

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2009 AND 2008

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, 2009 and 2008, 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, 2009 and 2008, 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
May 21, 2010

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

STATEMENTS OF ASSETS AND LIABILITIES

(Expressed in United States Dollars)

December 31,	2009	2008
Assets		
Investments in securities, at fair value (cost \$677,198,675 and \$700,623,739 in 2009 and 2008, respectively)	\$ 745,790,381	\$ 653,748,988
Investments in Friedberg Total Return Fixed Income Fund Ltd., at fair value (cost \$0 and \$68,670,136 in 2009 and 2008, respectively)	-	90,930,384
Due from brokers	-	162,405,439
Derivative contracts, at fair value	140,915,075	77,851,871
Cash	17,978,773	205
Subscriptions receivable	-	20,000,000
Interest and dividends receivable	864,415	3,333,159
Other assets	-	28,899
Total assets	905,548,644	1,008,298,945
Liabilities		
Securities sold short, at fair value (proceeds \$150,770,611 and \$128,396,936 in 2009 and 2008, respectively)	155,877,603	81,575,938
Due to brokers	99,472,380	347,036,635
Derivative contracts, at fair value	1,055,000	-
Incentive fee payable	5,117,630	15,946,766
Accrued expenses	1,075,377	871,327
Management fee payable	1,061,087	876,926
Advance subscriptions	470,000	-
Interest and dividends payable	210,320	317,670
Redemptions payable	32,640	3,352,651
Total liabilities	264,372,037	449,977,913
Net assets	\$ 641,176,607	\$ 558,321,032
Number of shares outstanding		
Class A	168,893.88	164,740.65
Net asset value per share		
Class A	\$ 3,796.33	\$ 3,389.09

See accompanying notes to financial statements.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

STATEMENTS OF OPERATIONS

(Expressed in United States Dollars)

Years Ended December 31,	2009	2008
Investment income		
Interest	\$ 7,915,292	\$ 6,737,462
Dividends (net of U.S. and foreign withholding taxes of \$1,298,741 and \$1,000,430 in 2009 and 2008, respectively)	3,595,977	3,129,630
Total investment income	11,511,269	9,867,092
Expenses		
Interest and dividends	7,132,980	9,559,735
Incentive fee	15,660,403	35,969,545
Management fee	11,308,368	9,057,337
Administrative fee	214,289	-
Professional fees and other	339,660	236,863
Total expenses	34,655,700	54,823,480
Management fee refund	(523,809)	(1,861,010)
Net expenses	34,131,891	52,962,470
Net investment income (loss)	(22,620,622)	(43,095,378)
Realized and unrealized gain (loss) on investments		
Net realized gain (loss) on securities	8,706,149	74,063,395
Net change in unrealized appreciation or depreciation on securities	63,458,999	(65,235,044)
Net realized gain (loss) from derivative contracts	(22,590,762)	137,508,719
Net change in unrealized appreciation or depreciation on derivative contracts	39,839,830	49,929,207
Net realized gain (loss) on investments in Friedberg Total Return Fixed Income Fund Ltd.	22,966,955	8,918,970
Net change in unrealized appreciation or depreciation on Friedberg Total Return Fixed Income Fund Ltd.	(22,260,248)	(6,791,044)
Net gain (loss) on investments	90,120,923	198,394,203
Net change in net assets resulting from operations	\$ 67,500,301	\$ 155,298,825

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

STATEMENTS OF CHANGES IN NET ASSETS

(Expressed in United States Dollars)

Years Ended December 31,	2009	2008
Operations		
Net investment income (loss)	\$ (22,620,622)	\$ (43,095,378)
Net realized gain (loss) on securities	8,706,149	74,063,395
Net change in unrealized appreciation or depreciation on securities	63,458,999	(65,235,044)
Net realized gain (loss) from derivative contracts	(22,590,762)	137,508,719
Net change in unrealized appreciation or depreciation on derivative contracts	39,839,830	49,929,207
Net realized gain (loss) on investments in Friedberg Total Return Fixed Income Fund Ltd.	22,966,955	8,918,970
Net change in unrealized appreciation or depreciation on Friedberg Total Return Fixed Income Fund Ltd.	<u>(22,260,248)</u>	<u>(6,791,044)</u>
Net change in net assets resulting from operations	<u>67,500,301</u>	<u>155,298,825</u>
Capital share transactions		
Issuance of shares	48,934,434	73,011,955
Redemption of shares	<u>(33,579,160)</u>	<u>(31,311,644)</u>
Net change in net assets resulting from capital share transactions	<u>15,355,274</u>	<u>41,700,311</u>
Net change in net assets	82,855,575	196,999,136
Net assets, beginning of year	<u>558,321,032</u>	<u>361,321,896</u>
Net assets, end of year	<u>\$ 641,176,607</u>	<u>\$ 558,321,032</u>

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,	2009	2008
Cash flows from operating activities		
Net change in net assets resulting from operations	\$ 67,500,301	\$ 155,298,825
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	(63,458,999)	65,235,044
Net change in unrealized appreciation or depreciation on investments in private investment companies	22,260,248	6,791,044
Changes in operating assets and liabilities:		
Cost of investments in securities, at fair value	25,115,174	(549,243,529)
Cost of investments in private investment companies, at fair value	68,670,136	24,228,276
Due from brokers	162,405,439	15,329,272
Derivative contracts, at fair value	(63,063,204)	(49,929,207)
Interest and dividends receivable	2,468,744	(2,916,855)
Other assets	28,899	-
Proceeds from securities sold short, at fair value	22,373,674	(49,324,015)
Due to brokers	(247,564,255)	347,036,635
Derivative contracts, at fair value	1,055,000	-
Incentive fee payable	(10,829,136)	3,590,801
Accrued expenses	204,050	172,397
Management fee payable	184,161	267,977
Interest and dividends payable	(107,350)	(133,119)
Net cash used in operating activities	(12,757,118)	(33,596,454)
Cash flows from financing activities		
Proceeds from issuance of shares, net of change in advance subscriptions and subscriptions receivable	67,634,857	61,554,669
Payments for redemption of shares, net of change in redemptions payable	(36,899,171)	(27,958,993)
Net cash provided by financing activities	30,735,686	33,595,676
Net change in cash	17,978,568	(778)
Cash, beginning of year	205	983
Cash, end of year	\$ 17,978,773	\$ 205
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	\$ 3,495,456	\$ 4,812,749
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, 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						
Grains & Oilseeds						
Soft Commodities						
Livestock						
Energy						
Index						
			0.3		1,700,000	
			0.2		1,115,106	
			0.1		883,034	
			0.0		(118,970)	
			(0.1)		(484,582)	
			(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.

CONDENSED SCHEDULES OF INVESTMENTS

(Expressed in United States Dollars)

	Number of Shares	Percentage of Net Assets	Fair Value
Investments in Friedberg Total Return Fixed Income Ltd., at fair value			
Cayman Islands			
Fixed income			
Friedberg Total Return Fixed Income Fund Ltd.			
Common stocks			
United States			
iShares Trust Barclays TIPS Bond Fund	808,528	14.4 %	\$ 80,238,317
Other equity		<u>1.9</u>	<u>10,692,067</u>
Total investments in Friedberg Total Return Fixed Income Ltd., at fair value (cost \$68,670,136)		<u>16.3 %</u>	<u>\$ 90,930,384</u>
Investments in securities, at fair value			
Common stocks			
United States			
Aerospace & Defense		1.3 %	\$ 7,472,545
Airlines		0.6	3,410,496
Banking Specialized Finance		5.4	30,413,451
Biotechnology		4.2	23,266,120
Chemicals		0.1	513,000
Movies & Entertainment		0.5	2,896,650
Computer & Electronics Retail		0.0	131,222
Education Services		0.6	3,447,900
Electrical Components & Equipment		0.4	2,064,699
Environmental & Facilities Services		1.3	7,024,247
Gold		2.8	15,824,160
Government Bonds		0.6	3,572,640
Homebuilding		4.3	24,196,300
Household Products Food Supermarkets		2.5	13,762,913
Insurance		0.8	3,879,205
Largest Stock Companies in China		4.2	23,272,000
Oil & Gas Refining & Marketing		3.7	20,855,437
Total United States (cost \$209,107,272)		<u>33.3</u>	<u>186,002,985</u>
Canada			
Entertainment		0.1	669,000
Gold Mines		6.7	37,281,974
Health Care Facilities		0.1	450,247
Total Canada (cost \$27,423,482)		<u>6.9</u>	<u>38,401,221</u>

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

CONDENSED SCHEDULES OF INVESTMENTS (CONTINUED) (Expressed in United States Dollars)

	Principal Amount	Percentage of Net Assets	Fair Value
Investments in securities, at fair value (continued)			
Common stocks			
China			
Power Producers & Energy Traders		0.8 %	\$ 4,377,208
Airlines		0.7	3,982,095
Chemicals		0.7	4,143,570
Communications Equipment		0.2	909,777
Electrical Components & Equipment		0.1	729,724
Environmental & Facilities Services		0.2	875,367
Highways & Rail Tracks		0.3	1,789,008
Integrated Oil & Gas		0.4	2,304,879
Metals Aluminum		0.8	4,531,826
Pharmaceuticals		0.2	928,268
Real Estate Development		0.2	959,727
Total China (cost \$51,956,451)		<u>4.6</u>	<u>25,531,449</u>
Bermuda			
Investment Banking & Brokerage		0.3	1,922,496
Transportation		0.4	1,963,035
Total Bermuda (cost \$5,237,186)		<u>0.7</u>	<u>3,885,531</u>
Total investments in common stocks (cost \$293,724,391)		<u>45.5</u>	<u>253,821,186</u>
Debt securities			
United States			
Government			
U.S. Treasury Inflation-Protected Securities 3.625% due April 15, 2028	\$199,605,000	57.0	318,245,418
U.S. Treasury Inflation-Protected Securities 1.75% due January 15, 2028	\$ 60,000,000	10.2	57,151,288
Corporate			
Other		3.9	21,497,281
Total debt securities (cost \$405,586,579)		<u>71.1</u>	<u>396,893,987</u>
Options purchased			
United States			
Other (cost \$1,312,769)		0.5	3,033,815
Total investments in securities, at fair value (cost \$700,623,739)		<u>117.1 %</u>	<u>\$ 653,748,988</u>

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

CONDENSED SCHEDULES OF INVESTMENTS (CONTINUED) (Expressed in United States Dollars)

	Expiration Dates	Number of Contracts	Percentage of Net Assets	Fair Value
Derivative contracts, at fair value				
Futures contracts				
Metals				
CMX Gold	Apr - Dec 2009	3,264	6.7 %	\$ 37,673,900
Other			0.0	2,625
Agriculture			0.7	3,989,784
Index			0.3	1,657,795
Interest Rate			0.3	1,402,217
Petroleum			0.0	(212,925)
Other			0.0	(17,050)
Total futures contracts			8.0	44,496,346
Swaps purchased				
Credit default swaps				
Venezuela				
Government			3.1	17,396,529
Iceland				
Government			0.3	1,642,944
Interest rate swaps				
United States				
Financial			0.2	1,463,388
Swaps written				
Interest rate swaps				
United States				
Financial			(0.1)	(792,156)
Total swap contracts			3.5	19,710,705
Forward contracts				
Currency contracts				
Other currencies			1.7	9,741,866
Currency options				
Currency				
Other currencies			0.7	3,902,954
Total derivative contracts, at fair value			13.9 %	\$ 77,851,871

See accompanying notes to financial statements.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

CONDENSED SCHEDULES OF INVESTMENTS (CONTINUED) (Expressed in United States Dollars)

	Percentage of Net Assets	Fair Value
Securities sold short, at fair value		
Common stocks		
United States		
Automotive	0.2 %	\$ 950,880
Banks and Finance	2.6	14,685,630
Computer Hardware	1.0	5,308,770
Department Stores	0.4	2,674,256
Drug & Pharmaceuticals	2.5	13,798,856
Financial Indexes	3.1	17,283,397
Food and Packaged Household	0.5	3,299,769
REITS Office and Residential	2.8	15,688,366
Railroads	0.6	3,230,880
Restaurants	0.8	4,300,516
	<hr/>	<hr/>
Total common stocks, at fair value (proceeds \$127,056,965)	14.5	81,221,320
Options written		
United States		
Financial (proceeds \$1,339,971)	0.1	354,618
	<hr/>	<hr/>
Total securities sold short, at fair value (proceeds \$128,396,936)	14.6 %	\$ 81,575,938
	<hr/>	<hr/>

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").

These financial statements were approved by management and available for issuance on May 21, 2010. Subsequent events have been evaluated through this date.

Valuation of Investments in Securities and Securities Sold Short at Fair Value - Definition and Hierarchy

In accordance with GAAP, 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 Standard Time.

In determining fair value, the Fund uses various valuation approaches. In accordance with GAAP, 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)

Valuation of Investments in Securities and Securities Sold Short at 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 security to security 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 a security to be reclassified to a lower level within the fair value hierarchy.

Valuation Techniques

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 sales price as of the last business day of the year.

Many cash and 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 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.

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)

Valuation Techniques (continued)

Fair value for many cash and OTC contracts is derived using pricing models. Pricing models take into account the contract terms (including maturity) as well as multiple inputs, including, where applicable, time value, implied volatility, equity prices, interest rate yield curves, prepayment speeds, interest rates, loss severities, credit risks, credit curves, default rates and currency rates.

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, future, swap and option contracts related to interest rates, foreign currencies, credit standing of reference entities, equity prices or commodity prices.

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 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. 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. OTC derivatives contracts, such as forwards and swaps, which may be valued using models, are generally categorized in Level 2 of the fair value hierarchy.

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 country credit spreads similar to the bond in terms of issuer, maturity and seniority. Sovereign government bonds are generally categorized in Level 1 of the fair value hierarchy.

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 are 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 with 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 hierarchy.

Investments in private investment companies are typically valued utilizing the net asset valuations provided by the underlying private investment companies and/or their administrators. Fund management considers subscription and redemption rights, including any restrictions on the disposition of the interest, in its determination of fair value. Investments in private investment companies are included in Level 3 of the fair value hierarchy. As of December 31, 2009, the Fund has redeemed from all private investment companies.

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)

Translation of Foreign Currency

Assets and liabilities denominated in foreign currencies are translated into United States dollar amounts at the year 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

Under the laws of the Cayman Islands, the Fund is not subject to income taxes. Accordingly, no provision for income taxes has been made in the accompanying financial statements. However, certain United States dividend income and interest income may be 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.

In accordance with GAAP, the Fund is required to determine whether a tax position is 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 Fund is subject to income tax examinations by major taxing authorities for all tax years since inception. 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. De-recognition of a tax benefit previously recognized results in the Fund recording a tax liability that reduces net assets. This policy has been applied to all existing tax positions upon the Fund's initial adoption for the year ended December 31, 2009. Based on its analysis, the Fund has determined that the adoption of this policy did not have a material impact on the Fund's financial statements upon adoption. However, the Fund's conclusions regarding this policy 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 accrued related to unrecognized tax benefits in income tax fees payable, if assessed. No interest expense or penalties have been recognized as of and for the year ended December 31, 2009.

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.

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)

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, 2009, the Fund had cash collateral receivables of approximately \$27,006,000, with derivative counterparties under the same master netting arrangement. The cash collateral amount is included in due to brokers in the statements of assets and liabilities.

Reclassification

Certain 2008 amounts have been reclassified to conform to the 2009 presentation.

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets (at fair value)				
Investments in securities				
Common stocks	\$ 606,711	\$ -	\$ -	\$ 606,711
Debt securities	139,079	-	-	139,079
Total investments in securities	<u>745,790</u>	<u>-</u>	<u>-</u>	<u>745,790</u>
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	<u>52,479</u>	<u>88,436</u>	<u>-</u>	<u>140,915</u>
	<u>\$ 798,269</u>	<u>\$ 88,436</u>	<u>\$ -</u>	<u>\$ 886,705</u>

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

2. Fair value measurements (continued)

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

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

The following table present information about the Fund's assets measured at fair value as of December 31, 2008 (in thousands):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets (at fair value)				
Investments in securities				
Common stocks	\$ 253,821	\$ -	\$ -	\$ 253,821
Debt securities	375,397	21,497	-	396,894
Private investment companies	-	-	90,930	90,930
Total investments in securities	<u>629,218</u>	<u>21,497</u>	<u>90,930</u>	<u>741,645</u>
Derivative contracts				
Call options	573	6,400	-	6,973
Future contracts	45,033	-	-	45,033
Forward contracts	-	9,741	-	9,741
Credit default swaps	-	19,039	-	19,039
Interest rate swaps	-	672	-	672
Total derivative contracts	<u>45,033</u>	<u>35,852</u>	<u>-</u>	<u>81,458</u>
	<u>\$ 674,251</u>	<u>\$ 57,349</u>	<u>\$ 90,930</u>	<u>\$ 823,103</u>

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

2. Fair value measurements (continued)

The following table present information about the Fund's liabilities measured at fair value as of December 31, 2008 (in thousands):

	Level 1	Level 2	Level 3	Total
Liabilities (at fair value)				
Securities sold short				
Common stocks	\$ 81,221	\$ -	\$ -	\$ 81,221
Derivative contracts				
Put options	355	-	-	355
	<u>\$ 81,576</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,576</u>

The following tables present additional information about Level 3 assets measured at fair value. 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)	\$ -	\$ -	\$ -

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

2. Fair value measurements (continued)

Changes in Level 3 assets measured at fair value for the year ended December 31, 2008 (in thousands) were as follows:

	LEVEL 3					
	Beginning Balance January 1, 2008	Realized & Unrealized Gains (Losses)	Purchases, Sales and Settlements	Net Transfers In and/or (Out) of	Ending Balance December 31, 2008	Change in Unrealized Gains (Losses) for Investments still held at December 31, 2008
Assets (at fair value)						
Investments in private investment companies	\$ 121,950	\$ 2,127	\$ (33,147)	\$ -	\$ 90,930	\$ (6,791)

3. Due 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. and UBS AG, the Fund's brokers. The Fund is subject to credit risk to the extent any broker with which 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. As of July 1, 2009, substantially all assets of the Fund are on deposit with JPMorgan Chase & Co., the prime broker for the Fund.

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.

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.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

5. Derivative contracts (continued)

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 United States dollar, and to manage the price risk associated with its commodity portfolio positions.

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

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"). Subsequent payments (variation margin) are made or received by the Fund each day, depending on the daily fluctuations in the value of the contract, and are recorded as unrealized gains or losses by the Fund. 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.

Swap Contracts

The Fund enters into various swap contracts, including interest rate 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.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

5. Derivative contracts (continued)

Swap Contracts (continued)

During the term of the swap contracts, 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 income is also reflected in net 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. The Fund pays a premium and the counterparty agrees to make a payment to compensate the Fund for losses upon the occurrence of a specified credit event. Generally, the Fund pays 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 2013 through 2017.

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.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

5. Derivative contracts (continued)

Options

The Fund is subject to equity, commodity and foreign exchange price 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 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. Options written by the Fund may expose the Fund to market risk of an unfavorable change in the financial instrument underlying the written option.

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. 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)

Volume of Derivative Activities

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 table identifies 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, 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 table also identifies the net gain and loss amounts included in the statements of operations as net gain (loss) from derivative contracts and net change in unrealized appreciation or depreciation on derivative contracts, categorized by primary underlying risk, for the year ended December 31, 2009.

(in thousands)

Primary underlying risk	Derivative assets	Derivative liabilities	Amount of 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)
	19,444	488	11,408
Equity price			
Options	39,117	-	7,008
Futures contracts	-	1,536	(3,925)
	39,117	1,536	3,083
Commodity price			
Futures contracts	61,650	9,335	(32,360)
Options	20,621	1,055	23,997
	82,271	10,390	(8,363)
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	\$ 140,915	\$ 1,055	\$ 17,249

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

6. 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 these financial statements.

7. Financial instruments with off-balance-sheet risk

The Fund enters into transactions using financial instruments with off-balance-sheet risk in the normal course of its trading activities. At December 31, 2009, these instruments were foreign currency forward contracts and futures trading. Such instruments generally represent future commitments to purchase or sell currencies at specific terms at specified future dates. These commitments may be traded on an exchange or over-the-counter ("OTC"). OTC contracts are negotiated between contracting parties. Each of these instruments is subject to various risks including market and credit risk. In general, the risks associated with OTC contracts are greater than those associated with exchange traded instruments because of the greater risk of default by the counterparty to an OTC contract.

Market risk is the potential for changes in the value of the financial instruments traded by the Fund due to market changes, including foreign exchange rate movements and fluctuations in commodity prices. Market risk is directly impacted by the volatility and liquidity in the markets in which the related underlying assets are traded.

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. The Fund is exposed to interest rate risk to the extent that interest rates rise and the value of financial instruments in the secondary market decreases.

Credit risk is the possibility that a loss may occur due to the failure of a counterparty to perform according to the terms of a contract. The Fund's risk of loss in the event of counterparty default is typically limited to the amounts recognized in the statements of assets and liabilities and is not represented by the contract or notional amounts of the instruments. The Fund's credit risk at December 31, 2009 is concentrated with JPMorgan Chase & Co. and UBS AG, which are the counterparties or brokers to virtually all of the Fund's assets and transactions.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

8. Capital share transactions

As of December 31, 2009, 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, 2009 and December 31, 2008, for Class A are as follows:

Number of Shares	2009	2008
Outstanding, beginning of year	164,740.65	150,878.18
Issued during the year	14,879.79	25,351.97
Redeemed during the year	(10,726.56)	(11,489.50)
Outstanding, end of year	<u>168,893.88</u>	<u>164,740.65</u>
Amounts		
Amounts issued	<u>\$ 48,934,434</u>	<u>\$ 73,011,955</u>
Amounts redeemed	<u>\$ (33,579,160)</u>	<u>\$ (31,311,644)</u>
Ending net assets	<u>\$ 641,176,607</u>	<u>\$ 558,321,032</u>
Ending NAV per share	<u>\$ 3,796.33</u>	<u>\$ 3,389.09</u>

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, 2009.

FRIEDBERG GLOBAL-MACRO HEDGE FUND LTD.

NOTES TO FINANCIAL STATEMENTS

(Expressed in United States Dollars)

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 earned.

Due from Brokers

The amounts due from brokers include \$162,405,439 due from FMG at December 31, 2008.

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 years ended December 31, 2009 and December 31, 2008 were approximately \$840,000 and \$1,046,000, respectively. FMG did not hold any assets of the Fund as of December 31, 2009.

Management Fee Refund

The Investment Advisor refunds 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.

Derivative Contracts

The fair value of derivative contracts held by FMG at December 31, 2009 and 2008 were \$0 and \$58,725,870 respectively.

Investment in Friedberg Total Return Fixed Income Fund Ltd.

During 2009 and 2008, the Fund had an investment with a related party, Friedberg Total Return Fixed Income Fund Ltd. which in July 2009, was liquidated.

10. Administrator and custodian

As of July 1, 2009, Cayman National Fund Services 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, 2009, cash balances in the amount of approximately \$470,000 are 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, 2009 and 2008 are as follows:

	2009	2008
	Class A Shares	Class A Shares
Per share operating performance		
Net asset value, beginning of year	\$ 3,389.09	\$ 2,394.79
Income (loss) from investment operations:		
Net investment income (loss)	(136.47)	(276.77)
Net gain (loss) on investments	543.71	1,271.07
Total from investment operations	407.24	994.30
Net asset value, end of year	\$ 3,796.33	\$ 3,389.09
Total return		
Total return before incentive fee	14.8 %	49.3 %
Incentive fee	(2.8)	(7.8)
Total return after incentive fee	12.0 %	41.5 %
Ratio to average net assets		
Expenses other than incentive fee	3.3 %	3.7 %
Management fee refund	(0.1)	(0.4)
Incentive fee	2.8	7.9
Total expenses	6.0 %	11.2 %
Net investment income (loss)	(4.0) %	(9.8) %

The ratios do not reflect the Funds' proportionate share of income and expenses of underlying private investment companies.

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, 2010 through May 21, 2010, the Fund accepted additional subscriptions of approximately \$18,228,000 (of which \$470,000 is included in advance subscriptions) and had additional redemptions of approximately \$5,638,000.