of 2000 of the smallest U.S. companies based on total market capitalization.

FINANCIAL HIGHLIGHTS

FOR THE SIX MONTHS ENDED JUNE 30, 2017 AND PERIODS ENDED DECEMBER 31, 2012 TO 2016

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the six months ended June 30, 2017 and for the past five periods ended December 31, as applicable. In the year a fund or series is established, 'period' represents inception to December 31 of that year. In all other cases, 'period' represents year ended December 31. Inception date for Series K is May 12, 2014.

The Fund's Net Assets per Unit (\$) (note 1)

	Net assets, beginning of period	Increase (decrease) from operations					Distributions					Net assets, end of period	
		Total revenue	Total expenses	Realized gains (losses) for the period	Unrealized gains (losses) for the period	Total increase (decrease) from operations (note 2)	From net investment income excluding dividends	From dividends	From capital gains	Return of capital	Total annual distribution (note 3)		
Series A	2017	19.05	0.12	(0.25)	1.24	(1.36)	(0.25)	-	-	-	-	-	18.79
	2016	15.69	0.21	(0.44)	1.93	1.29	2.99	-	-	-	-	-	19.05
	2015	13.46	0.21	(0.41)	1.66	0.80	2.26	-	-	-	-	-	15.69
	2014	11.40	0.14	(0.33)	2.10	0.04	1.95	-	-	-	-	-	13.46
	2013	8.61	0.33	(0.27)	1.50	1.27	2.83	(0.07)	-	-	-	(0.07)	11.40
	2012	6.68	0.35	(0.21)	0.56	1.29	1.99	(0.12)	-	-	-	(0.12)	8.60
Series F	2017	21.46	0.14	(0.17)	1.45	(1.65)	(0.23)	-	-	-	-	-	21.29
	2016	17.48	0.23	(0.30)	3.09	2.14	5.16	-	-	-	-	-	21.46
	2015	14.83	0.26	(0.27)	1.78	0.87	2.64	-	-	-	-	-	17.48
	2014	12.43	0.16	(0.21)	2.23	(0.18)	2.00	-	-	-	-	-	14.83
	2013	9.39	0.39	(0.18)	1.65	1.28	3.14	(0.22)	-	-	-	(0.22)	12.43
	2012	7.28	0.40	(0.14)	0.61	1.48	2.35	(0.22)	-	-	-	(0.22)	9.37
Series I	2017	24.49	0.15	-	1.65	(1.56)	0.24	-	-	-	-	-	24.49
	2016	19.78	0.27	-	2.66	2.85	5.78	(0.18)	-	-	-	(0.18)	24.49
	2015	16.53	0.21	-	1.18	0.91	2.30	(0.02)	-	-	-	(0.02)	19.78
	2014	13.62	0.17	-	2.62	0.51	3.30	-	-	-	-	-	16.53
	2013	10.26	0.40	-	1.85	1.54	3.79	(0.41)	-	-	-	(0.41)	13.62
	2012	7.94	0.42	-	0.68	1.60	2.70	(0.38)	-	-	-	(0.38)	10.24
Series K	2017	16.48	0.10	(0.18)	1.10	(1.17)	(0.15)	-	-	-	-	-	16.30
	2016	13.50	0.17	(0.31)	1.95	1.89	3.70	-	-	-	-	-	16.48
	2015	11.52	0.11	(0.29)	0.94	0.68	1.44	-	-	-	-	-	13.50
	2014	10.00	0.10	(0.15)	1.23	1.63	2.81	-	-	-	-	-	11.52
Series L	2017	23.15	0.16	(0.19)	1.59	(1.21)	0.35	-	-	-	-	-	22.96
	2016	18.89	0.19	(0.32)	2.78	(13.15)	(10.50)	-	-	-	-	-	23.15
	2015	16.07	(0.01)	(0.32)	1.15	1.15	1.97	-	-	-	-	-	18.89
	2014	13.47	0.17	(0.24)	2.48	0.19	2.60	-	-	-	-	-	16.07
	2013	10.16	0.39	(0.21)	1.82	1.50	3.50	(0.19)	-	-	-	(0.19)	13.47
	2012	7.87	0.43	(0.15)	0.66	1.57	2.51	(0.23)	-	-	-	(0.23)	10.14
Series M	2017	16.10	0.10	(0.09)	1.10	(1.07)	0.04	-	-	-	-	-	16.00
	2016	13.06	0.16	(0.17)	2.15	2.92	5.06	-	-	-	-	-	16.10
	2015	11.03	0.07	(0.15)	0.65	1.16	1.73	-	-	-	-	-	13.06
	2014	9.20	0.12	(0.12)	1.70	0.13	1.83	-	-	-	-	-	11.03
	2013	6.92	0.32	(0.11)	1.34	0.51	2.06	(0.15)	-	-	-	(0.15)	9.20
	2012	5.35	0.29	(0.07)	0.45	1.08	1.75	(0.19)	-	-	-	(0.19)	6.91

1. The financial information presented in the Net Assets per Unit table is derived from the Fund's audited annual financial statements. The Fund adopted International Financial Reporting Standards ("IFRS") commencing January 1, 2014. This information for the years up to 2012 is stated under Canadian GAAP. The 2013 numbers have been restated for comparative purposes to comply with IFRS 13, which came into effect January 1, 2014. An explanation of the differences and reconciliation can be found in the notes to the financial statements.

2. Net Assets and distributions are per Unit of a series are based on the actual number of units outstanding for that series at the relevant time. The Increase (Decrease) from Operations per Unit of a series is based on the weighted average number of units outstanding for that series during the financial period.

3. Distributions per Unit of a series are based on the number of units outstanding for the series on the record dates for the distributions. Distributions were paid in cash/reinvested in additional units of the Fund or both.

Ratios and Supplemental Data

		Net asset value (\$000) (note 4)	Number of units outstanding (000) (note 4)	Management expense ratio (MER) (%) (note 5)	MER before waivers or absorption (%) (note 5)	Portfolio turnover rate (%) (note 6)	Trading expense ratio (%) (note 7)	Net asset value per unit
Series A	2017	11,335	603	2.72	2.82	29.47	0.12	18.79
	2016	12,962	680	2.72	2.86	52.50	0.07	19.05
	2015	9,182	585	2.73	2.96	45.06	0.11	15.69
	2014	8,712	647	2.73	3.19	34.90	0.06	13.46
	2013	9,125	800	2.74	3.17	48.93	0.07	11.40
	2012	7,332	851	2.68	3.18	48.75	0.11	8.61
Series F	2017	9,514	447	1.62	1.69	-	-	21.29
	2016	10,942	510	1.61	1.73	-	-	21.46
	2015	1,961	112	1.62	1.83	-	-	17.48
	2014	1,536	104	1.63	2.07	-	-	14.83
	2013	1,649	133	1.64	2.05	-	-	12.43
	2012	1,396	149	1.60	2.08	-	-	9.39
Series I	2017	139,150	5,682	0.00	0.00	-	-	24.49
	2016	93,898	3,834	0.00	0.00	-	-	24.49
	2015	41,415	2,094	0.00	0.00	-	-	19.78
	2014	1,900	115	0.00	0.00	-	-	16.53
	2013	1,553	114	0.00	0.00	-	-	13.62
	2012	1,134	111	0.00	0.00	-	-	10.26
Series K	2017	1,737	107	2.20	2.49	-	-	16.30
	2016	1,765	107	2.20	2.50	-	-	16.48
	2015	407	30	2.20	2.53	-	-	13.50
	2014	49	4	2.20	3.35	-	-	11.52
Series L	2017	123	5	1.66	1.70	-	-	22.96
	2016	1	-	1.70	1.76	-	-	23.15
	2015	35	2	1.70	1.77	-	-	18.89
	2014	1	-	1.70	1.72	-	-	16.07
	2013	1	-	2.03	2.03	-	-	13.47
	2012	1	-	2.03	2.03	-	-	10.16
Series M	2017	1,931	121	1.20	1.25	-	-	16.00
	2016	1,440	89	1.20	1.24	-	-	16.10
	2015	75	6	1.16	1.16	-	-	13.06
	2014	9	1	1.22	1.22	-	-	11.03
	2013	7	1	1.47	1.47	-	-	9.20
	2012	-	-	1.47	1.47	-	-	6.92

- The financial information presented in the Ratios and Supplemental Data table is derived from the Fund's Net Asset Value and is provided as at June 30, 2017 and December 31 of the previous years shown.
- The management expense ratio ("MER") is calculated as the total management fees and operating expenses paid by each series of the Fund, including GST/HST and interest and excluding commissions and other portfolio transaction costs, and is expressed as a percentage of the average daily Net Asset Value of each series of the Fund on an annualized basis. Any management fee distributions paid by a series of the fund that effectively reduced management fees payable by some unitholders are not deducted from expenses to determine the overall MER of that series. The Manager, at its sole discretion, waives management fees or absorbs expenses. Such waivers and absorptions can be terminated at any time. The MERs of the Fund are shown both with and without the waiver and absorptions.
- Portfolio turnover rate is calculated at the Fund level based on the lesser of purchases or proceeds of sales of securities for the period, excluding cash, short term notes and bonds having maturity dates at acquisition of one year or less, divided by the average value of the portfolio securities for the period. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor 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 trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Net Asset Value of the Fund. The trading expense ratio is calculated at the Fund level and applies to all series of the Fund.

MANAGEMENT FEES

Bridgehouse Asset Managers, the Manager, provides or arranges for investment management, distribution, marketing and promotion of the Fund. In consideration for the services provided, Bridgehouse Asset Managers receives a monthly management fee based on the daily average Net Asset Value of Series A, Series F, Series K, Series L and Series M. Management fees for Series I are negotiated and paid directly by the unitholders of Series I, not by the Fund.

For the six months ended June 30, 2017, the Fund paid Bridgehouse Asset Managers management fees of \$258,248. Bridgehouse uses these management fees to pay for commission payments to registered brokers and dealers and general investment management expenses. The breakdown (commission payments / investment management, administration and other) as a proportion of the management fee for each Series are:

- Series A (48% / 52%)
- Series F (0% / 100%)
- Series I (0% / 100%)
- Series K (46% / 54%)
- Series L (28% / 72%)
- Series M (0% / 100%)

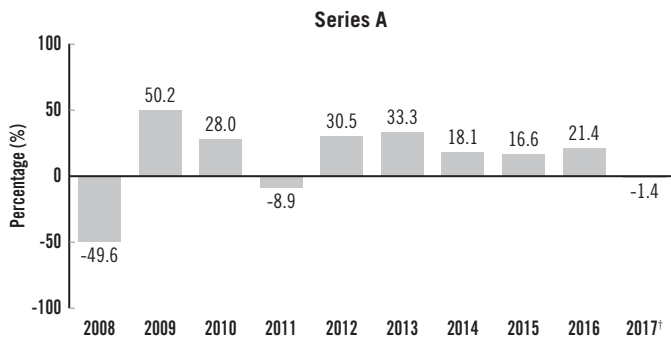
Commission payments represent cash commissions paid by Bridgehouse Asset Managers to registered brokers and dealers during the period and includes upfront deferred sales charge and trailing commissions. This amount may, in certain circumstances, exceed 100% of the fees earned by the Bridgehouse Asset Managers during the period. For new Funds or Series the amount presented may not be indicative of longer term operating periods.

PAST PERFORMANCE

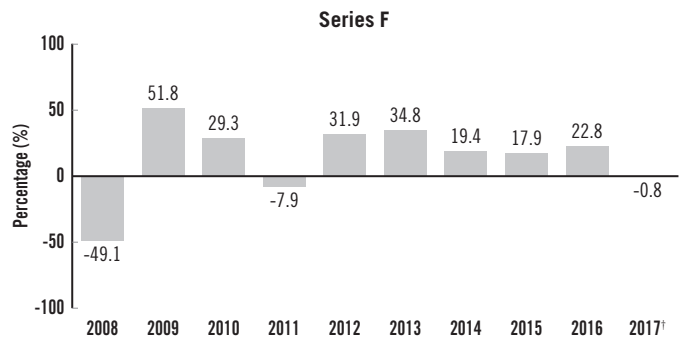
This section shows the historical performance for each series of the Fund for the six months ended June 30, 2017 and each of the previous annual periods ended December 31. Historical performance is based on the change in Net Asset Value per unit, assuming reinvestment of all distributions. Management fees and operating expenses have been taken into account before calculating performance, except in the case of Series I units where the management fee is calculated outside of the Fund. Historical performance does not take into account the potential impact on returns of purchases, redemptions, distribution fees or other optional charges or income taxes payable by an investor. Keep in mind that past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns (%)

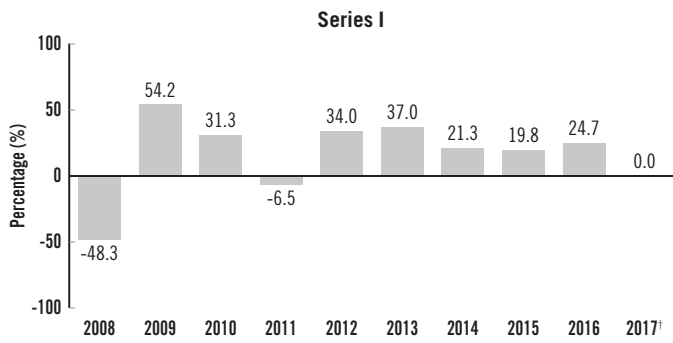
The bar chart shows the Fund's annual performance for each of the years shown. The bar chart shows how the performance of each series of the Fund has changed from year to year. It illustrates in percentage terms how much an investment in each series of the Fund made on January 1 of each year, or on the inception dates, would have grown or decreased by the last day of each financial year. 2017 data presented below is for the six-month period ended June 30, 2017.



¹Six-month return from January 1 to June 30, 2017.



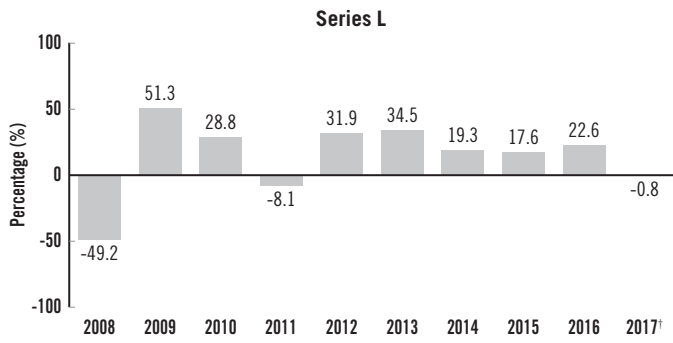
¹Six-month return from January 1 to June 30, 2017.



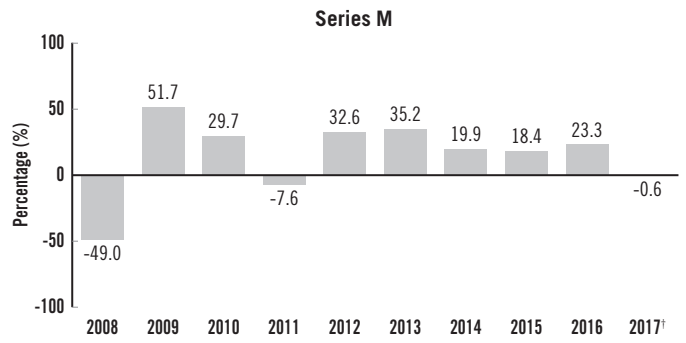
†Six-month return from January 1 to June 30, 2017.



*2014 Series K returns are from May 12, 2014
 †Six-month return from January 1 to June 30, 2017.



†Six-month return from January 1 to June 30, 2017.



†Six-month return from January 1 to June 30, 2017.

SUMMARY OF INVESTMENT PORTFOLIO AS AT JUNE 30, 2017

Top 25 Positions

The portfolio does not contain any short positions. The investment portfolio may change due to ongoing portfolio transactions of the investment fund. An updated listing is available on a quarterly basis.

Security	Fund (%)
1. Cash & Cash Equivalents	25.2
2. Briggs & Stratton Corporation	3.6
3. The St. Joe Company	3.1
4. Resources Connection Incorporated	3.1
5. Babcock & Wilcox Enterprises, Inc.	3.0
6. Chesapeake Energy Corporation*	3.0
7. Owens & Minor, Inc.	3.0
8. FTI Consulting Inc.	2.9
9. M.D.C. Holdings, Inc.	2.8
10. Invacare Corporation	2.7
11. Avnet, Inc.	2.6
12. World Fuel Services Corporation	2.6
13. Cal-Maine Foods, Inc.	2.6
14. Dorel Industries Inc. Cl. B	2.5
15. Beazer Homes USA, Inc.	2.3
16. Movado Group, Inc.	2.2
17. Federated Investors, Inc. Cl. B	2.2
18. National Western Life Group, Inc. Cl. A	2.1
19. Speedway Motorsports, Inc.	2.1
20. Rent-A-Center, Inc.	2.0
21. Utah Medical Products, Inc.	1.7
22. PDL BioPharma Inc.	1.7
23. Digi International, Inc.	1.5
24. Orion Marine Group, Inc.	1.5
25. CSS Industries, Inc.	1.5
% of Fund	83.5
Total Number of Companies	41
Total Net Asset Value (\$MM)	\$164

* 1.59% in Chesapeake Energy Corporation, 0.79% in Chesapeake Energy Corporation Preferred Convertible & 0.60% in Chesapeake Energy Corporation Preferred

Asset Mix

Asset Class	Fund (%)
Canadian Equity	2.5
Global Equity	71.7
Fixed Income – Corporate	0.9
Cash & Cash Equivalent	25.2
Other Net Assets	(0.3)
% of Total	100.0

Industry Exposure

Industry	Fund (%)
Equities	
Household Durables	9.1
Commercial Services & Supplies	6.0
Health Care Equipment & Supplies	5.9
Oil, Gas & Consumable Fuels	5.6
Health Care Providers & Services	4.0
Machinery	3.6
Food Products	3.5
Electronic Equipment, Instruments & Components	3.5
Specialty Retail	3.4
Hotels, Restaurants & Leisure	3.3
Real Estate Management & Development	3.1
Energy Equipment & Services	3.0
Insurance	2.9
Communications Equipment	2.9
Textiles, Apparel & Luxury Goods	2.2
Diversified Financial Services	2.2
Commercial Banks	1.7
Biotechnology	1.7
Construction & Engineering	1.5
Trading Companies & Distributors	1.2
Marine	1.0
Software	1.0
Professional Services	0.9
Personal Products	0.6
Thrifts & Mortgage Finance	0.4
Fixed Income	
Corporate	0.9
Cash & Cash Equivalent	25.2
Other Net Assets	(0.3)
% of Total	100.0
Total Number of Industries	26

Country Exposure

Country	Fund (%)
United States	71.1
Canada	2.5
Israel	1.5
Cash & Cash Equivalent	25.2
Other Net Assets	(0.3)
% of Total	100.0
Total Number of Countries	3

Note: Rounding to one decimal place may result in individual figures totalling more or less than 100%



Bridgehouse Funds are managed by Bridgehouse Asset Managers® and are available through registered dealers.

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