

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2010 AND 2009

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

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Rothstein Kass

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Board of Directors of
Friedberg Global-Macro Hedge Fund Ltd.

We have audited the accompanying statements of assets and liabilities of Friedberg Global-Macro Hedge Fund Ltd. (the "Fund"), including the condensed schedules of investments, as of December 31, 2010 and 2009, and the related statements of operations, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the management of the Fund. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friedberg Global-Macro Hedge Fund Ltd. as of December 31, 2010 and 2009, and the results of its operations, changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Rothstein, Kass & Company (Cayman)

Grand Cayman, Cayman Islands
June 7, 2011

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

STATEMENTS OF ASSETS AND LIABILITIES

(Expressed in United States Dollars)

December 31,	2010	2009
Assets		
Investments in securities, at fair value (cost \$977,832,150 and \$677,198,675 in 2010 and 2009, respectively)	\$ 970,187,278	\$ 745,790,381
Due from brokers	374,086,975	-
Derivative contracts, at fair value	221,785,980	140,915,075
Cash	50,107,376	17,978,773
Interest and dividends receivable	5,055,120	864,415
Total assets	1,621,222,729	905,548,644
Liabilities		
Securities sold short, at fair value (proceeds \$192,499,217 and \$150,770,611 in 2010 and 2009, respectively)	205,397,842	155,877,603
Due to brokers	-	99,472,380
Payable for securities sold under agreements to repurchase	627,946,250	-
Derivative contracts, at fair value	50,636,900	1,055,000
Incentive fee payable	-	5,117,630
Management fee payable	1,225,908	1,061,087
Accrued expenses	1,234,788	1,075,377
Advance subscriptions	-	470,000
Interest and dividends payable	432,582	210,320
Redemptions payable	54,794	32,640
Total liabilities	886,929,064	264,372,037
Net assets	\$ 734,293,665	\$ 641,176,607
Number of shares outstanding		
Class A	173,690.02	168,893.88
Net asset value per share		
Class A	\$ 4,227.61	\$ 3,796.33

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

STATEMENTS OF OPERATIONS

(Expressed in United States Dollars)

Years Ended December 31,	2010	2009
Investment income		
Interest	\$ 4,483,212	\$ 7,915,292
Dividends (net of U.S. and foreign withholding taxes of \$1,042,355 and \$1,298,741 in 2010 and 2009, respectively)	2,782,073	3,595,977
Total investment income	7,265,285	11,511,269
Expenses		
Interest and dividends	5,785,361	7,132,980
Incentive fee	29,129,711	15,660,403
Management fee	14,472,184	11,308,368
Administrative fee	505,225	214,289
Administration fees reimbursed	(39,705)	-
Professional fees and other	224,431	339,660
Total expenses	50,077,207	34,655,700
Management fee refund		(523,809)
Net expenses	50,077,207	34,131,891
Net investment income (loss)	(42,811,922)	(22,620,622)
Realized and unrealized gain (loss) on investments		
Net realized gain (loss) on securities	66,619,499	8,706,149
Net change in unrealized appreciation or depreciation on securities	(84,028,211)	63,458,999
Net realized gain (loss) from derivative contracts	127,150,616	(22,590,762)
Net change in unrealized appreciation or depreciation on derivative contracts	7,015,184	39,839,830
Net realized gain (loss) on investment in Friedberg Total Return Fixed Income Fund Ltd.	-	22,966,955
Net change in unrealized appreciation or depreciation on investment in Friedberg Total Return Fixed Income Fund Ltd.	-	(22,260,248)
Net gain (loss) on investments	116,757,088	90,120,923
Net change in net assets resulting from operations	\$ 73,945,166	\$ 67,500,301

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

STATEMENTS OF CHANGES IN NET ASSETS

(Expressed in United States Dollars)

Years Ended December 31,	2010	2009
Operations		
Net investment income (loss)	\$ (42,811,922)	\$ (22,620,622)
Net realized gain (loss) on securities	66,619,499	8,706,149
Net change in unrealized appreciation or depreciation on securities	(84,028,211)	63,458,999
Net realized gain (loss) from derivative contracts	127,150,616	(22,590,762)
Net change in unrealized appreciation or depreciation on derivative contracts	7,015,184	39,839,830
Net realized gain (loss) on investment in Friedberg Total Return Fixed Income Fund Ltd.	-	22,966,955
Net change in unrealized appreciation or depreciation on investment in Friedberg Total Return Fixed Income Fund Ltd.	-	(22,260,248)
Net change in net assets resulting from operations	73,945,166	67,500,301
Capital share transactions		
Issuance of shares	37,300,532	48,934,434
Redemption of shares	(18,128,640)	(33,579,160)
Net change in net assets resulting from capital share transactions	19,171,892	15,355,274
Net change in net assets	93,117,058	82,855,575
Net assets, beginning of year	641,176,607	558,321,032
Net assets, end of year	\$ 734,293,665	\$ 641,176,607

See accompanying notes to financial statements.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

STATEMENTS OF CASH FLOWS (Expressed in United States Dollars)

Years Ended December 31,	2010	2009
Cash flows from operating activities		
Net change in net assets resulting from operations	\$ 73,945,166	\$ 67,500,301
Adjustments to reconcile net change in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net change in unrealized appreciation or depreciation on securities	84,028,211	(63,458,999)
Net change in unrealized appreciation or depreciation on investment in Friedberg Total Return Fixed Income Fund Ltd.	-	22,260,248
Changes in operating assets and liabilities:		
Cost of investments in securities, at fair value	(300,633,475)	25,115,174
Cost of investments in private investment companies, at fair value	-	68,670,136
Due from brokers	(374,086,975)	162,405,439
Derivative contracts, at fair value	(80,870,905)	(63,063,204)
Interest and dividends receivable	(4,190,705)	2,468,744
Other assets	-	28,899
Proceeds from securities sold short, at fair value	41,728,606	22,373,674
Due to brokers	(99,472,380)	(247,564,255)
Payable for securities sold under agreements to repurchase	627,946,250	-
Derivative contracts, at fair value	49,581,900	1,055,000
Incentive fee payable	(5,117,630)	(10,829,136)
Management fee payable	164,821	184,161
Accrued expenses	159,411	204,050
Interest and dividends payable	222,262	(107,350)
Net cash provided by (used in) operating activities	13,404,557	(12,757,118)
Cash flows from financing activities		
Proceeds from issuance of shares, net of change in advance subscriptions and subscriptions receivable	36,830,532	67,634,857
Payments for redemption of shares, net of change in redemptions payable	(18,106,486)	(36,899,171)
Net cash provided by financing activities	18,724,046	30,735,686
Net change in cash	32,128,603	17,978,568
Cash, beginning of year	17,978,773	205
Cash, end of year	\$ 50,107,376	\$ 17,978,773
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	\$ 1,037,683	\$ 3,495,456
Supplemental disclosure of noncash financing activities		
Contribution of securities, at fair value	\$ -	\$ 1,769,577

See accompanying notes to financial statements.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

CONDENSED SCHEDULES OF INVESTMENTS

(Expressed in United States Dollars)

December 31, 2010

	Number of Shares or Principal Amount	Percentage of Net Assets	Fair Value
Investments in securities, at fair value			
Common stocks			
Canada			
Real Estate (cost \$484,949)		0.1 %	\$ 739,900
Ireland			
Banking & Finance (cost \$31,893,587)		2.7	20,140,000
United States			
Oil & Gas			
Newfield Exploration Co.	641,700	6.3	46,272,987
Other		2.2	15,800,953
Investment Banking & Brokerage		4.0	29,007,299
Semiconductor Equipment		3.6	26,290,880
Software Systems		3.3	24,552,076
Movies & Entertainment		2.6	19,415,726
Biotechnology		1.9	14,162,862
Pharmaceuticals		1.7	12,597,435
Home Building		1.3	9,182,980
Computer Storage & Peripherals		1.1	8,076,830
Home Furnishing		0.6	4,069,620
Chemicals		0.5	3,933,696
Retail Computer & Electronics		0.0	3,481
Total United States (cost \$157,158,492)		29.1	213,366,825
Total common stocks (cost \$189,537,028)		31.9	234,246,725
Debt securities			
Corporate bonds			
Ireland			
Financial (cost \$16,359,496)		1.5	11,020,512

See accompanying notes to financial statements.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

CONDENSED SCHEDULES OF INVESTMENTS (CONTINUED)

(Expressed in United States Dollars)

December 31, 2010

Expiration Dates	Number of Contracts or Principal Amount	Percentage of Net Assets	Fair Value
Investments in securities, at fair value (continued)			
Debt securities (continued)			
United States			
Government debt			
U.S. Treasury Inflation-Protected Securities			
2.125% due February 15, 2040	\$ 401,500,000	58.8 %	\$ 432,051,101
3.625% due April 15, 2028	\$ 85,600,000	20.4	149,783,345
3.875% due April 15, 2029	\$ 80,000,000	19.5	143,085,595
Total government debt (cost \$771,935,626)		98.7	724,920,041
Total debt securities (cost \$788,295,122)		100.2	735,940,553
Total investments in securities, at fair value (cost \$977,832,150)		132.1 %	\$ 970,187,278
Derivative contracts, assets, at fair value			
Option contracts purchased			
Call options purchased			
United States			
Commodity			
CMX Gold Dec 2011	1,078	1.5 %	\$ 10,769,220
Other		0.6	4,731,080
Exchange Traded Fund		1.6	11,840,000
Currency		0.1	538,020
Total call options purchased (cost \$22,721,190)		3.8	27,878,320
Put options purchased			
United States			
Exchange Traded Fund		0.9	6,456,250
Other		0.0	43,000
Total put options purchased (cost \$9,963,678)		0.9	6,499,250
Futures contracts			
United States			
Commodity			
CMX Gold Feb 2011 - Dec 2011	4,265	14.8	109,016,460
Other		4.9	35,673,432
Interest Rate		0.2	1,179,574
Total futures contracts		19.9	145,869,466
Currency forwards			
United States			
Other		0.3	2,293,406

See accompanying notes to financial statements.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

CONDENSED SCHEDULES OF INVESTMENTS (CONTINUED)

(Expressed in United States Dollars)

December 31, 2010

	Number of Shares	Percentage of Net Assets	Fair Value
Derivative contracts, assets, at fair value (continued)			
Swaps purchased			
Credit default swaps			
Hellenic Republic			
Government		0.3 %	\$ 2,320,443
Kingdom of Spain			
Government		2.2	15,793,441
Portugal			
Government		1.3	9,188,538
Republic of Italy			
Government		0.3	2,374,129
Venezuela			
Government		1.2	8,546,349
Interest rate swaps			
United States			
Corporate		0.1	1,022,638
Total swap contracts purchased (includes upfront premiums paid of \$21,937,131)		5.4	39,245,538
Total derivative contracts, at fair value		30.3 %	\$ 221,785,980
Securities sold short, at fair value			
Common stocks			
Australia			
Banking & Finance			
Westpac Banking Corp Ltd.	1,720,000	5.4 %	\$ 39,388,000
National Australia Bank Ltd.	1,615,000	5.3	39,129,996
Total Australia (proceeds \$72,740,919)		10.7	78,517,996
Spain			
Banking & Finance			
Banco Santander SA (proceeds \$39,006,259)	3,700,000	5.4	39,405,000
United States			
Insurance		3.3	24,395,475
Data Processing & Outsourced Services		2.1	15,424,200
Banking Thrifts and Mortgage Finance		2.0	14,958,477
Office REITs		1.7	12,482,988
Fertilizers & Agricultural Chemicals		1.6	11,490,600
Home Appliances		1.2	8,723,106
Total United States (proceeds \$80,752,039)		11.9	87,474,846
Total securities sold short, at fair value (proceeds \$192,499,217)		28.0 %	\$ 205,397,842

See accompanying notes to financial statements.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

CONDENSED SCHEDULES OF INVESTMENTS (CONTINUED)

(Expressed in United States Dollars)

December 31, 2010

	Percentage of Net Assets	Fair Value
Derivative contracts, liabilities, at fair value		
Option contracts written		
Put options written		
United States		
Currency (proceeds \$456,298)	0.0 %	\$ 205,500
Futures		
United States		
Commodity	3.3	24,292,297
Index	0.7	5,162,388
Total United States	4.0	29,454,685
United Kingdom		
Interest Rate	0.7	4,910,094
Total futures	4.7	34,364,779
Currency forwards		
United States		
Other	0.7	5,165,346
Swaps purchased		
Credit default swaps		
Brazil		
Government (includes upfront premiums received of \$1,216,917)	0.4	3,121,228
Swaps written		
Total return swaps		
Brazil		
Financial	1.0	7,498,670
Interest rate swaps		
United States		
Corporate	0.1	281,377
Total swap contracts written	1.1	7,780,047
Total derivative contracts, liabilities, at fair value	6.9 %	\$ 50,636,900

See accompanying notes to financial statements.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

CONDENSED SCHEDULES OF INVESTMENTS

(Expressed in United States Dollars)

December 31, 2009

	Number of Shares	Percentage of Net Assets	Fair Value
Investments in securities, at fair value			
Common stocks			
Canada			
Movies & Entertainment		0.1 %	\$ 499,125
Telecommunications		0.1	497,569
Diversified Metals & Mining		0.0	78,475
Total Canada (cost \$954,608)		0.2	1,075,169
China			
Diversified Metals & Mining		1.8	11,650,197
Airlines		1.4	8,881,516
Commodity Chemicals		1.1	7,270,399
Communications & Electrical Equipment		1.1	7,044,922
Independent Power Producers & Energy Traders		0.6	4,143,229
Integrated Oil & Gas		0.5	3,394,092
Highways & Rail Tracks		0.4	2,520,442
Pharmaceuticals		0.4	2,253,174
Environmental & Facilities Services		0.3	1,835,974
Total China (cost \$52,452,341)		7.6	48,993,945
United States			
Exchange Traded Fund			
iShares TR FTSE/Xinhua China 25 Index Fund	4,000,000	26.4	169,040,000
iShares Trust Barclays TIPS Bond Fund	878,900	14.2	91,317,710
Other		5.9	37,722,681
Investment Banking & Brokerage		13.7	87,750,421
Pharmaceuticals		6.8	43,284,266
Homebuilding		4.9	31,691,938
Diversified Metals & Mining		4.0	25,901,412
Electronic Data Storage & Peripherals		3.4	21,872,036
Aerospace & Defense		1.8	11,369,800
Industrial Conglomerates		1.6	10,040,982
Property & Casualty Insurance		1.5	9,500,416
Movies & Entertainment		1.1	7,381,162
Telecommunications		1.0	6,536,548
Internet Retail		0.5	3,232,468
Total United States (cost \$489,323,795)		86.8	556,641,840
Total common stocks (cost \$542,730,744)		94.6	606,710,954

See accompanying notes to financial statements.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

CONDENSED SCHEDULES OF INVESTMENTS (CONTINUED)

(Expressed in United States Dollars)

December 31, 2009

	Expiration Dates	Principal Amount / Number of Contracts	Percentage of Net Assets	Fair Value	
Investments in securities, at fair value (continued)					
Debt securities					
United States					
Government					
U.S. Treasury Inflation-Protected Securities 3.625% due April 15, 2028					
		(cost \$134,467,931)	\$ 83,930,000	21.7 %	\$ 139,079,427
Total investments in securities, at fair value (cost \$677,198,675)			116.3 %	\$ 745,790,381	
Derivative contracts, at fair value					
Option contracts purchased					
Call options purchased					
United States					
Financial					
Hartford Financial Services Group Inc.					
		Call, \$ 7.50 strike, Expires 1/22/11	17,800	4.4 %	\$ 28,257,500
		Call, \$12.50 strike, Expires 1/22/11	4,000	0.7	4,530,000
		Call, \$17.50 strike, Expires 1/22/11	6,993	0.8	5,174,820
		Call, \$20.00 strike, Expires 1/22/11	2,000	0.2	1,155,000
Commodity					
Currency					
				3.2	20,620,565
				0.8	5,327,548
Total call options purchased (cost \$30,341,345)			10.1	65,065,433	
Futures contracts					
United States					
Commodity					
		CMX Gold Feb 2010 - Dec 2011	5,423	8.1	52,395,600
		Other		(0.2)	(1,475,145)
Interest Rate					
				0.3	1,700,000
Grains & Oilseeds					
				0.2	1,115,106
Soft Commodities					
				0.1	883,034
Livestock					
				0.0	(118,970)
Energy					
				(0.1)	(484,582)
Index					
				(0.2)	(1,536,450)
Total futures contracts			8.2	52,478,593	
Currency forwards					
United States					
Other currencies					
				2.1	13,628,296

See accompanying notes to financial statements.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

CONDENSED SCHEDULES OF INVESTMENTS (CONTINUED)

(Expressed in United States Dollars)

December 31, 2009

	Percentage of Net Assets	Fair Value
Derivative contracts, at fair value (continued)		
Swaps purchased		
Credit default swaps		
Venezuela		
Government	1.4 %	\$ 8,784,984
Iceland		
Government	0.1	264,219
Interest rate swaps		
United States		
Financial	0.2	1,562,270
Swaps written		
Interest rate swaps		
United States		
Financial	(0.1)	(868,720)
Total swap contracts	<u>1.6</u>	<u>9,742,753</u>
Total derivative contracts, at fair value	<u>22.0 %</u>	<u>\$ 140,915,075</u>
Securities sold short, at fair value		
Common stocks		
Russia		
Oil & Gas (proceeds \$24,804,381)	4.0 %	\$ 25,500,000
United States		
Restaurants	3.2	20,746,486
Automotive Retail	2.9	18,440,425
Chemicals	1.8	11,690,438
Grocery Retail	1.8	11,418,786
REITS Office & Retail Properties	1.8	11,377,799
Electrical Components	1.7	10,940,320
Financial & Banking	1.5	9,383,975
Computer Hardware & Software	1.3	8,621,330
Consumer Services	1.3	8,456,232
Other	3.0	19,301,812
Total United States (proceeds \$125,966,230)	<u>20.3</u>	<u>130,377,603</u>
Total securities sold short, at fair value (proceeds \$150,770,611)	<u>24.3 %</u>	<u>\$ 155,877,603</u>
Derivative contracts, at fair value		
Option contracts written		
Put options sold		
United States		
Commodity (proceeds \$1,687,500)	0.2 %	\$ 1,055,000

See accompanying notes to financial statements.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

1. Nature of operations and summary of significant accounting policies

Nature of Operations

Friedberg Global-Macro Hedge Fund Ltd. (the "Fund") is an investment company which was formed under the laws of the Cayman Islands and commenced operations on November 21, 2001. The Fund was organized for the purpose of trading and investing in securities. Pursuant to an investment advisory agreement, Friedberg Mercantile Group Ltd. ("FMG") is the Investment Advisor (the "Investment Advisor") to the Fund. FCMI Financial Services (Cayman) Ltd., an affiliate of FMG, is the Manager (the "Manager") of the Fund. Refer to the Fund's most recent offering memorandum for more information.

Objective

The Fund is a multi-strategy fund whose investment objective is to seek significant total investment returns, consisting of a combination of interest income, currency gains and capital appreciation by investing in the following four discrete groups of investments: (i) long positions in fixed income securities; (ii) long and short positions in equity securities; (iii) currency forwards and futures contracts and options thereon; and (iv) commodity forwards and futures contracts and options thereon, and other over-the-counter traded derivatives instruments, (the "Portfolio Strategies"). The Fund invests the Portfolio Strategies through managed accounts. Other managed accounts, investment vehicles, strategies and products may be added to the universe of Portfolio Strategies among which Fund assets may be allocated from time to time. The Fund may from time to time invest in a wide range of instruments and markets, including, but not limited to, equities, equity-related instruments, currencies, commodities, fixed-income and other debt-related instruments and derivative instruments. The Fund had previously invested in Friedberg Total Return Fixed Income Fund Ltd.

Basis of Presentation

The financial statements are expressed in United States dollars and have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as detailed in the Financial Accounting Standards Board's Accounting Standards Codification.

These financial statements were approved by management and available for issuance on June 7, 2011. Subsequent events have been evaluated through this date.

Fair Value - Definition and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. The Fund's positions are normally priced at approximately 4:00 PM Eastern Time.

In determining fair value, the Fund uses various valuation approaches. A fair value hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

1. Nature of operations and summary of significant accounting policies (continued)

Fair Value - Definition and Hierarchy (continued)

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from investment to investment and is affected by a wide variety of factors including, the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by the Fund in determining fair value is greatest for securities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Fund's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Fund uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause an investment to be reclassified to a lower level within the fair value hierarchy.

Fair Value - Valuation Techniques and Inputs

Investments in Securities and Securities Sold Short

The Fund values investments in securities and securities sold short that are freely tradable and are listed on a national securities exchange or reported on the NASDAQ national market at their last reported sales price as of the valuation date.

Many over-the-counter ("OTC") contracts have bid and ask prices that can be observed in the marketplace. Bid prices reflect the highest price that the marketplace participants are willing to pay for an asset. Ask prices represent the lowest price that the marketplace participants are willing to accept for an asset. For securities whose inputs are based on bid-ask prices, the Fund's valuation policies do not require that fair value always be a predetermined point in the bid-ask range. The Fund's policy for securities traded in the OTC markets and listed

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

1. Nature of operations and summary of significant accounting policies (continued)

Fair Value - Valuation Techniques and Inputs (continued)

securities for which no sale was reported on that date are valued at their last reported "bid" price if held long, and last reported "ask" price if sold short.

To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. Securities traded on inactive markets or valued by reference to similar instruments are generally categorized in Level 2 of the fair value hierarchy.

Derivative Contracts

The Fund records its derivative activities at fair value. Gains and losses from derivative contracts are included in net realized gain (loss) from derivative contracts and net change in unrealized appreciation or depreciation on derivative contracts in the statements of operations. Derivative contracts include forward, futures, swap and option contracts related to interest rates, foreign currencies, credit standing of reference entities, and equity prices or commodity prices.

Derivative contracts, such as options and futures, which are listed on a national securities exchange or reported on the NASDAQ national market, are generally categorized in Level 1 of the fair value hierarchy.

Depending on the underlying security and the terms of the transaction, the fair value of certain derivatives may be able to be modeled using a series of techniques, including closed-form analytic formula (such as the Black-Scholes option-pricing model), simulation models, or a combination thereof. Pricing models take into account the contract terms (including maturity) as well as multiple inputs, including, where applicable, time value, implied volatility, equity and commodity prices, interest rate yield curves, prepayment speeds, interest rates, loss severities, credit risks, credit curves, default rates, and currency rates. Certain pricing models do not entail material subjectivity as the methodologies employed include pricing inputs that are observed from actively quoted markets. In the case of more established derivative contracts, the pricing models used by the Fund are widely accepted by marketplace participants. OTC derivatives contracts (such as forward and swap contracts) which may be valued using models, depending on whether significant inputs are observable or unobservable, are categorized in Levels 2 or 3 of the fair value hierarchy.

Investments in credit default swaps are valued using pricing models widely accepted by marketplace participants. The pricing models take into account the contract terms (including maturity), time value, credit curves, recovery rates, and current credit spreads obtained from swap counterparties and other market participants. At December 31, 2010, investments in credit default swaps had maturities within a range of one and seven years, were valued using recovery rates with a range of 25% and 40%, and current credit spreads within a range of 75 and 1000 basis points.

Government Bonds

The fair value of sovereign government bonds is generally based on quoted prices in active markets. When quoted prices are not available, fair value is determined based on a valuation model that uses inputs that include interest rate yield curves, cross-currency basis index spreads, and sovereign credit spreads similar to the bond in terms of issuer, maturity and seniority. Sovereign government bonds are generally categorized in Levels 1 or 2 of the fair value hierarchy.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

1. Nature of operations and summary of significant accounting policies (continued)

Fair Value - Valuation Techniques and Inputs (continued)

Corporate Bonds

The fair value of corporate bonds is estimated using recently executed transactions, market price quotations (where observable), bond spreads, or credit default swap spreads. The spread data used is for the same maturity as the bond. If the spread data does not reference the issuer, then data that references a comparable issuer is used. When observable price quotations are not available, fair value is determined based on cash flow models using yield curves, bond or single name credit default swap spreads, and recovery rates based on collateral values as key inputs. Corporate bonds are generally categorized in Level 2 of the fair value hierarchy. In instances where significant inputs are unobservable, they are categorized in Level 3 of the fair value hierarchy.

Payable for Securities Sold Under Agreements to Repurchase

Transactions involving the sale of securities under agreements to repurchase are treated as collateralized financing transactions and recorded at their contracted repurchase amounts plus accrued interest. The Fund is required to provide securities to its counterparty in order to collateralize repurchase agreements. The Fund's agreements with its counterparty generally contain provisions to allow for excess collateral to be returned when necessary. The term of the Fund's repurchase agreements is generally every two months.

Translation of Foreign Currency

Assets and liabilities denominated in foreign currencies are translated into United States dollar amounts at the period-end exchange rates. Transactions denominated in foreign currencies, including purchases and sales of investments, and income and expenses, are translated into United States dollar amounts on the transaction date. Adjustments arising from foreign currency transactions are reflected in the statements of operations.

The Fund does not isolate that portion of the results of operations arising from the effect of changes in foreign exchange rates on investments from fluctuations arising from changes in market prices of investments held. Such fluctuations are included in net gain (loss) on investments in the statements of operations.

Investment Transactions and Related Investment Income

Investment transactions are accounted for on a trade-date basis. Dividends are recorded on the ex-dividend date and interest is recognized on the accrual basis.

Income Taxes

The Fund has received an undertaking from the Cayman Islands Government exempting the Fund from all local income, profits and capital gains taxes until December 4, 2021. Accordingly, no provision for income taxes has been made in the accompanying interim financial information. However, all United States dividend income and certain interest income are subject to a 30% withholding tax. Further, certain non-United States dividend income may be subject to a tax at prevailing treaty or standard withholding rates with the applicable country or local jurisdiction.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

1. Nature of operations and summary of significant accounting policies (continued)

Income Taxes (continued)

The Fund is required to determine whether its tax positions are more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authority. De-recognition of a tax benefit previously recognized results in the Fund recording a tax liability that reduces ending net assets. Based on its analysis, the Fund has determined that it has not incurred any liability for unrecognized tax benefits as of December 31, 2010. However, the Fund's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to, on-going analyses of and changes to tax laws, regulations and interpretations thereof.

The Fund recognizes interest and penalties related to unrecognized tax benefits in interest expense and other expenses, respectively. No interest expense or penalties have been recognized as of and for the year ended December 31, 2010.

The Fund is subject to income tax examinations by major taxing authorities for all tax years since its inception.

The Fund may be subject to potential examination by U.S. federal or foreign jurisdiction authorities in the areas of income taxes. These potential examinations may include questioning the nexus of income among various tax jurisdictions and compliance with U.S. federal or foreign tax laws. The Fund's management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Fund's management to make estimates and assumptions that affect the amounts disclosed in the financial statements. Actual results could differ from those estimates.

Valuation of Fund Shares

The shares of the Fund are issued at their net asset value on their issue date and are redeemable at the option of the holder at the net asset value on their date of redemption, less a predetermined redemption charge. Net asset value is determined for purchases and redemptions on the last business day of every month and also on the first business day of every week. The net asset value per share is determined by dividing the total net asset value by the total number of shares then outstanding.

Offsetting of Amounts Related to Certain Contracts

The Fund has elected not to offset fair value amounts recognized for cash collateral receivables and payables against fair value amounts recognized for net derivative positions executed with the same counterparty under the same master netting arrangement. At December 31, 2010 and December 31, 2009, the Fund had cash collateral receivables of approximately \$38,689,000 and \$27,006,000, respectively, with derivative counterparties under the same master netting arrangement. The cash collateral amount is included in due from brokers in the statements of assets and liabilities at December 31, 2010 and in due to brokers in the statement of the assets and liabilities at December 31, 2009.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

2. Fair value measurements

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy as described in the Fund's significant accounting policies in Note 1. The following table presents information about the Fund's assets measured at fair value as of December 31, 2010 (in thousands):

	Level 1	Level 2	Level 3	Total
Assets (at fair value)				
Investments in securities				
Common stocks	\$ 234,247	\$ -	\$ -	\$ 234,247
Debt securities	724,920	11,021	-	735,941
Total investments in securities	959,167	11,021	-	970,188
Derivative contracts				
Call options	11,840	16,038	-	27,878
Put options	6,499	-	-	6,499
Futures contracts	145,869	-	-	145,869
Forward contracts	-	2,293	-	2,293
Credit default swaps	-	38,224	-	38,224
Interest rate swaps	-	1,023	-	1,023
Total derivative contracts	164,208	57,578	-	221,786
	\$ 1,123,375	\$ 68,599	\$ -	\$ 1,191,974

The following table presents information about the Fund's liabilities measured at fair value as of December 31, 2010 (in thousands):

	Level 1	Level 2	Level 3	Total
Liabilities (at fair value)				
Securities sold short				
Common stocks	\$ 205,398	\$ -	\$ -	\$ 205,398
Derivative contracts				
Put options	206	-	-	206
Futures contracts	34,365	-	-	34,365
Forward contracts	-	5,165	-	5,165
Credit default swaps	-	3,121	-	3,121
Total return swaps	-	7,499	-	7,499
Interest rate swaps	-	281	-	281
Total derivative contracts	34,571	16,066	-	50,637
	\$ 239,969	\$ 16,066	\$ -	\$ 256,035

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

2. Fair value measurements (continued)

The following table presents information about the Fund's assets measured at fair value as of December 31, 2009 (in thousands):

	Level 1	Level 2	Level 3	Total
Assets (at fair value)				
Investments in securities				
Common stocks	\$ 606,711	\$ -	\$ -	\$ 606,711
Debt securities	139,079	-	-	139,079
Total investments in securities	745,790	-	-	745,790
Derivative contracts				
Call options	-	65,065	-	65,065
Future contracts	52,479	-	-	52,479
Forward contracts	-	13,628	-	13,628
Credit default swaps	-	9,049	-	9,049
Interest rate swaps	-	694	-	694
Total derivative contracts	52,479	88,436	-	140,915
	\$ 798,269	\$ 88,436	\$ -	\$ 886,705

The following table presents information about the Fund's liabilities measured at fair value as of December 31, 2009 (in thousands):

	Level 1	Level 2	Level 3	Total
Liabilities (at fair value)				
Securities sold short				
Common stocks	\$ 155,878	\$ -	\$ -	\$ 155,878
Derivative contracts				
Put options	-	1,055	-	1,055
	\$ 155,878	\$ 1,055	\$ -	\$ 156,933

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

2. Fair value measurements (continued)

No Level 3 assets were held at December 31, 2009 or during the year ended December 31, 2010.

The following table present additional information about Level 3 assets measured at fair value for the year ended December 31, 2009. Both observable and unobservable inputs may be used to determine the fair value of positions that the Fund has classified within the Level 3 category. As a result, the unrealized losses for assets within the Level 3 category may include changes in fair value that were attributable to both observable (e.g., changes in market interest rates) and unobservable (e.g., changes in unobservable long-dated volatilities) inputs.

Changes in Level 3 assets measured at fair value for the year ended December 31, 2009 (in thousands) were as follows:

	LEVEL 3					
	Beginning Balance January 1, 2009	Realized & Unrealized Gains (Losses)	Purchases, Sales and Settlements	Net Transfers In and/or (Out) of	Ending Balance December 31, 2009	Change in Unrealized Gains (Losses) for Investments still held at December 31, 2009
Assets (at fair value)						
Investments in private investment companies	\$ 90,930	\$ 707	\$ (91,637)	\$ -	\$ -	\$ -

3. Due from/to brokers

Amounts due from brokers may be restricted to the extent that they serve as deposits for securities sold short.

Amounts due to brokers represent margin borrowings that are collateralized by certain marketable securities.

In the normal course of business, substantially all of the Fund's securities transactions, money balances and security positions are transacted with JPMorgan Chase & Co., UBS AG and Barclays Capital. The Fund is subject to credit risk to the extent any broker with whom it conducts business is unable to fulfill contractual obligations on its behalf. The Fund's management monitors the financial condition of such brokers and does not anticipate any losses from these counterparties.

4. Concentration of credit risk

In the normal course of business, the Fund maintains its cash balances in financial institutions, which at times may exceed federally insured limits. The Fund is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

5. Derivative contracts

In the normal course of business, the Fund utilizes derivative contracts in connection with its proprietary trading activities. Investments in derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. The Fund's derivative activities and exposure to derivative contracts are classified by the following primary underlying risks: interest rate, credit, foreign currency exchange rate, commodity price, and equity price risks. In addition to its primary underlying risks, the Fund is also subject to additional counterparty risk due to inability of its counterparties to meet the terms of their contracts.

Forward Contracts

The Fund enters into forward contracts to hedge itself against foreign currency exchange rate risk for its foreign currency denominated assets and liabilities due to adverse foreign currency fluctuations against the U.S. dollar, and to manage the price risk associated with its commodity portfolio positions.

Forward currency and commodity transactions are contracts or agreements for delayed delivery of specific currencies and commodities in which the seller agrees to make delivery at a specified future date of specified currencies and commodities. Risks associated with forward currency and commodity contracts are the inability of counterparties to meet the terms of their respective contracts and movements in fair value and exchange rates.

Futures Contracts

The Fund is subject to equity and commodity price risk, interest rate risk, and foreign currency exchange rate risk in the normal course of pursuing its investment objectives. The Fund may use futures contracts to gain exposure to, or hedge against, changes in the value of equities and commodities, interest rates or foreign currencies. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date.

The purchase and sale of futures contracts requires margin deposits with a Futures Commission Merchant ("FCM") equal to a certain percentage of the contract amount. Subsequent payments (variation margin) are made or received by the Fund each day, depending on the daily fluctuations in the value of the contract. The Fund recognizes a gain or loss equal to the daily variation margin. Futures contracts may reduce the Fund's exposure to counterparty risk since futures contracts are exchange-traded; and the exchange's clearinghouse, as the counterparty to all exchange-traded futures, guarantees the futures against default.

The Commodity Exchange Act requires an FCM to segregate all customer transactions and assets from the FCM's proprietary activities. A customer's cash and other equity deposited with an FCM are considered commingled with all other customer funds subject to the FCM's segregation requirements. In the event of an FCM's insolvency, recovery may be limited to the Fund's pro rata share of segregated customer funds available. It is possible that the recovery amount could be less than the total of cash and other equity deposited.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

5. Derivative contracts (continued)

Swap Contracts

The Fund enters into various swap contracts (or “swaps”), including interest rate swaps, total return swaps and credit default swaps, as part of its investment strategies, to hedge against unfavorable changes in the value of investments, and to protect against adverse movements in interest rates or credit performance with counterparties. Generally, a swap contract is an agreement that obligates two parties to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified notional amount of the underlying assets. The payment flows are usually netted against each other, with the difference being paid by one party to the other.

During the term of the swap contract, changes in value are recognized as unrealized gains or losses by marking the contracts at fair value. Additionally, the Fund records a realized gain (loss) when a swap contract is terminated and when periodic payments are received or made at the end of each measurement period. In addition to realized gains (losses) and the change in unrealized gains (losses), periodic interest expense and/or income is also reflected in net realized gain (loss) from derivative contracts and net change in unrealized appreciation or depreciation on derivative contracts in the statements of operations.

The fair value of open swaps reported in the statements of assets and liabilities may differ from that which would be realized in the event the Fund terminated its position in the contract. Risks may arise as a result of the failure of the counterparty to the swap contract to comply with the terms of the swap contract. The loss incurred by the failure of a counterparty is generally limited to the aggregate fair value of swap contracts in an unrealized gain position as well as any collateral posted with the counterparty. The risk is mitigated by having a master netting arrangement between the Fund and the counterparty and by the posting of collateral by the counterparty to the Fund to cover the Fund's exposure to the counterparty. Therefore, the Fund considers the creditworthiness of each counterparty to a swap contract in evaluating potential credit risk. Additionally, risks may arise from unanticipated movements in the fair value of the underlying investments.

The Fund values its swap contracts at their fair values. Management calculates fair value by marking to market the assets and liabilities underlying the swap contract.

Credit Default Swaps

The Fund is subject to credit risk in the normal course of pursuing its investment objectives. The Fund may enter into credit default swaps to manage its exposure to the market or certain sectors of the market, to reduce its risk exposure to defaults of corporate and sovereign issuers, or to create exposure to corporate or sovereign issuers to which it is not otherwise exposed.

Credit default swap contracts involve an arrangement between the Fund and a counterparty which allows the Fund to protect against losses incurred as a result of default by a specified reference entity. Generally, the Fund pays or receives a premium upfront and the counterparty agrees to make a payment to compensate the Fund for losses upon the occurrence of a specified credit event.

The Fund's credit default swap contracts are scheduled to terminate from 2011 through 2017.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

5. Derivative contracts (continued)

Swap Contracts (continued)

Interest Rate Swaps

The Fund is exposed to interest rate risk when there is an unfavorable change in the value of investments as a result of adverse movements in the market interest rates. The Fund enters into interest rate swap contracts to protect against such adverse movements in the interest rates.

Interest rate swaps are contracts whereby counterparties exchange different rates of interest on a specified notional amount for a specified period of time. The payment flows are usually netted against each other, with the difference being paid by one party to the other. The Fund's interest rate swap contracts are scheduled to terminate from 2013 through 2017.

Total Return Swaps

The Fund is subject to equity price risk in the normal course of pursuing its investment objectives. The Fund may enter into total return swaps either to manage its exposure to the market or certain sectors of the market, or to create exposure to certain equities to which it is otherwise not exposed.

Total return swap contracts involve the exchange by the Fund and a counterparty of their respective commitments to pay or receive a net amount based on the change in the fair value of a particular security or index and a specified notional amount. The Fund's total return swap contracts are scheduled to terminate on the cash settlement payment dates in December 2011.

Options

The Fund is subject to equity and commodity price risk, and foreign currency exchange risk in the normal course of pursuing its investment objectives. The Fund may enter into options to speculate on the price movements of the financial instrument, commodity, or currency underlying the option, or for use as an economic hedge against certain equity positions held in the Fund's portfolio holdings. Option contracts give the Fund the right, but not the obligation, to buy or sell within a limited time, a financial instrument, commodity or currency at a contracted price that may also be settled in cash, based on differentials between specified indices or prices.

Options written obligate the Fund to buy or sell within a limited time, a financial instrument, commodity or currency at a contracted price that may also be settled in cash, based on differentials between specified indices or prices. When the Fund writes an option, an amount equal to the premium received by the Fund is recorded as a liability and is subsequently adjusted to the current fair value of the option written. Options written by the Fund may expose the Fund to market risk of an unfavorable change in the financial instrument underlying the written option.

For some OTC options, the Fund is exposed to counterparty risk from the potential that a seller of an option contract does not sell or purchase the underlying asset as agreed under the terms of the option contract. The maximum risk of loss from counterparty risk to the Fund is the fair value of the contracts and the premiums paid to purchase its open option contracts. In these instances, the Fund considers the credit risk of the intermediary counterparty to its option transactions in evaluating potential credit risk.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

5. Derivative contracts (continued)

Credit-Risk-Related Contingent Features

The Fund's derivative contracts are subject to International Swaps and Derivatives Association ("ISDA") Master Agreements which contain certain covenants and other provisions that may require the Fund to post collateral on derivatives if the Fund is in a net liability position with its counterparties exceeding certain amounts.

Additionally, counterparties may immediately terminate these agreements and the related derivative contracts if the Fund fails to maintain sufficient asset coverage for its contracts or its net assets decline by stated percentages or amounts.

Volume of Derivative Activities

At December 31, 2010, the notional amounts ^(a) and number of contracts, categorized by primary underlying risk, are as follows:

(notional amounts in thousands)

Primary underlying risk	Long exposure		Short exposure	
	Notional amounts	Number of contracts	Notional amounts	Number of contracts
Interest rate				
Futures contracts	\$ 1,001,388	5,672	\$ 269,961	650
Interest rate swap contracts	5,423	1	2,119	1
	<u>1,006,811</u>	<u>5,673</u>	<u>272,080</u>	<u>651</u>
Foreign currency exchange rate				
Options (b)	538	96	-	-
Forward contracts	183,788	2	255,201	5
	<u>184,326</u>	<u>98</u>	<u>255,201</u>	<u>5</u>
Equity price				
Options (b)	189,458	56,975	-	-
Futures contracts	-	-	262,437	8,844
Total return swap contracts	-	-	139,892	1,360,984
	<u>189,458</u>	<u>56,975</u>	<u>402,329</u>	<u>1,369,828</u>
Commodity price				
Options (b)	24,999	2,058	206	96
Futures contracts	1,089,855	10,935	325,260	3,500
	<u>1,114,854</u>	<u>12,993</u>	<u>325,466</u>	<u>3,596</u>
Credit				
Purchased protection:				
Credit default swap contracts	1,243,234	16	-	-
	<u>\$ 3,738,683</u>	<u>75,755</u>	<u>\$ 1,255,076</u>	<u>1,374,080</u>

(a) Notional amounts are presented net of identical offsetting derivative contracts.

(b) Notional amounts for options are based on the number of contracts times the fair value of the underlying instruments as-if exercised at December 31, 2010.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

5. Derivative contracts (continued)

Volume of Derivative Activities (continued)

At December 31, 2009, the notional amounts ^(a) and number of contracts, categorized by primary underlying risk, are as follows:

(notional amounts in thousands)

Primary underlying risk	Long exposure		Short exposure	
	Notional amounts	Number of contracts	Notional amounts	Number of contracts
Interest rate				
Futures contracts	\$ -	-	\$ 2,454,656	10,000
Foreign currency exchange rate				
Forward contracts	344,032	9	657,923	8
Options (b)	6,632	9,715	-	-
	<u>350,664</u>	<u>9,724</u>	<u>657,923</u>	<u>8</u>
Equity price				
Options (b)	71,625	30,793	-	-
Futures contracts	-	-	101,573	1,828
	<u>71,625</u>	<u>30,793</u>	<u>101,573</u>	<u>1,828</u>
Commodity price				
Futures contracts	713,282	8,049	-	-
Options (b)	20,621	3,306	1,055	500
	<u>733,903</u>	<u>11,355</u>	<u>1,055</u>	<u>500</u>
Credit				
Purchased protection:				
Credit default swaps	53,532	5	7,400	2
	<u>\$ 1,209,724</u>	<u>51,877</u>	<u>\$ 3,222,607</u>	<u>12,338</u>

(a) Notional amounts are presented net of identical offsetting derivative contracts.

(b) Notional amounts for options are based on the number of contracts times the fair value of the underlying instruments as-if exercised at December 31, 2009.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

5. Derivative contracts (continued)

Impact of Derivatives on the Statements of Assets and Liabilities and Statements of Operations

The following tables identify the fair value amounts of derivative instruments included in the statements of assets and liabilities as derivative contracts, categorized by primary underlying risk, at December 31, 2010 and December 31, 2009. Balances are presented on a gross basis, prior to the application of the impact of counterparty and collateral netting. Total derivative assets and liabilities are adjusted on an aggregate basis to take into consideration the effects of master netting arrangements and have been reduced by the application of cash collateral receivables and payables with its counterparties. The following tables also identify the net gain and loss amounts included in the statements of operations as net realized gain (loss) from derivative contracts and net change in unrealized appreciation or depreciation on derivative contracts, categorized by primary underlying risk, for the periods ended December 31, 2010 and December 31, 2009.

(in thousands)

2010	Derivative assets	Derivative liabilities	Amount of gain (loss)
Primary underlying risk			
Interest rate			
Futures contracts	\$ 1,180	\$ 4,910	\$ 41,430
Interest rate swaps	1,023	281	742
	<u>2,203</u>	<u>5,191</u>	<u>42,172</u>
Foreign currency exchange rate			
Options	538	206	(4,973)
Futures contracts	-	-	(9,046)
Forward contracts	2,293	5,165	109,416
	<u>2,831</u>	<u>5,371</u>	<u>95,397</u>
Equity price			
Options	18,339	-	(8,523)
Futures contracts	-	5,163	(107,235)
Total return swap contracts	-	7,499	(7,499)
	<u>18,339</u>	<u>12,662</u>	<u>(123,257)</u>
Commodity price			
Options	15,500	-	(1,816)
Futures contracts	144,690	24,292	142,899
	<u>160,190</u>	<u>24,292</u>	<u>141,083</u>
Credit			
Purchased protection:			
Credit default swap contracts	38,223	3,121	(21,229)
	<u>38,223</u>	<u>3,121</u>	<u>(21,229)</u>
Total	\$ 221,786	\$ 50,637	\$ 134,166

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

5. Derivative contracts (continued)

Impact of Derivatives on the Statements of Assets and Liabilities and Statements of Operations (continued)

(in thousands)

2009	Derivative	Derivative	Amount of
Primary underlying risk	assets	liabilities	gain (loss)
Interest rate			
Futures contracts	\$ 3,375	\$ 1,675	\$ 1,687
Foreign currency exchange rate			
Forward contracts	14,116	488	12,671
Options	5,328	-	(1,263)
	<u>19,444</u>	<u>488</u>	<u>11,408</u>
Equity price			
Options	39,117	-	7,008
Futures contracts	-	1,536	(3,925)
	<u>39,117</u>	<u>1,536</u>	<u>3,083</u>
Commodity price			
Futures contracts	61,650	9,335	(32,360)
Options	20,621	1,055	23,997
	<u>82,271</u>	<u>10,390</u>	<u>(8,363)</u>
Credit			
Purchased protection:			
Credit default swaps	10,611	869	9,434
Gross total	154,818	14,958	17,249
Less: Master netting arrangements	(13,903)	(13,903)	-
Total	<u>\$ 140,915</u>	<u>\$ 1,055</u>	<u>\$ 17,249</u>

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

6. Payable for securities sold under agreements to repurchase

Transactions involving securities sold under agreements to repurchase are treated as collateralized financial transactions, and are recorded at their contracted repurchase amounts. Interest on such transactions is included in interest payable in the statements of assets and liabilities.

At December 31, 2010, securities with a fair value of approximately \$625,381,000, which are included in investments in securities at fair value in the statement of assets and liabilities, were pledged to collateralize securities sold under agreements to repurchase.

7. Securities sold short

The Fund is subject to certain inherent risks arising from its investing activities of selling securities short. The ultimate cost to the Fund to acquire these securities may exceed the liability reflected in the financial statements.

8. Capital share transactions

As of December 31, 2010, there are 100 non-participating, voting and non-redeemable shares issued from the Fund to FCMI Financial Services (Cayman) Ltd., a Cayman Islands affiliate of the Fund, which are not reflected in the Fund's share capital. These shares were issued at a nominal value and do not participate in the income, distributions, and net asset value on redemption or liquidation of the Fund.

Authorized share capital of the Fund comprises of an unlimited number of Class A and B shares, without nominal or par value, participating, non-voting and redeemable at the option of the shareholder. On redemption of Class A shares, a redemption charge of 3/8 of 1% is retained by the Fund. No Class B shares are currently outstanding.

Transactions in capital shares during the years, and the shares outstanding and the net asset value ("NAV") per share as of December 31, 2010 and December 31, 2009, for Class A are as follows:

Number of Shares	2010	2009
Outstanding, beginning of year	168,893.88	164,740.65
Issued during the year	9,206.68	14,879.79
Redeemed during the year	(4,410.54)	(10,726.56)
Outstanding, end of year	<u>173,690.02</u>	<u>168,893.88</u>
Amounts		
Amounts issued	<u>\$ 37,300,532</u>	<u>\$ 48,934,434</u>
Amounts redeemed	<u>\$ (18,128,640)</u>	<u>\$ (33,579,160)</u>
Ending net assets	<u>\$ 734,293,665</u>	<u>\$ 641,176,607</u>
Ending NAV per share	<u>\$ 4,227.61</u>	<u>\$ 3,796.33</u>

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

8. Capital share transactions (continued)

Shareholders have redemption rights which contain certain restrictions with respect to rights of redemption of shares as specified in the offering memorandum.

Redemptions payable represent amounts due to shareholders based on redemption requests effective through December 31, 2010 and December 31, 2009, respectively.

9. Related party transactions

Management and Incentive Fees

The Investment Advisor is entitled to a management fee, calculated and payable monthly in arrears equal to 1/12 of 2% per month of the net assets of the Fund determined as of the last business day of the month.

The Investment Advisor is also entitled to an incentive fee, payable on a quarterly basis, which will generally be equal to 20%. The incentive fees are based on "net new trading profits", defined as the difference, if positive, between the net asset value at the end of the applicable period and the net asset value at the end of the preceding period, adjusted to reflect the amount of any unrecovered loss carried forward from the preceding period or periods. The net new trading profits must also exceed a hurdle rate before any incentive fees are paid.

Certain investors are affiliated with the Investment Manager. The aggregate value of the affiliated investors' share of net assets at December 31, 2010 and December 31, 2009 were approximately \$132,900,000 and \$117,200,000, respectively.

Brokerage Commissions

Brokerage commissions paid to FMG are netted in the statements of operations against realized gains or losses and are charged at commercial reasonable rates. Brokerage commissions paid to FMG for the year ended December 31, 2009 were approximately \$840,000. FMG did not hold any assets of the Fund as of December 31, 2009 or during the year ended December 31, 2010. No brokerage commissions were paid to FMG for the year ended December 31, 2010.

Investment in Friedberg Total Return Fixed Income Fund Ltd. and Management Fee Refund

During 2009, the Fund had an investment with a related party, Friedberg Total Return Fixed Income Fund Ltd. which in July 2009, was liquidated. The Investment Advisor refunded the fees charged from the investment in Friedberg Total Return Fixed Income Fund Ltd. The refund consists of the management fee and the commission charged for derivative contracts in the underlying investment fund.

10. Administrator and custodian

As of July 1, 2009, Cayman National Fund Services (the "Administrator") serves as the administrator for the Fund and performs certain administrative and clerical services on behalf of the Fund. FMG, which prior to July 1, 2009 served as the Fund's administrator, continues to calculate the weekly net asset value. At December 31, 2010 and December 31, 2009, cash balances in the amount of approximately \$39,000 and \$470,000, respectively, were held by an affiliate of the Administrator.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

11. Financial highlights

Financial highlights for the years ended December 31, 2010 and 2009 are as follows:

	2010	2009
	<u>Class A Shares</u>	<u>Class A Shares</u>
Per share operating performance		
Net asset value, beginning of year	\$ 3,796.33	\$ 3,389.09
Income (loss) from investment operations:		
Net investment income (loss)	(249.70)	(136.47)
Net gain (loss) on investments	680.98	543.71
Total from investment operations	431.28	407.24
Net asset value, end of year	\$ 4,227.61	\$ 3,796.33
Total return		
Total return before incentive fee	15.8 %	14.8 %
Incentive fee	(4.4)	(2.8)
Total return after incentive fee	11.4 %	12.0 %
Ratio to average net assets		
Expenses other than incentive fee	2.9 %	3.3 %
Management fee refund	0.0	(0.1)
Incentive fee	4.1	2.8
Total expenses	7.0 %	6.0 %
Net investment income (loss)	(6.0) %	(4.0) %

Financial highlights are calculated for each permanent, non-managing class of common shares. An individual shareholder's return and ratios may vary based on the timing of capital share transactions.

12. Subsequent events

From January 1, 2011 through June 7, 2011, the Fund had additional redemptions of approximately \$42,374,000.