

# Quarterly Report

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FIRST QUARTER  
**2019**

FRIEDBERG  
MERCANTILE  
GROUP LTD.

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All Statements made herein, while not guaranteed, are based on information considered reliable and are believed by us to be accurate.

Futures and options trading is speculative and involves risk of loss.

Past trading results are not indicative of future profits.

# First Quarter Report 2019

## MESSAGE TO OUR INVESTORS

I am pleased to report to you the financial results of our two hedge funds for the quarter ended March 31, 2019. The Global-Macro Hedge Fund lost 16.2% (-3.7% since the last letter on Jan 23<sup>rd</sup>), while the Asset Allocation Fund gained 5.3% for the period.

Many of the losses for the Global-Macro Fund were discussed in the previous report and largely represent an erosion of gains earned in the fourth quarter of 2018. A short position in crude oil, now covered, generated a positive return of 60 basis points overall but a loss of 4.6% in the first quarter. Likewise, our short position in US equities via QQQ puts and Nasdaq futures returned 4.4% but lost 3% in the first three months of 2019. Our short position in the Chinese renminbi, via put options, cost the Fund 3% during the period, representing nearly all of the premium value; we are maintaining our exposure with very little residual risk.

While we remain stubbornly wed to ideas discussed in the last letter and conference call, we have exited our long position in Brazilian equities, opting to sidestep an overcrowded trade, and our short position in Chinese banks and property developers, as China has abandoned its deleveraging campaign. We have further cut leverage by reducing our long exposure to US homebuilders, taking advantage of a slight rally while we wait for more meaningful housing statistics in coming weeks, with an eye towards re-entry.

What is left is a concentrated and deleveraged portfolio consisting of the remaining US homebuilders, Greek banks and gold, along with short positions in Australian banks and a selection of debt-sensitive US equities.

To augment this abridged letter, we will hold an extended conference call on Monday, April 15<sup>th</sup>. A replay will be available on our website shortly thereafter.

Thanking you for your continuing trust,



**ALBERT D. FRIEDBERG**



**JAIME A. MACRAE**

# Friedberg Asset Allocation Funds

## Friedberg Asset Allocation Fund Ltd. Friedberg Asset Allocation Fund

The Fund is a multi-strategy fund whose investment objective is to seek significant total investment returns, consisting of a combination of interest income, dividend income, currency gains and capital appreciation. Allocations are reviewed periodically.

**MODEST RISK:** Absolute return.

### Performance<sup>1</sup> as of March 31, 2019

	<b>NAV</b>	<b>Quarterly</b>	<b>One Year</b>	<b>Two Years</b>	<b>Three Years</b>	<b>Five Years</b>
Friedberg Asset Allocation Fund Ltd.	1,545.80	4.89%	-9.17%	-1.17%	2.78%	1.73%
Friedberg Asset Allocation Fund	16.67 <sup>2</sup>	5.31%	-8.36%	-0.49%	3.49%	2.17%
CSFB/Tremont Hedge Fund Index <sup>3</sup>		N.A.	-0.94%	2.43%	3.46%	1.94%

<sup>1</sup> Net of fees

<sup>2</sup> NAV adjusted to reflect distributions reinvested in the fund

<sup>3</sup> Compounded annual rate of return through February 2019

# Friedberg Asset Allocation Funds

Capital allocation of the Friedberg Asset Allocation Fund Ltd.  
as of March 31, 2019 is as follows:

INVESTMENT		CURRENT ALLOCATION	TARGET
FIXED INCOME		43.24%	45.00%
<i>U.S. Ten-Year Treasury Futures</i>	43.24%		
EQUITIES		44.57%	45.00%
<i>U.S. and Australian Gold Miners</i>	16.46%		
<i>Greek Banks</i>	11.72%		
<i>Cybersecurity ETF</i>	11.11%		
<i>U.S. Home Construction</i>	5.28%		
FUTURES		10.43%	10.00%
<i>June Gold Futures</i>	10.43%		
CASH / MONEY MARKET		1.76%	0.00%
		100.00%	100.00%

## Friedberg Asset Allocation Fund Ltd.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019	2.63%	2.38%	-0.18%										4.89%
2018	3.62%	-6.33%	0.31%	-0.68	-6.06%	-2.29%	0.24%	-3.36%	-1.34%	-3.33%	0.07%	2.75%	-15.69%
2017	6.57%	2.07%	-0.54%	-1.54%	-1.12%	3.55%	1.31%	1.99%	-0.39%	1.38%	2.60%	2.32%	19.48%
2016	-3.94%	5.15%	3.28%	8.82%	-4.95%	7.51%	4.24%	-3.87%	1.15%	-4.46%	-5.46%	0.90%	7.18%
2015	3.45%	0.31%	-1.31%	-0.74%	-1.03%	-1.67%	0.74%	-2.21%	-2.67%	3.79%	0.91%	-2.86%	-3.49%
2014	3.55%	3.30%	-1.58%	0.25%	0.32%	3.29%	-2.41%	2.93%	-5.79%	-1.39%	2.06%	0.78%	4.94%
2013	0.91%	-1.21%	0.89%	1.47%	-5.07%	-7.09%	1.98%	-0.95%	1.22%	1.99%	-0.80%	-2.20%	-8.94%
2012	5.10%	-0.08%	-2.83%	-0.77%	-3.22%	1.21%	0.40%	0.72%	1.43%	1.24%	2.83%	-1.16%	4.70%
2011	-4.11%	4.18%	1.11%	5.56%	-1.67%	-1.98%	4.65%	5.15%	-2.86%	3.31%	-1.05%	-1.58%	10.52%
2010	-0.27%	0.99%	0.56%	3.47%	1.10%	0.99%	-2.23%	3.36%	3.91%	2.57%	-0.06%	0.83%	16.14%
2009						0.38%	2.62%	0.09%	2.91%	0.53%	7.15%	-3.63%	10.13%

\*\*\* PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS \*\*\*

# Friedberg Global-Macro Hedge Funds

## Friedberg Global-Macro Hedge Fund Ltd. Friedberg Global-Macro Hedge Fund

A multi-strategy fund. Allocations are reviewed periodically.

### Performance<sup>1</sup> as of March 31, 2019

	NAV	Quarterly	One Year	Three Years	Five Years	Ten Years
Friedberg Global-Macro Hedge Fund Ltd.	2,426.12	-15.83%	-32.74%	-12.87%	-6.79%	-2.67%
Friedberg Global-Macro Hedge Fund	14.45 <sup>2</sup>	-16.23%	-32.57%	-11.99%	-6.50%	-1.12%
CSFB/Tremont Hedge Fund Index <sup>3</sup>		N.A.	-0.94%	3.46%	1.94%	5.38%

<sup>1</sup>Net of fees

<sup>2</sup>NAV adjusted to reflect distributions reinvested in the fund

<sup>3</sup>Compounded annual rate of return through February 2019

# Friedberg Global-Macro Hedge Funds

## Friedberg Global-Macro Hedge Fund Ltd.

### Monthly Performance (%) Net of Fees

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019	-10.24%	-7.93%	1.86%										-15.82%
2018	4.82%	-18.57%	4.07%	-3.39%	-13.97%	-5.66%	0.28%	-7.53%	0.32%	7.40%	-4.06%	6.31%	-29.03%
2017	0.23%	3.14%	-0.44%	-1.76%	1.05%	1.22%	-2.39%	2.14%	-0.77%	10.58%	15.85%	4.13%	36.47%
2016	4.54%	9.86%	-9.79%	0.72%	-3.39%	1.30%	3.67%	-6.83%	-1.93%	-10.13%	-3.70%	0.49%	-15.94%
2015	4.75%	-1.16%	2.73%	-14.00%	3.14%	0.08%	11.12%	6.69%	-0.21%	0.16%	5.70%	-2.68%	15.09%
2014	17.06%	0.30%	-17.58%	-3.84%	-3.35%	1.27%	-12.07%	5.19%	-4.38%	-1.53%	7.09%	1.60%	-13.70%
2013	7.65%	-3.74%	3.04%	-1.90%	-5.62%	-13.17%	-14.23%	-1.28%	-11.27%	-4.80%	4.84%	1.87%	-34.43%
2012	-15.04%	-5.20%	1.64%	8.84%	11.22%	-2.12%	-0.69%	1.00%	0.84%	0.70%	-2.43%	-5.29%	-8.72%
2011	-10.28%	7.67%	-0.71%	9.53%	-5.06%	-3.23%	15.96%	16.22%	18.69%	-21.76%	11.47%	4.60%	40.86%
2010	2.99%	0.36%	-7.34%	3.76%	13.22%	4.75%	-13.76%	6.95%	9.11%	1.69%	-1.61%	-6.16%	11.36%
2009	-5.85%	-3.88%	3.65%	-7.15%	14.97%	-7.85%	9.47%	1.97%	5.02%	-2.21%	9.56%	-3.34%	12.02%
2008	7.18%	9.57%	-1.04%	-6.48%	4.51%	8.58%	-0.24%	-6.85%	4.18%	-5.96%	5.85%	19.06%	41.52%
2007	-1.01%	1.07%	-3.44%	-1.28%	-0.80%	1.57%	10.06%	2.80%	-1.33%	5.89%	7.91%	3.00%	26.27%
2006	1.88%	1.06%	-1.81%	2.07%	-0.75%	1.27%	2.04%	-0.09%	-0.56%	3.10%	2.43%	0.54%	11.64%
2005	1.04%	0.84%	-1.13%	1.31%	1.06%	2.47%	0.08%	0.95%	2.75%	-1.38%	2.56%	2.20%	13.41%
2004	4.03%	3.44%	1.36%	-7.84%	-0.39%	0.27%	1.02%	1.90%	1.45%	1.67%	2.76%	3.24%	13.09%
2003	3.11%	3.06%	-4.58%	-1.15%	9.26%	-3.77%	-8.04%	2.91%	5.49%	1.69%	1.49%	1.10%	9.76%
2002	-1.46%	2.04%	-2.22%	4.41%	5.41%	6.16%	-2.42%	4.45%	2.80%	-6.70%	0.32%	7.56%	21.17%
2001											0.00	-0.40%	-0.40%

\*\*\* PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS \*\*\*

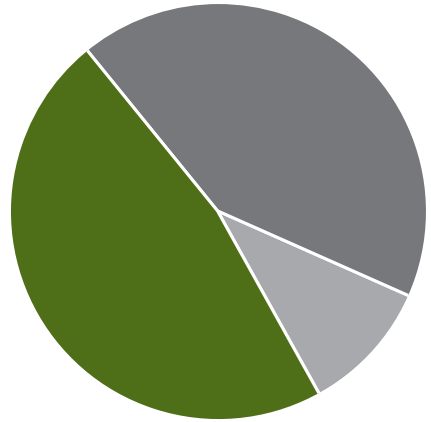
## Global-Macro Hedge Fund Ltd. (Cayman)

Breakdown as a Percentage of Total Assets  
AS OF MARCH 31, 2019

● U.S. and Global Equities*	47.37%
● Currency Program	42.60%
● Commodities	10.02%

Total Exposure per dollar of capital: 2.40x

\* Contains long/short equities

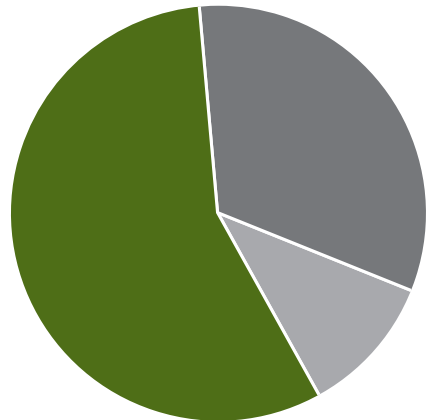


Breakdown as a Percentage of Total Assets  
AS OF DECEMBER 31, 2018

● U.S. and Global Equities*	56.82%
● Currency Program	32.36%
● Commodities	10.82%

Total Exposure per dollar of capital: 2.95x

\* Contains long/short equities





# Closed Funds

Fund	Inception Date	Inception NAV	Liquidation Date	Liquidation NAV	Size of Fund at Liquidation	Annual % Rate of Return
Friedberg Diversified Fund	13-Sep-96	10.00	31-Oct-06	48.43	\$4,642,228	16.90%
Friedberg Global Opportunities Fund Ltd.	13-May-97	1000.00	28-Feb-05	501.89	\$5,700,000	-8.46%
Friedberg Equity Hedge Fund L.P.	15-Feb-98	10.00	31-Oct-06	22.12	\$6,784,836	9.50%
Friedberg International Securities Fund	31-Mar-98	10.00	30-Nov-05	11.49	\$4,500,000	1.83%
Friedberg Futures Fund	8-May-98	10.00	31-Oct-06	19.59	\$1,126,409	8.10%
Friedberg Global-Macro Hedge Fund L.P.	31-May-02	10.00	31-Oct-06	19.00	\$30,691,202	15.64%
Friedberg Equity Hedge Fund Ltd.	16-Oct-96	1000.00	30-Apr-07	2951.78	\$31,540,284	10.81%
Friedberg Currency Fund II Ltd.	6-Mar-97	1000.00	30-Jun-08	1019.23	\$35,599,879	0.17%
Friedberg Total Return Fixed Income Fund Ltd.	2-Oct-96	1000.00	31-Jul-09	2155.93	\$94,686,020	6.17%
First Mercantile Currency Fund	7-Sep-85	10.00	30-Dec-09	8.29	\$848,443	N.A.
Friedberg Foreign Bond Fund	19-Aug-96	10.00	30-Jul-10	9.84	\$13,336,465	6.91%
Friedberg Total Return Fixed Income Fund L.P.	19-Feb-97	100.00	28-Dec-11	325.47	\$11,776,462	8.27%
Friedberg Forex L.P.	13-Jun-91	10.00	28-Dec-11	11.78	\$2,558,382	2.66%
Friedberg Currency Fund	3-Jan-95	10.00	30-June-13	8.41	\$1,932,936	-0.93%

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