

**FRIEDBERG ASSET ALLOCATION FUND
INTERIM FINANCIAL STATEMENTS**

JUNE 30, 2025
(in U.S. Dollars)
(Unaudited)

AND

**FRIEDBERG ASSET ALLOCATION FUND LIMITED PARTNERSHIP
INTERIM FINANCIAL STATEMENTS**

JUNE 30, 2025
(in U.S. Dollars)
(Unaudited)

FRIEDBERG ASSET ALLOCATION FUND
(a unit trust formed under the Laws of Ontario)
STATEMENTS OF FINANCIAL POSITION
(in U.S. dollars except as noted)
(Unaudited)

	As at June 30, 2025	As at December 31, 2024
	<u>\$</u>	<u>\$</u>
ASSETS		
Current		
Investment in Friedberg Asset Allocation Fund Limited Partnership	<u>33,867,862</u>	<u>27,894,700</u>
	<u>33,867,862</u>	<u>27,894,700</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 10)	<u>47,557</u>	<u>68,106</u>
	<u>47,557</u>	<u>68,106</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	<u>33,820,305</u>	<u>27,826,594</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
U.S. Denominated Series	<u>16.75</u>	<u>13.10</u>

Approved and authorized for issue by the Manager, Toronto Trust Management Ltd., on August 5, 2025.

Enrique Zauderer Director, Toronto Trust Management Ltd.

Daniel Gordon Director, Toronto Trust Management Ltd.

FRIEDBERG ASSET ALLOCATION FUND
STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS
FOR THE PERIODS ENDED JUNE 30, 2025 AND 2024
(in U.S. dollars)
(Unaudited)

	2025	2024
	U.S. Denominated Series	U.S. Denominated Series
	\$	\$
Net assets attributable to holders of redeemable units, beginning of the period	27,826,594	29,013,925
Proceeds from the issuance of units (note 8)	7,381	16,527
Increase (decrease) in net assets attributable to holders of redeemable units	7,560,632	2,005,176
Redemption of units (note 8)	<u>(1,574,302)</u>	<u>(1,844,107)</u>
Net assets attributable to holders of redeemable units, end of the period	<u>33,820,305</u>	<u>29,191,521</u>

See accompanying notes to financial statements

FRIEDBERG ASSET ALLOCATION FUND
STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE PERIODS ENDED JUNE 30,

(in U.S. dollars)
(Unaudited)

	2025	2024
	\$	\$
INCOME		
Gain (loss) on investment in Friedberg Asset Allocation Fund Limited Partnership	7,694,962	2,136,537
EXPENSES		
Management fees (note 10)	87,884	83,686
Legal fees	8,424	8,454
Audit and accounting fees	34,176	35,395
Transaction fees	3,846	3,826
	134,330	131,361
INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	7,560,632	2,005,176
INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
U.S. Denominated Series	3.64	0.79

See accompanying notes to financial statements

FRIEDBERG ASSET ALLOCATION FUND
STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED JUNE 30,
(in U.S. dollars)
(Unaudited)

	2025	2024
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	7,560,632	2,005,176
Adjustments for:		
Loss (profit) on investment in Friedberg Asset Allocation Fund Limited Partnership	(7,694,962)	(2,136,537)
Net change in working capital items:		
Accounts payable and accrued liabilities	(20,549)	(12,318)
Advances to Friedberg Asset Allocation Fund Limited Partnership	(64,297)	(58,101)
Drawings from Friedberg Asset Allocation Fund Limited Partnership	1,786,097	2,029,360
NET CASH FLOWS FROM OPERATING ACTIVITIES	1,566,921	1,827,580
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of redeemable units	7,381	16,527
Redemption of redeemable units	(1,574,302)	(1,844,107)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(1,566,921)	(1,827,580)
 NET INCREASE (DECREASE) IN CASH FOR THE PERIOD	-	-
 CASH, BEGINNING OF THE PERIOD	-	-
 CASH, END OF THE PERIOD	-	-

See accompanying notes to financial statements

**FRIEDBERG ASSET ALLOCATION FUND
SCHEDULE OF INVESTMENT PORTFOLIO
AS AT JUNE 30, 2025**

(in U.S. dollars)

(Unaudited)

Investment fund owned the following as at June 30, 2025:

<u>Country</u>	<u>Description</u>	<u>Fair value</u> \$	<u>Fair value as of</u> <u>% of Net</u> <u>Assets</u> %
Canada	Friedberg Asset Allocation Fund Limited Partnership	<u>33,867,862</u>	<u>100.14</u>

FRIEDBERG ASSET ALLOCATION FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2025
(in U.S. dollars)

1. GENERAL INFORMATION

Friedberg Asset Allocation Fund (the "Fund") was organized on May 19, 2009, and commenced trading operations on June 1, 2009. The Fund's principal place of business is 220 Bay Street, Suite 600, Toronto Ontario, M5J 2W4. Pursuant to an agreement dated July 1, 2011, the Fund transferred certain property (including cash, securities and positions in derivatives) to Friedberg Asset Allocation Fund Limited Partnership (the "LP") at their fair value on that date by way of a capital contribution, for all the limited partnership units of the LP, by the Fund to the LP.

The Fund is an open-end mutual fund trust established under the Laws of Ontario offering non-transferable, redeemable trust units ("Units"). The investment manager and general partner of the LP is Friedberg Advisors LP ("Friedberg Advisors" or the "Investment Manager") which is an affiliate of Friedberg Mercantile Group Ltd. ("FMGL"). The administrative manager and trustee of the Fund is Toronto Trust Management Ltd. (the "Manager" or "TTML"), which is an affiliate of Friedberg Advisors and FMGL.

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, through the LP, in the following five discrete groups of investments: (i) equity securities generally; (ii) fixed income securities; (iii) commodity forwards and futures contracts and options thereon, and other over-the-counter traded derivatives instruments and commodities; and (iv) cash and cash equivalents.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The Fund's significant accounting policies under IFRS are presented in note 3. The policies applied in these financial statements are based on IFRS issued and outstanding as of August 5, 2025, which is the date on which the financial statements were authorized for issue by the Manager.

Any mention of net asset value ("NAV") refers to net assets attributable to holders of redeemable units as reported under IFRS.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial assets and financial liabilities. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

(c) Functional and presentation currency

These financial statements are presented in United States dollars, which is the functional currency of the Fund. Only the net asset value per Unit for the Canadian Denominated Series (see note 8) is presented in Canadian dollars.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

(i) Recognition and measurement

Financial instruments are classified into one of the following categories: amortized cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”). All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL in which case transaction costs are expensed as incurred.

Financial assets and liabilities are recognized initially on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. The Fund derecognizes a financial asset when its contractual rights are discharged, cancelled or expired. The Fund derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Fund has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset is measured at amortized cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition the Fund may irrevocably elect to measure financial assets that otherwise meets the requirements to be measured at amortized cost or FVOCI as at FVTPL when doing so results in more relevant information.

Financial assets are not reclassified subsequent to their initial recognition, unless the Fund changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Fund has not classified any of its financial instruments as FVOCI.

A financial liability is generally measured at amortized cost, with the exceptions that may allow for classification as FVTPL. These exceptions include financial liabilities that are mandatorily measured at FVTPL, such as derivatives liabilities. The Fund may also, at initial recognition, irrevocably designate a financial liability as measured at FVTPL when doing so results in more relevant information.

(ii) FVTPL

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting date with changes in fair value recognized in the statement of income (loss) and comprehensive

income (loss) in the period in which they occur. The Fund classifies all of their cash balances at broker as held for trading, while the investment in the LP and net assets attributable to holders of redeemable units have been designated as FVTPL upon initial recognition.

The Fund's obligations for net assets attributable to holders of redeemable units is presented at the redemption amount which approximates fair value due to its short-term nature.

The Fund's investment in the LP is presented at FVTPL. As there are no quoted prices in active markets, the fair value of the investment in the LP is based under the carrying value of underlying assets of the LP, which is determined on a fair value basis.

The Fund's accounting policies for measuring the fair value of its investments are similar to those used in measured its NAV for unitholder transactions; therefore, it is expected that net assets attributable to unitholders of redeemable units will be the same in all material respects as the NAV used in processing Unitholder transactions.

(iii) Amortized Cost

Financial assets and liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses. The Fund classifies accounts payable and accrued liabilities and redemptions payable, as amortized cost.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocation interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(b) Impairment of financial assets

An expected credit loss ("ECL") model is applied to the assessment of financial assets. Under the ECL model, the Fund records an allowance for ECL either based on a 12-month ECL or on a lifetime ECL. ECLs are recognized on the following basis:

- A maximum 12-month allowance for ECL is recognized from initial recognition, reflecting the portion of lifetime cash shortfalls that would result if a default occurs in the 12 months after the reporting date, weighted by the risk of a default occurring.
- A lifetime ECL allowance is recognized if a significant increase in credit risk is detected subsequent to the instruments' initial recognition reflecting lifetime cash shortfalls that would result over the expected life of a financial instrument.
- A lifetime ECL allowance is recognized for credit impaired financial instruments.

ECLs for amounts receivable are based on the adoption of a valuation policy which utilize the Fund's historic loss experience by age banding, adjusted for forward looking estimates and other considerations as applicable. The Fund has no amounts receivable subject to the ECL model as at June 30, 2023.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short-term, interest bearing notes with the original term to maturity of less than three months. Cash is comprised of deposits with financial institutions.

(d) Investment income

Gain (loss) on the investment in LP is recognized as it is incurred.

(e) Foreign currency translation

The financial statements of the Fund are denominated in U.S. dollars. Transactions in foreign currencies, if any, are translated into the Fund's functional currency using the exchange rate prevailing on the trade date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the period-end exchange rate. Any such foreign exchange gains and losses are presented as "Foreign currency translation gain (loss)" in the statements of income (loss) and comprehensive income (loss).

(f) Redeemable units

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. The Fund has designated the redeemable units as financial liabilities at FVTPL because they are managed and their performance is evaluated on a fair value basis. The redeemable units provide investors with the right to require redemption, subject to available liquidity, for cash at a unit price based on the Fund's valuation policies at each redemption date. Distributions to holders of redeemable units are recognized in the statement of income (loss) and comprehensive income (loss) when they are authorized and no longer at the discretion of the Manager.

(g) Increase (decrease) in net assets attributable to holders of redeemable Units per Unit

The increase (decrease) in net assets attributable to holders of redeemable Units per Unit in the statements of income and comprehensive income is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable Units by the weighted average number of Units outstanding during the period.

(h) Income taxes

The Fund is taxed as a unit trust under the Income Tax Act (Canada). Provided that the Fund makes distributions in each year of its net taxable income and taxable net capital gains, the Fund will not generally be liable for income tax. It is the intention of the Fund to distribute all its net taxable income and net realized capital gains on an annual basis. Accordingly, no income tax provision has been recorded.

(i) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective at June 30, 2025, and have not been applied in preparing these financial statements. Management has determined that none of these will have a significant effect on the financial statements of the Fund.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires the Manager to make estimates, judgments and assumptions that affect the application of accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

In making estimates and assumptions, the Manager relies on external information and observable conditions where possible, supplemented by internal analysis as required. These estimates and assumptions have been applied in a manner consistent with prior periods and there are no known trends, commitments, events or uncertainties that the Manager believes will materially affect the methodology or assumptions utilized in making these estimates and assumptions in these financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Areas of significant estimates include accounts payable and accrued liabilities and fair value of financial instruments.

Geopolitical conflicts, including Russia-Ukraine war, terrorism or other military events could directly or indirectly impact the LP's portfolio investments, financial markets or more broadly, the global economy. For example, as a result of the Russia-Ukraine war, a portfolio company may be adversely impacted by having operations in Russia or Ukraine, actual or potential disruptions in supply chains, an increased risk of cyberattacks, an increase in commodity prices, the availability and cost of energy, reputational risks and the global economy. In addition, the Russia-Ukraine war, terrorism or other military events have broader implications, including increased sanctions, trade barriers or restrictions on global trade or further retaliatory sanctions and trade measures taken by Russia or other countries in response. The future of these events is highly uncertain, and unforeseen developments could generate further changes to geopolitical conflicts risk and worsen their economic effects on the business of portfolio investments.

5. FINANCIAL INSTRUMENTS

The Fund held the following financial instruments:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	\$	\$
FVTPL, measured at fair value:		
Assets		
Investment in Friedberg Asset Allocation Fund Limited Partnership (a)	33,867,862	27,894,700
Liabilities		
Net assets attributable to holders of redeemable Units (a)	33,820,305	27,826,594
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	47,557	68,106

(a) Designated as FVTPL upon initial recognition

The carrying values of the Fund's financial instruments approximate their fair values.

Fair Value Hierarchy of Financial Instruments

The Fund has categorized its financial instruments that are carried at fair value, based on the priority of the inputs to the valuation techniques used to measure fair value, into a three-level fair value hierarchy as follows:

Level 1: Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market. The types of assets and liabilities classified as Level 1 generally include cash balances at broker.

Level 2: Fair value is based on quoted prices for similar assets or liabilities in active markets, valuation that is based on significant observable inputs, or inputs that are derived principally from or corroborated with observable market data through correlation or other means. Currently the Fund has no assets or liabilities that would be in Level 2.

Level 3: Fair value is based on valuation techniques that require one or more significant inputs that are not based on observable market inputs. These unobservable inputs reflect the Fund's assumptions about the assumptions market participants would use in pricing the asset or liability. The types of assets and liabilities classified as Level 3 generally include investment in the LP and net assets attributable to holders of redeemable Units.

The following table presents the Fund's fair value hierarchy of its financial instruments as at June 30, 2025:

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
	\$	\$	\$
ASSETS			
Investment in the LP	-	<u>33,867,862</u>	<u>33,867,862</u>
LIABILITIES			
Net assets attributable to holders of redeemable units	-	<u>33,820,305</u>	<u>33,820,305</u>

The following table presents the Fund's fair value hierarchy of its financial instruments as at December 31, 2024:

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
	\$	\$	\$
ASSETS			
Cash balances at broker	-	-	-
Investment in the LP	-	<u>27,894,700</u>	<u>27,894,700</u>
LIABILITIES			
Net assets attributable to holders of redeemable units	-	<u>27,826,594</u>	<u>27,826,594</u>

Fair Value Measurements Using Significant Unobservable Inputs

For the two periods ending June 30, 2025 and December 31, 2024, the reconciliation of the investment in the LP measured using non-observable inputs is as follows:

	<u>\$</u>
Balance as at December 31, 2023	29,079,066
Drawings	(6,818,803)
Contributions	348,193
Unrealized appreciation (devaluation) for the year	<u>5,286,244</u>
Balance as at December 31, 2024	27,894,700
Drawings	(1,786,097)
Contributions	64,297
Unrealized appreciation (devaluation) for the period	<u>7,694,962</u>
Balance as at June 30, 2025	<u>33,867,862</u>

Fair value of the Fund's investment in the LP is based on the carrying values of underlying assets of the LP, which are determined on a fair value basis. The sole unobservable input used in arriving at fair value of such investment is therefore the net assets position of the LP as at the reporting date.

6. FINANCIAL INSTRUMENTS RISK

In the normal course of business, the Fund's investment activities expose it to a variety of financial risks. The Fund has a risk management framework to monitor, evaluate and manage the principal risks assumed with its financial instruments. The potential risks that may arise from transacting financial instruments include market risk, currency risk, interest rate risk, credit risk and liquidity risk.

(a) Market price risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

Price sensitivity

As at June 30, 2025 had the prices of the Fund's investment in the LP decreased or increased by 5% with all other variables held constant, NAV would have decreased or increased, by \$1,693,393. In practice, the actual trading results may differ from this analysis and the difference may be material.

(b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign currency exchange rates, which can be caused by market, political and/or other factors which may be subject to intervention by sovereign governments. The Fund is not exposed to significant currency risk other than exposure through its investment in the LP.

(c) Interest rate risk

Interest rate risk is the risk that Fund's investment in LP will fluctuate because of change in market interest rates. The Fund is not exposed to significant interest rate risks other than exposure through its investment in the LP.

(d) Credit risk

The Fund is exposed to credit risk arising from its transactions with its counterparties, related to securities purchases, sales and positions held by the counterparties on the Fund behalf. Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Financial assets which potentially expose the Fund to credit risk consists principally of cash balances at brokers. Credit risk is managed by dealing only with counterparties the Fund believes to be creditworthy, setting transaction limits with specific counterparties and by daily monitoring of credit exposure. The Fund is not exposed to significant credit risk other than exposure through its investment in the LP.

(e) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's policy and Manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, including estimated redemptions of Units, without incurring unacceptable losses or risking damage to the Fund's reputation. The Fund is considered to be relatively liquid. However, unexpected heavy demand for redemptions of the Fund's Units could result in the Fund having to dispose of investments at a time when it is not optional to do so in order to meet such redemption requests.

Please refer to Note 6 of the LP's financial statements regarding discussion on financial instrument risks relating to the underlying investments held by the LP.

7. REDEEMABLE UNITS

The Fund is authorized to issue an unlimited number of series, and an unlimited number of Units in each series.

The Fund offers a U.S. Denominated Series and such Units are issued and redeemed in U.S. dollars, as explained below.

Each whole Unit entitles the owner to one vote at meetings of Unitholders. Additionally, by way of flow-through voting, each Unit entitles the owner to one vote at all meetings of the LP. Each Unit of a Series is entitled to participate equally with all other Units of such Series with respect to all payments made to Unitholders of that Series whether by way of income or capital distributions and, on liquidation, to participate equally in the net assets of the Fund allocable to that Series remaining after satisfaction of outstanding liabilities that are attributable to that Series. All Units are fully paid and non-assessable when issued and are not transferable except by operation of law. On termination of the Fund, all the Unitholders of record holding outstanding Units are entitled to receive any assets of the Fund remaining after payment of all debts, liabilities and liquidation expenses of the Fund.

Units are offered on a continuous basis at current NAV per Unit of the Fund (“NAVPU”). NAVPU is determined on the first business day of each week and the last business day of every month (each a "Valuation Date").

The Units provide an investor with the right to require redemption for cash at value proportionate to NAVPU at each redemption date and are classified as liabilities as a result of the Fund’s requirement to distribute net income and capital gains to Unitholders. Unitholders may redeem some or all of their Units at any Valuation Date by written request to the Manager, at NAVPU less 0.375%. The 0.375% is retained by the Fund.

The following details the changes in the number of Units outstanding for the periods ended June 30:

	<u>2025</u>	<u>2024</u>
	U.S.	U.S.
	<u>Denominated</u>	<u>Denominated</u>
	<u>Series</u>	<u>Series</u>
Number of units outstanding, beginning of the period	2,123,455	2,600,984
Units subscribed during the period	494	1,436
Units redeemed during the period	<u>(104,602)</u>	<u>(160,370)</u>
Number of units outstanding, end of the period	<u>2,019,347</u>	<u>2,442,050</u>
Weighted average number of units outstanding for the period	<u>2,076,913</u>	<u>2,520,838</u>

9. DISTRIBUTION TO UNITHOLDERS

Distributions, as declared by the Manager, are generally made on an annual basis to Unitholders. The Fund does not have a fixed distribution amount. The amount of distributions, if any, is set at the Manager’s sole discretion and may be based on the Manager’s assessment of the prevailing market conditions, the Fund’s ability to generate sufficient levels of distributable cash, taxable income, and any other factors that the Manager, at its discretion, may deem relevant.

For the period ended June 30, 2025, the Fund did not declare a distribution of any kind (2024 - \$nil). For the year ended December 31, 2024, the Fund declared a notional distribution of \$561,862. Notional distributions are paid in additional Units and subsequently consolidated so that the number of Units outstanding after the consolidation is identical to the number of Units before the distribution. They are recorded as taxable distributions and increase each Unitholder’s adjusted cost basis for their Units. Neither the number of Units held by the Unitholder nor the NAVPU of the Fund changes as a result of the notional distribution. The distributions and reinvestment of distributions are not cash transactions and are therefore excluded from the statement of cash flows.

10. RELATED PARTY TRANSACTIONS

(a) Management fees

As manager, TTML is entitled to receive management fees, calculated and payable monthly at the annual rate of one percent of the NAV of the Fund plus Harmonized Sales Tax, based on the NAV on the last business day of the month. The management fees are split equally between the Fund and the LP unless TTML determines a more appropriate allocation method. Management fees paid by the Fund to TTML for the period ended June 30, 2025 were \$77,773 with HST of \$10,111 (\$74,058 with HST of \$9,628 for the period ended June 30, 2024). An amount of \$15,701 (\$14,459 as at December 31, 2024) was included in accounts payable and accrued liabilities of the Fund at June 30, 2025.

(b) Cash balances

FGML serves as the Fund's primary broker. FMGL held cash balances of \$nil as at June 30, 2025 (\$nil as at December 31, 2024) on behalf of the Fund.

(c) Subscriptions

Directors and officers of FMGL (including their immediate families) and related companies of FMGL subscribed for nil Units (50,942 Units for the period ended June 30, 2024) of the Fund in the amount of \$nil (\$591,351 for the period ended June 30, 2024) during the period ended June 30, 2025.

11. CAPITAL MANAGEMENT

Management considers the Fund's capital to consist of NAV.

The Investment Manager manages the capital of the Fund in accordance with the Fund's investment objectives, policies and restrictions, as outlined in the Fund's prospectus, while maintaining sufficient liquidity to meet participating Unitholder redemptions.

The Fund does not have any externally imposed capital requirements.

NOTICE TO UNITHOLDERS

The auditor of the Fund has not reviewed these interim financial statements.

The Manager of the Fund appoints an independent auditor to audit the Fund's annual financial statements. Applicable securities laws require that if an auditor has not reviewed the Fund's interim financial statements, this must be disclosed in an accompanying notice.

FRIEDBERG ASSET ALLOCATION FUND LIMITED PARTNERSHIP
INTERIM FINANCIAL STATEMENTS
JUNE 30, 2025
(in U.S. Dollars)
(Unaudited)

FRIEDBERG ASSET ALLOCATION FUND LIMITED PARTNERSHIP

(a limited partnership formed under the Laws of Manitoba)

STATEMENTS OF FINANCIAL POSITION

(in U.S. dollars)

(Unaudited)

	As at June 30, 2025	As at December 31, 2024
	\$	\$
ASSETS		
Current		
Cash (note 8)	13,507,113	9,337,492
Cash held as collateral on futures and equity swaps (note 8)	679,106	1,520,688
Equity securities	17,121,749	16,575,944
Fixed income securities	6,675,841	-
Amounts receivable	41,268	23,396
Unrealized gain on futures contracts (note 8)	135,256	644,215
	38,160,333	28,101,735
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 8)	133,238	80,248
Due to broker	4,148,907	-
Unrealized loss on long futures contracts (note 8)	8,020	10,816
Unrealized loss on equity swap contracts	-	114,442
	4,290,165	205,506
NET ASSETS ATTRIBUTABLE TO PARTNERS	33,870,168	27,896,229
NET ASSETS ATTRIBUTABLE TO LIMITED PARTNER	33,867,862	27,894,700
NET ASSETS ATTRIBUTABLE TO GENERAL PARTNER	2,306	1,529
	33,870,168	27,896,229

Approved and authorized for issue by the directors of Friedberg Advisors G.P. Inc., the general partner of Friedberg Advisors LP, the general partner of Friedberg Asset Allocation Fund Limited Partnership, on August 5, 2025.

Enrique Zauderer

Director, Friedberg Advisors G.P. Inc.

Daniel Gordon

Director, Friedberg Advisors G.P. Inc.

**FRIEDBERG ASSET ALLOCATION FUND LIMITED PARTNERSHIP
STATEMENTS OF NET ASSETS ATTRIBUTABLE TO PARTNERS
FOR THE PERIODS ENDED JUNE 30, 2025 AND 2024**

(in U.S. dollars)
(Unaudited)

	Friedberg Asset Allocation Fund, Limited Partner	Friedberg Advisors LP, General Partner
	\$	\$
Balance as at December 31, 2023	29,079,066	1,000
Contributions during the period	58,101	-
Allocation of comprehensive income (loss) for the period	2,136,537	214
Drawings for the period	(2,029,360)	-
Balance as at June 30, 2024	29,244,344	1,214
Balance as at December 31, 2024	27,894,700	1,529
Contributions during the period	64,297	-
Allocation of comprehensive income (loss) for the period	7,694,962	71,128
Distributions for the period (note 7)	-	(62,332)
HST on distributions for the period (note 7)	-	(8,019)
Drawings for the period	(1,786,097)	-
Balance as at June 30, 2025	33,867,862	2,306

See accompanying notes to financial statements

FRIEDBERG ASSET ALLOCATION FUND LIMITED PARTNERSHIP
STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE PERIODS ENDED JUNE 30,
(in U.S. dollars)
(Unaudited)

	2025	2024
	\$	\$
INCOME (LOSS)		
Change in net unrealized gain/loss on equity securities	1,630,826	1,402,226
Realized gains (losses) on equity securities	4,977,759	847,521
Interest	197,856	209,829
Change in net unrealized gain/loss on futures contracts and swap contracts	(391,721)	(548,148)
Dividends	129,624	149,584
Change in net unrealized gain/loss on fixed income securities	(74,550)	-
Realized gains (losses) on futures contracts and swap contracts	1,452,099	218,760
	7,921,893	2,279,772
EXPENSES		
Management fees (note 8)	87,884	83,686
Transaction costs (note 8)	(518)	2,809
Withholding taxes	10,290	3,122
Legal fees	13,142	13,081
Audit and accounting fees	38,719	34,523
Custodian fees	6,286	5,800
	155,803	143,021
NET INCOME AND COMPREHENSIVE INCOME BEFORE ALLOCATION TO LIMITED PARTNER	7,766,090	2,136,751
ALLOCATION TO THE LIMITED PARTNER	7,694,962	2,136,537
NET INCOME AND COMPREHENSIVE INCOME	71,128	214

See accompanying notes to financial statements

FRIEDBERG ASSET ALLOCATION FUND LIMITED PARTNERSHIP
STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED JUNE 30,

(in U.S. dollars)
(Unaudited)

	2025	2024
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) and comprehensive income (loss)	71,128	214
Adjustments for:		
Allocation to the limited partner	7,694,962	2,136,537
Change in net unrealized gain/loss on fixed income securities	74,550	-
Change in net unrealized gain/loss on equity securities	(1,630,826)	(1,402,226)
Change in net unrealized gain/loss on futures, forwards, and swap contracts	391,721	548,148
Realized (gains) losses on equity securities	(4,977,759)	(847,521)
Realized (gains) losses on futures, forwards, and swap contracts	(1,452,099)	(218,760)
Purchase of investments	(18,678,454)	(9,915,645)
Proceeds on sale of investments	19,442,942	7,022,406
Net change in working capital items:		
Amounts receivable	(17,872)	71,488
Due to broker	4,148,907	-
Accounts payable and accrued liabilities	52,990	(11,263)
NET CASH FLOWS FROM OPERATING ACTIVITIES	5,120,190	(2,616,622)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions during the period	64,297	58,101
Drawings for the period	(1,786,097)	(2,029,360)
Distributions paid during the period	(70,351)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	(1,792,151)	(1,971,259)
NET INCREASE (DECREASE) IN CASH FOR THE PERIOD	3,328,039	(4,587,881)
CASH, BEGINNING OF THE PERIOD	10,858,180	9,381,316
CASH, END OF THE PERIOD	14,186,219	4,793,435
CASH BALANCES, END OF THE PERIOD		
Cash	13,507,113	3,043,677
Cash held a collateral on futures	679,106	1,749,758
	14,186,219	4,793,435

See accompanying notes to financial statements

FRIEDBERG ASSET ALLOCATION FUND LIMITED PARTNERSHIP
SCHEDULE OF INVESTMENT PORTFOLIO
AS AT JUNE 30, 2025
(in U.S. dollars)
(Unaudited)

Equity Positions - Long	50.6%					
Security Name			Quantity		Average Cost	Fair Value
					\$	\$
Materials						
	25.1%					
Agnico Eagle Mines Ltd			53,710		2,825,357	6,387,730
Franco-Nevada Corp.			4,100		487,621	672,995
VanEck Junior Gold Miners ETF			21,400		672,251	1,446,426
					<u>3,985,229</u>	<u>8,507,151</u>
Consumer Discretionary						
	0.9%					
Amazon.com Inc.			1,326		273,535	290,911
Communication Services						
	1.8%					
Meta Platforms Inc.			424		273,306	312,950
Netflix Inc.			231		273,819	309,339
					<u>547,125</u>	<u>622,289</u>
Energy						
	4.2%					
Chevron Corp.			9,900		1,532,841	1,417,581
Information Technology						
	18.6%					
Amplify Cybersecurity ETF			18,800		1,548,184	1,623,756
Broadcom Inc.			1,138		271,029	313,690
International Business Machines Corp.			12,700		3,206,451	3,743,706
Microsoft Corp.			597		273,613	296,954
NVIDIA Corp.			1,935		270,869	305,711
					<u>5,570,146</u>	<u>6,283,817</u>
					<u>11,908,876</u>	<u>17,121,749</u>
Fixed Income Positions - Long						
Security Name		Maturity Date	Coupon %	Face Value	Cost \$	Fair Value \$
Foreign Sovereign Bonds						
Lebanon Government International Bond		01/27/23	6.00	4,040,000	744,572	757,500
Lebanon Government International Bond		10/04/22	6.10	7,180,000	1,358,534	1,346,250
Lebanon Government International Bond		03/20/28	7.00	1,150,000	211,945	215,625
Lebanon Government International Bond		11/20/31	7.15	2,880,000	530,784	540,000
Lebanon Government International Bond		04/14/20	5.80	2,920,000	543,120	547,500
Argentina Treasury Bond BONTE		05/30/30	29.50	3,676,424,000	3,361,436	3,268,966
					<u>6,750,391</u>	<u>6,675,841</u>
Futures Contracts - Long						
Security Name		Expiry Date	Contracts	Contract Size	Notional Value \$	Unrealized Gain / (Loss) \$
Commodity						
Gold	0.0%	2025 Dec	16	100	5,401,200	(8,020)
Cocoa		2025 Sep	14	10	1,257,340	15,380
					<u>6,658,540</u>	<u>7,360</u>
Index						
E-mini NASDAQ-100	0.4%	2025 Sep	3	20	1,373,145	55,803
E-mini S&P 500		2025 Sep	6	50	1,875,563	64,073
					<u>3,248,708</u>	<u>119,876</u>
					<u>9,907,248</u>	<u>127,236</u>
Investment Portfolio Summary					Average Cost/ (Proceeds) \$	Fair Value \$
	%					
Equity positions - long	50.6				11,908,876	17,121,749
Fixed income positions - long	19.7				6,750,391	6,675,841
Futures contracts - long	0.4				-	127,236
Total Investments	<u>70.6</u>				<u>18,659,267</u>	<u>23,924,826</u>
Cash	41.9				14,186,219	14,186,219
Other Net Assets	(12.5)				(4,240,877)	(4,240,877)
Net Assets	<u>100.0</u>				<u>28,604,609</u>	<u>33,870,168</u>

FRIEDBERG ASSET ALLOCATION FUND LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2025
(in U.S. dollars)

1. GENERAL INFORMATION

The Friedberg Asset Allocation Fund Limited Partnership (the “LP”) was organized on March 3, 2011 and commenced operations as of July 1, 2011. The LP’s principal place of business is 220 Bay Street, Suite 600, Toronto, Ontario, M5J 2W4. The LP is a limited partnership established under the Laws of Manitoba and an open-end mutual fund. The investment manager and sole general partner of the LP is Friedberg Advisors LP (“Friedberg Advisors”), which is a limited partnership established under the Laws of Ontario. The sole limited partner of the LP is Friedberg Asset Allocation Fund (the “Fund”). The LP is the entity through which the Fund indirectly carries on its investment activities. The administrative manager of the LP and the trustee of the Fund is Toronto Trust Management Ltd. (the “Manager” or “TTML”). Friedberg Advisors and TTML are both controlled by Friedberg Mercantile Group Ltd. (“FMGL”).

The LP is a multi-strategy alternative mutual 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 by investing in the following five discrete groups of investments: (i) equity securities generally; (ii) fixed income securities; (iii) commodity forward and futures contracts and options thereon, and other over-the-counter traded derivatives instruments and commodities; and (iv) cash and cash equivalents.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

The LP’s significant accounting policies under IFRS are presented in note 3. The policies applied in these financial statements are based on IFRS issued and outstanding as of August 5, 2025, which is the date on which the financial statements were authorized for issue by the Manager.

Any mention of net asset value (“NAV”) refers to the limited partner’s interest as reported under IFRS.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial assets and financial liabilities. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

(c) Functional currency and presentation currency

These financial statements are presented in United States dollars, which is the functional currency of the LP.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

(i) Recognition and measurement

Financial instruments are classified into one of the following categories: amortized cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”). All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL in which case transaction costs are expensed as incurred.

Financial assets and liabilities are recognized initially on the trade date, which is the date on which the LP becomes a party to the contractual provisions of the instrument. The LP derecognizes a financial asset when its contractual rights are discharged, cancelled, or expire. The LP derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the LP has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset is measured at amortized cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition the LP may irrevocably elect to measure financial assets that otherwise meets the requirements to be measured at amortized cost or FVOCI as at FVTPL when doing so results in more relevant information.

Financial assets are not reclassified subsequent to their initial recognition, unless the LP changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The LP has not classified any of its financial instruments as FVOCI.

A financial liability is generally measured at amortized cost, with the exceptions that may allow for classification as FVTPL. These exceptions include financial liabilities that are mandatorily measured at FVTPL, such as derivatives liabilities. The LP may also, at initial recognition, irrevocably designate a financial liability as measured at FVTPL when doing so results in more relevant information.

(ii) FVTPL

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting date with changes in fair value recognized in the statement of income (loss) and comprehensive income (loss) in the period in which they occur. The LP classifies all their cash balances at broker, derivative assets and liabilities FVTPL, while all debt and equity investments and net assets attributable to the limited partner have been designated as FVTPL upon initial recognition.

The LP's investments are presented at fair value, Investments held that are traded in an active market through recognized public stock exchanges are valued at quoted market prices at the close of trading on the reporting date. The LP uses the closing market price for investments where the closing price falls within the day's bid-ask spread. In circumstances where the closing market price does not fall within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on specific facts and circumstances.

Options are valued at their closing price as reported by the principal exchange or over the counter market on which the contract is traded. Any difference resulting from revaluation at the reporting date is treated as unrealized gain (loss) in the statements of income (loss) and comprehensive income (loss).

Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded. The value of the contract is the gain or loss that would be realized upon settlement.

Unlisted or non-exchange trade investments, or investments where a last sale or close price is unavailable or investments for which market quotations are, in the Manager's opinion, inaccurate, unreliable, or not reflective of all available material information are valued at their fair value as determined by the Manager using appropriate and accepted industry valuation techniques including valuation models. The fair value determined using valuation models requires the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices. In limited circumstances, the fair value may be determined using valuation techniques that are not supported by observable market data.

Over the counter derivatives (such as currency forward contracts) are valued based on the difference between the contract forward rate and the rate prevailing on a reporting date.

The fair value of other financial assets and liabilities approximates their carrying values due to the short-term nature of these instruments.

(iii) Amortized Cost

Financial assets and liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses. The LP classifies accounts payable and accrued liabilities including contracts awaiting settlement as amortized cost.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocation interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(b) Impairment of financial assets

An expected credit loss ("ECL") model is applied to the assessment of financial assets. Under the ECL model, the LP records an allowance for ECL either based on a 12-month ECL or on a lifetime ECL. ECLs are recognized on the following basis:

- A maximum 12-month allowance for ECL is recognized from initial recognition, reflecting the portion of lifetime cash shortfalls that would result if a default occurs in the 12 months after the reporting date, weighted by the risk of a default occurring.
- A lifetime ECL allowance is recognized if a significant increase in credit risk is detected subsequent to the instruments' initial recognition reflecting lifetime cash shortfalls that would result over the expected life of a financial instrument.
- A lifetime ECL allowance is recognized for credit impaired financial instruments.

ECLs for amounts receivable are based on the adoption of a valuation policy which utilizes the LP's historic loss experience by age banding, adjusted for forward looking estimates and other considerations as applicable.

(c) Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs are expensed and are included in the statements of income (loss) and comprehensive income (loss).

(d) Offsetting

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign currency translation gains and losses.

(e) Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short-term, interest bearing notes with the original term to maturity of less than three months.

(f) Investment income

Investment transactions are accounted for as of the trade date. Realized gains and losses from investment transactions are calculated on a weighted average cost basis. The difference between fair value and average cost, as recorded in the financial statements, is included in the statements of income (loss) and comprehensive income (loss) as part of the net change in unrealized gain (loss) of investments and derivatives. Interest income from investments in fixed income securities and short-term investments represents the coupon interest received by the LP accounted for on an accrual basis. The LP does not amortize premiums paid or discounts received on the purchase of fixed income securities. Dividend income is recognized on the ex-dividend date.

Income (loss) from derivatives is shown in the statements of income (loss) and comprehensive income (loss) as net realized gain (loss) on futures, forward and options contracts and net unrealized gain (loss) on futures forward and options contracts.

If the LP incurs withholding taxes imposed by certain countries on investment income and capital gains, such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the statements of income (loss) and comprehensive income (loss).

(g) Foreign currency translation

Transactions in foreign currencies, if any, are translated into the LP's functional currency using the exchange rate prevailing on the trade date. Monetary assets and liabilities denominated in foreign currencies at the

reporting date are translated at the period-end exchange rate. Foreign currency translation gains and losses are presented as “Foreign currency translation gain (loss)”, except for those arising from financial instruments at FVTPL, which are recognized as a component within the applicable net realized or unrealized gain (loss) in the statements of income (loss) and comprehensive income (loss).

(h) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective at June 30, 2025, and have not been applied in preparing these financial statements. Management has determined that none of these will have a significant effect on the financial statements of the LP.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires the Manager to make estimates, judgments and assumptions that affect the application of accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

In making estimates and assumptions, the Manager relies on external information and observable conditions where possible, supplemented by internal analysis as required. These estimates and assumptions have been applied in a manner consistent with prior periods and there are no known trends, commitments, events or uncertainties that the Manager believes will materially affect the methodology or assumptions utilized in making these estimates and assumptions in these financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The LP may hold financial instruments that are not quoted in active markets, including investments. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources. Broker quotes as obtained from pricing sources may be indicative and not executable. Where no market data is available, the LP may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by the Manager.

Models use observable data, to the extent practicable. However, areas such as credit risk, volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The LP considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. See note 6 for more information on the fair value measurement of the LP’s financial instruments.

Geopolitical conflicts, including Russia-Ukraine war, terrorism or other military events could directly or indirectly impact the portfolio investments, financial markets or more broadly, the global economy. For example, as a result of the Russia-Ukraine war, a portfolio company may be adversely impacted by having operations in Russia or Ukraine, actual or potential disruptions in supply chains, an increased risk of cyberattacks, an increase in commodity prices, the availability and cost of energy, reputational risks and the global economy. In addition, the Russia-Ukraine war, terrorism or other military events have broader implications, including increased sanctions, trade barriers or restrictions on global trade or further retaliatory sanctions and trade measures taken by Russia or other countries in response. The future of these events is highly uncertain, and unforeseen developments could generate further changes to geopolitical conflicts risk and worsen their economic effects on the business of portfolio investments.

5. FINANCIAL INSTRUMENTS

The LP held the following financial instruments as at:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	\$	\$
FVTPL, measured at fair value:		
Assets		
Cash	13,507,113	9,337,492
Cash held as collateral on futures contracts	679,106	1,520,688
Equity securities (a)	17,121,749	16,575,944
Fixed income securities (a)	6,675,841	-
Unrealized gain on futures contracts	135,256	644,215
Liabilities		
Due to broker	4,148,907	-
Unrealized loss on futures contracts	8,020	10,816
Unrealized loss on equity swap contracts	-	114,442
Net assets attributable to limited partner (a)	33,867,862	27,894,700
Net assets attributable to general partner (a)	2,306	1,529
Loans and receivables, measured at amortized cost:		
Amounts receivable	41,268	23,396
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	133,238	80,248
(a) Designated as FVTPL upon initial recognition		

The following table presents the net gain (loss) on financial instruments at FVTPL by category for the period ended June 30:

	<u>2025</u>	<u>2024</u>
	\$	\$
Mandatorily measured at FVTPL	1,060,378	(329,388)
Designated at FVTPL	<u>6,861,515</u>	<u>2,609,160</u>
	<u><u>7,921,893</u></u>	<u><u>2,279,772</u></u>

Fair Value Hierarchy of Financial Instruments

The LP has categorized its financial instruments that are carried at fair value, based on the priority of the inputs to the valuation techniques used to measure fair value, into a three-level fair value hierarchy as follows:

Level 1: Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market. The types of assets and liabilities classified as Level 1 generally include cash, equity securities, fixed income securities, options contracts, options contracts written and unrealized gain (loss) on futures contracts.

Level 2: Fair value is based on quoted prices for similar assets or liabilities in active markets, valuation that is based on significant observable inputs, or inputs that are derived principally from or corroborated with observable market data through correlation or other means. The types of assets or liabilities classified as Level 2 include equity swap contracts.

Level 3: Fair value is based on valuation techniques that require one or more significant inputs that are not based on observable market inputs. These observable inputs reflect the LP's assumptions about the assumptions market participants would use in pricing the asset or liability. The types of assets and liabilities classified as Level 3 include net assets attributable to the limited partner and general partner.

The following table presents the LP's fair value hierarchy of its financial instruments as at June 30, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	\$	\$	\$	\$
ASSETS				
Cash	13,507,113	-	-	13,507,113
Cash held as collateral on futures	679,106	-	-	679,106
Equities securities	17,121,749	-	-	17,121,749
Fixed income securities	6,675,841	-	-	
Unrealized gain on futures contracts - long	135,256	-	-	135,256
	<u>38,119,065</u>	<u>-</u>	<u>-</u>	<u>31,443,224</u>
LIABILITIES				
Unrealized loss on futures contracts	8,020	-	-	8,020
Net assets attributable to the limited partner	-	-	33,867,862	33,867,862
Net assets attributable to the general partner	-	-	2,306	2,306
	<u>8,020</u>	<u>-</u>	<u>33,870,168</u>	<u>33,878,188</u>

The following table presents the LP's fair value hierarchy of its financial instruments as at December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	\$	\$	\$	\$
ASSETS				
Cash	9,337,492	-	-	9,337,492
Cash held as collateral on futures and swaps	1,520,688	-	-	1,520,688
Equities securities	16,575,944	-	-	16,575,944
Unrealized gain on futures contracts	644,215	-	-	644,215
	<u>28,078,339</u>	<u>-</u>	<u>-</u>	<u>28,078,339</u>
LIABILITIES				
Unrealized loss on equity swap contracts	-	114,442	-	114,442
Unrealized loss on futures contracts	10,816	-	-	10,816
Net assets attributable to the limited partner	-	-	27,894,700	27,894,700
Net assets attributable to the general partner	-	-	1,529	1,529
	<u>10,816</u>	<u>114,442</u>	<u>27,896,229</u>	<u>28,021,487</u>

Fair Value Measurements Using Significant Unobservable Inputs

Fair value of the net assets attributable to holders of limited partner is based on the valuation of the LP's and general partner's own asset values.

6. FINANCIAL INSTRUMENTS RISK

In the normal course of business, the LP's investment activities expose it to a variety of financial risks. The Manager seeks to minimize potential adverse effects of these risks for the LP's performance by employing professional, experienced portfolio advisors, by daily monitoring of the LP's positions and market events, and periodically may use derivatives to hedge certain risk exposures. To assist in managing risks, the Manager maintains a governance structure that oversees the LP's investment activities and monitors compliance with the LP's stated investment strategies, internal guidelines and securities regulations.

Significant financial instrument risks that are relevant to the LP and an analysis of how they are managed are presented below. Total assets and liabilities presented in the tables below are not intended to match total assets and liabilities disclosed in the statements of financial position, due to differences of derivative instruments.

Certain risks, such as currency and interest rate risk may be correlated. Such correlation is not taken into account in these financial statements.

(a) Market price risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. Political, social and environmental factors can also affect the value of any investment.

The table below summarizes the LP’s overall market exposure:

	<u>Fair value</u>	<u>% of NAV</u>
	\$	%
Equity securities	17,121,749	50.6
Fixed income securities	6,675,841	19.7
Futures contracts - long (total notional contract value)	<u>9,907,248</u>	<u>29.3</u>
	<u>33,704,838</u>	<u>99.5</u>

Price sensitivity

As at June 30, 2025 had the prices of the investments held in the LP decreased or increased by 5% with all other variables held constant, income (loss) and comprehensive income (loss) before allocation to limited partner for the period would have decreased or increased by \$1,685,242. In practice, the actual trading results may differ from this analysis and the difference may be material.

(b) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in foreign currency exchange rates, which can be caused by market, political and/or other factors which may be subject to intervention by sovereign governments.

The LP holds assets denominated in currencies other than its functional currency. The LP is therefore exposed to currency risk, as the values of the assets denominated in other currencies fluctuate due to changes in exchange rates.

The LP is exposed to foreign currency risk through its holdings of Canadian equity securities and accounts payable balances, and an Argentina government bond denominated in Argentine Pesos. As at June 30, 2025, the LP had total foreign currency exposure of \$10,313,353 (June 30, 2025 – \$7,044,387 Canadian dollar exposure, and \$3,268,966 related to Argentine Peso exposure), representing 30.45% of the LP’s NAV (December 31, 2024 – \$7,735,642 or 27.73% of NAV, all related to Canadian dollar exposure).

Currency Sensitivity

As at June 30, 2025, had the United States dollar strengthened or weakened by 1% in relation to all currencies, with all other variables remaining constant, income and comprehensive income before allocation to limited partner for the period would have increased or decreased by \$103,134. This analysis only addresses the impact on the financial instruments with respect to currency movement and excludes any other economic or geo-political implications of such currency fluctuation. In practice, the actual result may differ from this analysis and the difference may be material.

(c) Interest rate risk

The LP is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. In general, the value of the interest rate futures and fixed income securities will rise if interest rates fall, and conversely, will generally fall if interest rates rise. How sensitive the LP is to changes in prevailing interest rates depends on other factors like credit rating of the issuers and the term to maturity of the LP's investments. The lower the credit rating of the issuers and the longer the term to maturity, the more sensitive the LP is to changes in prevailing interest rates, thus the higher interest rate risk.

As at June 30, 2025, the LP held several foreign sovereign bonds, including Lebanon Government International Bonds and an Argentina Treasury Bond BONTE. The Lebanon bonds are in default and were acquired at distressed pricing with no expectation of receiving contractual interest payments; as such, they are not considered sensitive to changes in interest rates. The Argentina Treasury Bond BONTE is sensitive to changes in interest rates. Based on this, a 1% change in interest rates would result in an estimated change in fair value of approximately \$81,239.

(d) Credit risk

The LP is exposed to credit risk arising from its transactions with its counterparties, related to securities purchases, sales and positions held by the counterparties on the LP's behalf. Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Financial assets which potentially expose the LP to credit risk consist principally of investments in cash balances at brokers, amounts receivable, equity securities, fixed income securities, futures contracts and options contracts. Credit risk is managed by dealing only with counterparties the LP believes to be creditworthy, setting transaction limits with specific counterparties and by daily monitoring of credit exposure.

The table below summarizes the LP's counterparty concentration as a percentage of NAV, as at June 30, 2025:

<u>Counterparty</u>	<u>Cash</u> %	<u>Cash held</u> <u>as</u> <u>collateral</u> %	<u>Equity</u> <u>securities</u> %	<u>Fixed</u> <u>Income</u>	<u>Futures</u> <u>contracts</u> %	<u>Total %</u> <u>of NAV</u> %
CIBC Mellon	12.69	-	50.55	19.71	-	82.95
FMGL	0.52	0.92	-	-	0.05	1.49
BMO Harris	5.88	-	-	-	-	5.88
Bank of Montreal	17.70	-	-	-	-	17.70
JP Morgan	3.22	1.08	-	-	0.33	4.63
	<u>40.01</u>	<u>2.00</u>	<u>50.55</u>	<u>19.71</u>	<u>0.38</u>	<u>112.65</u>

The table below summarizes the LP's counterparty concentration as a percentage of NAV, as at December 31, 2024:

<u>Counterparty</u>	<u>Cash</u> %	<u>Cash held as collateral on futures contracts</u> %	<u>Amounts receivable</u> %	<u>Equity Securities</u> %	<u>Futures contracts</u> %	<u>Equity swap contracts</u> %	<u>Accounts payable and accrued liabilities</u> %	<u>Total % of NAV</u> %
Bank of Montreal	32.74	-	0.06	-	-	-	-	32.80
BMO Bank N.A.	0.29	-	0.01	-	-	-	-	0.30
JPMorgan	0.22	0.32	-	-	(0.04)	-	-	0.50
Morgan Stanley	0.14	5.13	0.02	-	-	(0.41)	(0.04)	4.84
CIBC Mellon	0.03	-	-	59.42	-	-	-	59.45
FMGL	0.05	-	-	-	2.31	-	-	2.36
	<u>33.47</u>	<u>5.45</u>	<u>0.09</u>	<u>59.42</u>	<u>2.27</u>	<u>(0.41)</u>	<u>(0.04)</u>	<u>100.25</u>

(i) **Concentration of credit risk**

The following are the significant countries of domicile of the LP's cash, equity securities, fixed income securities, and unrealized gains (losses) on futures contracts as a percentage of NAV:

	<u>June 30, 2025</u> %	<u>December 31, 2024</u> %
Canada	100.65	94.61
United States	12.00	5.64
	<u>112.65</u>	<u>100.25</u>

The following are the individual issuers of equity and fixed income securities that exceed 5% of NAV, as a percentage of NAV:

	<u>June 30, 2025</u> %	<u>December 31, 2024</u> %
Agnico Eagle Mines Ltd	18.86	24.53
International Business Machines Corp.	11.05	-
Argentina Treasury Bond BONTE	9.65	-
SPDR Gold Shares	-	18.40
iShares U.S. Home Construction ETF	-	7.38
VanEck Junior Gold Miners ETF	-	5.73
	<u>39.56</u>	<u>56.04</u>

(e) **Liquidity risk**

The LP invests virtually all its assets in investments that are traded in an active market and can be readily disposed. In addition, the LP retains sufficient cash and cash equivalent positions to maintain liquidity.

7. **ALLOCATION OF INCOME (LOSS) TO GENERAL PARTNER**

The general partner is allocated 0.01% of comprehensive income (loss) before the allocation to the limited partner. In addition, as investment manager of the LP, Friedberg Advisors receives distributions ("Incentive Distributions") from the LP, calculated and payable quarterly, equal to 15% of the cumulative total return of the Fund (being the aggregate increase in net asset value per unit for all of the outstanding units) for the period that began immediately after the last quarter for which an Incentive Distribution was made. Incentive Distributions will, however, only be payable to the extent that the cumulative total return for the subject period exceeds an annualized rate of return equal to the 2 Year U.S. Treasury Note (the "Hurdle Rate"). The Hurdle Rate

will be pro-rated for each quarter of the year and will be compounded as of the first day of business in a calendar year. An Incentive Distribution of \$62,332 plus \$8,019 HST was recognized for the period ended June 30, 2025 (\$nil for the period ended June 30, 2024).

8. RELATED PARTY TRANSACTIONS

(a) Transaction costs

FMGL serves as one of the LP's brokers. For the period ended June 30, 2025, the LP incurred \$345 (\$2,413 for the period ended June 30, 2024) in transaction costs on options and futures contracts with FMGL. Transaction costs are charged to income and comprehensive income. FMGL does not charge the LP brokerage fees in respect of fixed income securities.

(b) Management fees

As manager, TTML is entitled to receive management fees, calculated and payable monthly at the annual rate of one percent of the NAV of the Fund plus HST, based on the NAV on the last business day of the month. The management fees are split equally between the Fund and the LP unless TTML determines a more appropriate allocation method. Management fees expense of the LP incurred with TTML for the period ended June 30, 2025 was \$87,884 (\$83,686 for the period ended June 30, 2024). An amount of \$16,592 (\$15,129 as at December 31, 2024) was included in accounts payable and accrued liabilities at June 30, 2025.

(c) Cash and securities held at broker

The following details the cash and investments which FMGL held on behalf of the LP:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	\$	\$
<u>Assets</u>		
Cash	173,675	14,449
Cash held as collateral on futures contracts	312,382	-
Unrealized gains on futures contracts	15,380	644,215
	<u>501,437</u>	<u>658,664</u>
<u>Liabilities</u>		
Accounts payable and accrued liabilities	86,943	15,129
	<u>86,943</u>	<u>15,129</u>

9. CAPITAL MANAGEMENT

Management considers the LP's capital to consist of net assets attributable to the general and limited partners. The Manager manages the capital of the LP in accordance with the LP's investment objectives, policies and restrictions, as outlined in the Fund's prospectus, while maintaining sufficient liquidity to enable drawings by the limited partner. The LP does not have any externally imposed capital requirements.

NOTICE TO UNITHOLDERS

The auditor of the LP has not reviewed these interim financial statements.

The Manager of the LP appoints an independent auditor to audit the LP's annual financial statements. Applicable securities laws require that if an auditor has not reviewed the LP's interim financial statements, this must be disclosed in an accompanying notice.