# Quarterly Report

Friedberg Mercantile Group Ltd

3

THIRD QUARTER

2021

50 YEARS 1971 · 2021

FRIEDBERG MERCANTILE GROUP LTD.

# Contents



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.

# 2021
# Third Quarter Report

50 YEARS 1971 · 2021 | FRIEDBERG MERCANTILE GROUP LTD.

## MESSAGE TO OUR INVESTORS

I am pleased to report to you the financial results of our two hedge funds for the quarter ended September 30, 2021.

The Global-Macro Hedge Fund lost 4.8% for the quarter but is up 15.3% for the year, nearly tied with the total return for the S&P 500, which was up 15.92% at the end of September. The Asset Allocation Fund lost 5.9% for the quarter, realizing a small loss of 1.1% year to date.

Our portfolio faced several challenges over the quarter. Notably, gold suffered another major selloff in August and, after a quick recovery, has been trending gently lower. This failure to show any strength in the face of consistently high inflation measures was both perplexing and costly (the Global-Macro Hedge Fund lost 2.4% during the quarter, and gold has been the worst performing position for the year, costing us 12.7% year to date). We have now moved aside completely, awaiting a strong technical move higher before we re-engage.

Concerns about renewed COVID-19-related shutdowns in China (and elsewhere) weighed on commodity markets, which trended sideways for most of the quarter. Ex energy, commodities were lower for the period. Natural gas, however, was a major outlier. A confluence of harsh winter forecasts, rising industrial activity, and supply constraints (exacerbated by green energy mandates and related underinvestment in new production) contributed to a sharp rally, which saw prices rise to levels not seen in several years in North America. This also led to energy rationing in China and record prices in parts of Europe. Natural gas contributed the largest gain to the fund this quarter, adding 4.6% to net asset value (NAV). Crude oil is also on the rise, with spot prices reaching seven-year highs. Our commodity exposure is now tilted more heavily towards these energy products.

It was equities as an asset class that proved most costly to the fund over the summer. Our long positions in US homebuilder stocks cost 3.2%, and cannabis stocks cost 2.1%. Our short positions in Tesla and broad indices cost us 1.1% and 1.8% respectively. The homebuilders, while a slight drag on the quarter, continue to benefit from a strong housing market. Their biggest challenge is keeping up with demand, and we expect them to perform well even in a weak general market. While rising rates may seem a headwind, mortgage rates remain historically low and the rising trend in house prices will continue to drive demand. Conversely, we have once again taken short positions in a selection of rapidly deteriorating speculative technology companies, which until earlier this year had enjoyed fantastic rallies based on optimism about their ability to produce profits in the distant future. As rates rise in response to inflationary pressures, investors will no longer be able to justify paying such lofty premiums for forward-looking growth prospects. Our outlook for the broad market has soured, with a long-term divergence between market breadth and the index benchmarks growing. In fact, leadership was narrowing even as the market rose. There were fewer and fewer names moving higher, conditions that commonly presage a downturn, so we have also taken a short position in US small-cap equities by way of Russell 2000 futures.

The most noteworthy new additions to the portfolio are short positions in long-term US treasurys along with a diversified basket of perpetual corporate bonds and preferred shares. With inflation now an undeniable reality and growing acceptance of our long-held conviction — that inflationary forces are not and will not be transitory — we expect the yield curve to steepen as longer-dated maturities untether from the financial repression of the Federal Open Market Committee, which should begin tapering soon. Without the central bank's insatiable bond purchases, market forces will drive rates higher — a phenomenon that is a distant memory to some after more than a decade of manipulation. Moreover, as rates increase, creditworthiness will reassert itself as a risk factor, and so we expect credit spreads to widen as well. Corporates have binged on cheap debt for many years, and many will be unable to meet obligations once interest expenses surge higher. We want to be short duration and poor credit quality. As these positions were entered towards the end of September, they did not contribute meaningfully to performance for the period.

Despite the setback in the third quarter, we are pleased to have kept pace with the strong stock market. Our portfolio offers tremendous diversification for traditional long-only equity portfolios, providing exposure to unconventional assets like natural gas and other commodities as well as upside from rising interest rates, which typically represent a risk to most investment strategies.

As for the Asset Allocation Fund, we cannot be anything but disappointed with results. In our last letter, we explained that we had exited completely from gold bullion (well before doing the same for the Global-Macro Fund) but had decided to maintain our exposure to gold miners. We felt, and still do, that these companies were undervalued and oversold and that they would outperform going forward. We erred in staying with the position, which cost the fund 5% for the third quarter, nearly the entire loss sustained for the period. Nevertheless, we want to continue owning these stocks. After more than 25 years of destroying capital, the median gold miner is now delivering positive cash flow to enterprise value. Housing stocks (our largest position) cost us another 1.8%. Commodities, in particular natural gas, helped to the tune of 1.1%.

Our total commodity exposure in the Global-Macro Hedge Fund is 134% heading into the fourth quarter, consisting of 50% broad indices, 58% crude oil, 16% natural gas, and 10% carbon credits. We still have a 40% long exposure to US homebuilders and a small 8% exposure to cannabis stocks. Taking advantage of growing dispersion within equity markets, we are 20% short technology stocks and 20% short small-cap equities, complemented by some S&P 500 puts. Our new shorts in fixed-income instruments represent 38% of assets. The Asset Allocation Fund is invested along the same lines (excluding shorts), with 40% allocated to housing stocks, 40% allocated to commodities (skewed towards energy), and 20% invested in gold mining companies.

**ALBERT D. FRIEDBERG** **JAIME A. MACRAE**

## LETTER FROM THE MANAGER

In the shareholder letter sent to you in April of this year, we advised that "the storm clouds are starting to gather." The storm clouds, we explained, came in the form of a persistent, abiding and accelerating inflation that the Fed had refused to acknowledge.

It's six months later, and the storm has commenced. Prices of almost everything are climbing at the fastest pace in a generation. It's no longer just used car prices but oil, gas, coal, food of all sorts, rentals, you name it. The most common explanation, the one accepted by nearly all financial observers and the media, is that we have run into some serious supply chain problems, the "obvious" result of COVID-19. Scores of ships, and millions of containers, are unable to disembark in American ports. Asian producers have been unable to keep up with US consumer needs. All this is true, but the impression one gets is that these are unfortunate and temporary interruptions in a complex chain of production, normal after a lengthy period of inactivity. That is, however, an incorrect narrative. The true narrative is that demand has outrun supply, and demand has exceeded supply because demand has been artificially pumped up by a huge increase in government deficit spending and by excessive monetary creation. In an economy where government deficit spending is kept at a minimum, supply creates its own demand. If supply is interrupted by, say, war or epidemic, then demand, too, becomes constrained: producers pay less in wages, and this reduction in wages affects the pace of demand. If, however, government creates money out of thin air, unconnected to the provision of goods and services, demand remains strong and it tends to overwhelm supply. In effect, goods and services are unable to catch up to the artificially pumped-up demand. The supply chain problem is a vindication of Say's Law, which says that supply produces demand, and it's a rejection of Keynesian economics.

The initial and immediate effect of this artificial, unproductive government transfer of income is to stimulate production, which then raises real income. This explains the extraordinary double-digit increases in GDP that we have

seen in the past few months. But as we reach capacity constraints, excess demand begins to translate exclusively into rising prices. The fancy word for the described phenomenon, i.e., little or no growth accompanied by high and rising inflation, is stagflation. This is what happened in the seventies and this is what's happening now.

The storm has begun. And it will have more serious consequences, longer term, than the seventies had on the following decades. That's because, during this frenzied period of fiscal overspending and excess money creation, the Fed repressed market rates of interest by purchasing $120 billion of Treasurys and mortgage bonds on a monthly basis for the past 18 months. This monetary operation kept long-term rates well below their equilibrium levels. By so doing, the Fed distorted capital-allocation decisions throughout the economy in a most significant way. This distortion will surely have an impact on economic efficiency and productivity in the years ahead: projects have been initiated (and maintained) that would never have seen the light of the day were it not for the fact that the discount rates applied to these projects were far lower than they would have been in a free market. Misallocation and the resultant increase in malinvestments will require years of substandard economic growth before they are properly "liquidated."

Stagflation will continue for as long as the Fed misunderstands the phenomenon. And when they finally come to understand it, it's doubtful to us that they will have the gumption to bring inflation under control. In the proverbial language, the Fed will wimp out. With time of course, measured in years not months, political pressure will mount to bring inflation under control in the realization that inflation is a highly regressive tax on the population. Inflation further impoverishes the poor, raises inequality, and lowers economic activity by shrinking real purchasing power.

The investment implications are clear to us. With the coming "taper," long-term rates will float upwards and eventually surpass nominal GDP annual growth rates. Commodities will continue to lead the way. Critical among them are coal, oil, and natural gas; their explosive path, driven by already favourable fundamentals, is being magnified by the consequences of ill-thought-out moves to transition to greener energy. Base metals, cotton, sugar, coffee,

each for their own particular reason, will soon be making multi-year highs (cotton already has). It's only a matter of time before precious metals join the parade. Because inflation does not follow a straight line and is quite lumpy, an index best captures the bull market. That's what we have done to date. Still, we have also allowed ourselves to be selective, at least with respect to the most liquid and important commodities.

As long-term interest rates rise, technology stocks with little or no earnings, puffed up by dreams and hopes of an era of cheap money, will suffer significant markdowns. These companies represent good examples of the misallocation and malinvestments referred to earlier. We have made and will continue to make important bets in that direction.

Not all equities will be affected negatively in the months and years to come. TINA ("there is no alternative") will stay with us for quite some time as the Fed begins its long battle to subdue inflation (see our earlier remarks). To be more specific, not until interest rates offer real, positive returns, will investors give up on owning real assets. This leads us to believe that cyclicals selling at relatively low multiples, such as producers of raw materials and homebuilders, will do well.

I believe that our economic and financial framework will allow us to navigate the coming year successfully.

Thanking you for your trust,

**ALBERT D. FRIEDBERG**

# Friedberg Asset Allocation Funds



50 YEARS 1971 · 2021

FRIEDBERG MERCANTILE GROUP LTD.

# 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[1] as of September 30, 2021

| | NAV | Quarterly | One Year | Three Years | Five Years | Ten Years |
|---|---|---|---|---|---|---|
| Friedberg Asset Allocation Fund Ltd. | 1,474.52 | -5.77% | -4.40% | -0.18% | -1.68% | 0.48% |
| Friedberg Asset Allocation Fund | 15.65[2] | -5.72% | -4.28% | -0.49% | -1.48% | 0.57% |
| CSFB/Tremont Hedge Fund Index[3] | | N.A. | 13.03% | 6.10% | 5.54% | 4.54% |

[1] Net of fees
[2] NAV adjusted to reflect distributions reinvested in the fund
[3] Compounded annual rate of return through August 2021

## Sector Performance

*Based on the Friedberg Asset Allocation Fund*

| | Q3 | YTD |
|---|---|---|
| **EQUITIES** | **-6.80%** | **0.41%** |
| U.S. Homebuilders | -1.80% | 6.58% |
| International Gold Miners | -5.00% | -6.73% |
| Greek Construction | 0.00% | 0.56% |
| **COMMODITIES** | **1.06%** | **0.16%** |
| Commodity Indices | 0.05% | 1.21% |
| Gold | 0.00% | -2.61% |
| Crude Oil | -0.01% | 0.54% |
| Natural Gas | 0.68% | 0.68% |
| Carbon Credits | 0.44% | 0.44% |
| 10 Year Notes | -0.10% | -0.10% |

# Friedberg Asset Allocation Funds

**Capital allocation of the Friedberg Asset Allocation Fund Ltd. as of September 30, 2021 is as follows:**

| INVESTMENT | | CURRENT ALLOCATION |
|---|---|---|
| EQUITIES | | 61.80% |
| *U.S. Homebuilders* | *40.13%* | |
| *International Gold Miners* | *21.67%* | |
| COMMODITIES | | 38.77% |
| *Commodity Indices* | *14.97%* | |
| *Crude Oil* | *13.28%* | |
| *Natural Gas* | *5.55%* | |
| *Carbon Credits* | *4.97%* | |
| CASH / MONEY MARKET | | -0.57% |
| | | 100.00% |

## Friedberg Asset Allocation Fund Ltd.

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2021 | -1.57% | -2.81% | 5.00% | 6.74% | 4.83% | -6.42% | 2.51% | -3.29% | -4.95% | | | | -0.89% |
| 2020 | -3.85% | -16.37% | -21.36% | 15.06% | 4.50% | 3.51% | 11.99% | 0.52% | -3.31% | -4.58% | -1.87% | 3.01% | -17.38% |
| 2019 | 2.63% | 2.38% | -0.18% | 1.19% | 4.04% | 3.11% | 1.03% | -2.03% | -1.29% | 5.06% | -1.62% | 6.28% | 22.19% |
| 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



50 YEARS 1971 · 2021

FRIEDBERG MERCANTILE GROUP LTD.

# 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[1] as of September 30, 2021**

| | NAV | Quarterly | One Year | Three Years | Five Years | Ten Years |
|---|---|---|---|---|---|---|
| Friedberg Global-Macro Hedge Fund Ltd. | 2,336.88 | -4.92% | 23.00% | -3.87% | -7.34% | -9.76% |
| Friedberg Global-Macro Hedge Fund | 13.94[2] | -4.78% | 22.28% | -3.76% | -6.61% | -9.69% |
| CSFB/Tremont Hedge Fund Index[3] | | N.A. | 13.03% | 6.10% | 5.54% | 4.54% |

[1]Net of fees
[2]NAV adjusted to reflect distributions reinvested in the fund
[3] Compounded annual rate of return through August 2021

# Friedberg Global-Macro Hedge Funds

## Sector Performance

*Based on the Friedberg Global-Macro Hedge Fund*

| | Q3 | YTD |
|---|---|---|
| **COMMODITIES** | **4.55%** | **18.92%** |
| Gold | -2.38% | -12.67% |
| Silver | 0.00% | -0.17% |
| Crude Oil | 1.27% | 10.68% |
| Commodity Indices | 0.13% | 14.00% |
| Palladium | 0.00% | 0.98% |
| Platinum | 0.00% | -0.21% |
| Coffee | 0.00% | 0.10% |
| Carbon Credits | 0.90% | 0.90% |
| Natural Gas | 4.63% | 5.31% |
| **BONDS** | **-0.20%** | **-0.77%** |
| Ultrabonds | -0.30% | -0.87% |
| iShares Preferred and Income Securities | 0.01% | 0.01% |
| 10 Year Notes | 0.09% | 0.09% |
| **EQUITIES** | **-8.10%** | **1.68%** |
| LONG | | |
| Equity Indices (long) | 0.00% | -0.27% |
| U.S. Homebuilders | -3.24% | 7.87% |
| Amazon Inc. | 0.01% | 0.47% |
| China Electric Vehicles | 0.00% | 1.28% |
| Sport Entertainment Industry | -0.01% | -0.08% |
| Cannabis Producers and Distributors | -2.08% | 0.03% |
| SHORT | | |
| Equity Indicies (Short) | -1.76% | -5.02% |
| Latin America E-Commerce | 0.00% | -0.34% |
| iShares MSCI China ETF | -0.02% | -0.02% |
| Tesla Inc. | -1.12% | -3.63% |
| Technology Basket | 0.13% | 1.39% |
| **MONEY MARKET** | **0.00%** | **0.00** |

# 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2021 | 0.56% | 7.91% | 4.43% | 7.41% | 9.42% | -8.65% | 3.45% | -9.85% | 1.95% | | | | 15.68% |
| 2020 | -8.55% | -19.41% | -34.68% | 26.35% | 6.78% | 4.88% | 30.59% | 4.78% | -10.18% | -9.35% | 8.90% | 7.70% | -10.99% |
| 2019 | -10.24% | -7.93% | 1.86% | -1.68% | 4.57% | -6.40% | -4.54% | 6.83% | -2.08% | -3.45% | -3.89% | 4.91% | -21.26% |
| 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% |

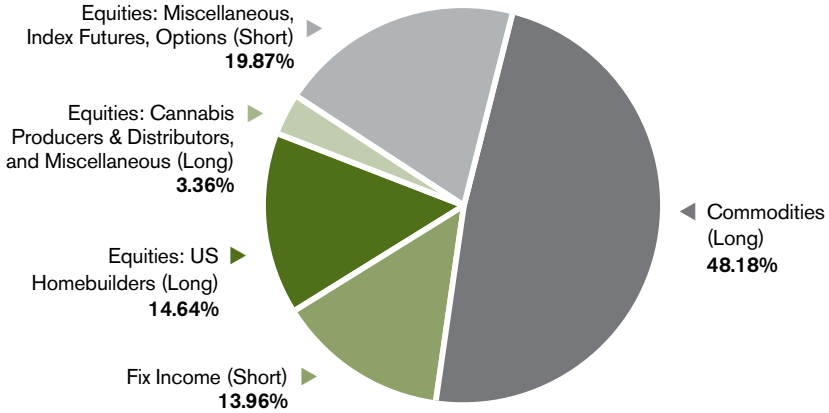
*** PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS ***

# Friedberg Global-Macro Hedge Funds

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

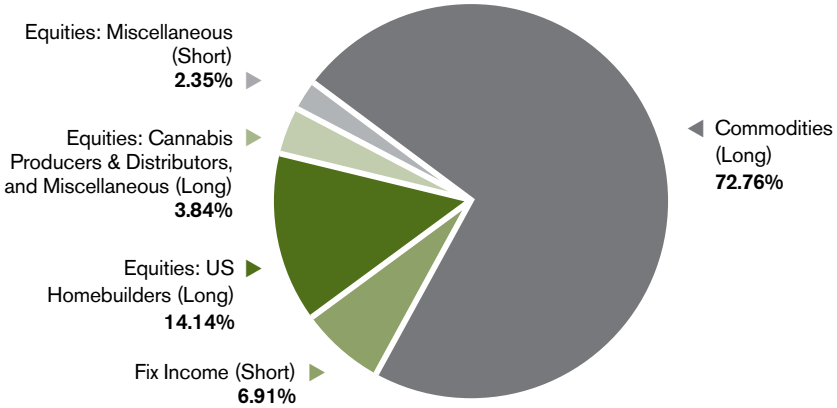
### Breakdown by Total Exposure
**AS OF SEPTEMBER 30, 2021**

**Percentages of Total Assets**




### Breakdown by Total Exposure
**AS OF JUNE 30, 2021**

**Percentages of Total Assets**

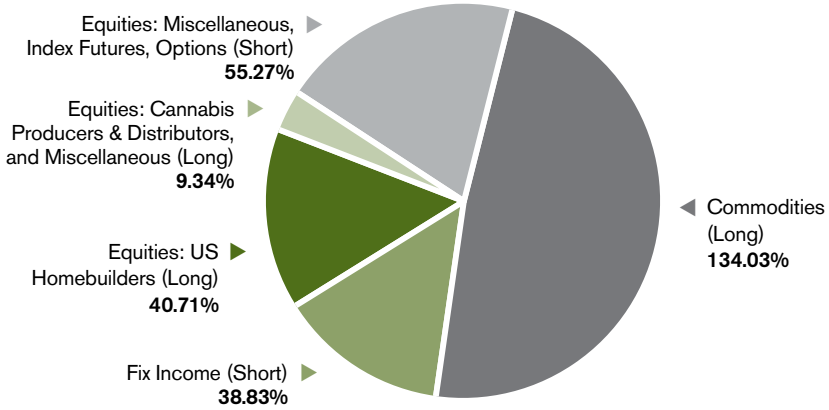


# Friedberg Global-Macro Hedge Funds

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

### Breakdown by Total Net Exposure
**AS OF SEPTEMBER 30, 2021**

**Percentages of Net Assets**

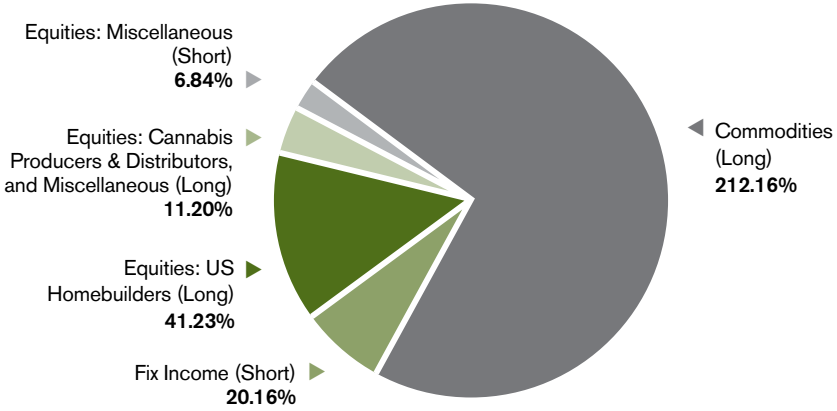



**TOTAL ASSETS TO NET ASSETS: 278.18%**

---

### Breakdown by Total Net Exposure
**AS OF JUNE 30, 2021**

**Percentages of Net Assets**




**TOTAL ASSETS TO NET ASSETS: 291.74%**

# 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% |

FRIEDBERG
MERCANTILE
GROUP LTD.

**FRIEDBERG MERCANTILE GROUP LTD.**

220 Bay Street, Suite 600, Toronto, Ontario M5J 2W4
Tel: (416) 364-2700
Fax: (416) 364-0572
E-mail: funds@friedberg.ca

**www.friedberg.ca**