

**FRIEDBERG ASSET ALLOCATION FUND
FINANCIAL STATEMENTS
DECEMBER 31, 2025**
(in U.S. Dollars)

AND

**FRIEDBERG ASSET ALLOCATION FUND LIMITED PARTNERSHIP
FINANCIAL STATEMENTS
DECEMBER 31, 2025**
(in U.S. Dollars)

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FRIEDBERG ASSET ALLOCATION FUND LIMITED PARTNERSHIP
FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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INDEPENDENT AUDITORS' REPORT

To the Unitholders of Friedberg Asset Allocation Fund

Opinion

We have audited the accompanying financial statements of Friedberg Asset Allocation Fund (the "Fund"), which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of income and comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2025 and 2024 and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB")

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audits of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Report on Fund Performance (the "MRFP") but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the MRFP and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the MRFP and, in doing so, consider whether the MRFP is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be misstated.

We obtained the MRFP prior to the date of this auditors' report. If, based on the work we have performed on the MRFP, we conclude that there is a material misstatement of the MRFP, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.



Auditors' Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audits resulting in this independent auditors' report is Laurence W. Zeifman, CPA, CA.

March 26, 2026
Toronto, Ontario

Zeifmans LLP
Chartered Professional Accountants
Licensed Public Accountants

FRIEDBERG ASSET ALLOCATION FUND
(a unit trust formed under the laws of Ontario)
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31,
(in U.S. dollars)

	2025	2024
	\$	\$
ASSETS		
Current		
Investment in Friedberg Asset Allocation Fund Limited Partnership	39,280,947	27,894,700
LIABILITIES		
Current		
Accounts payable and accrued liabilities	70,225	68,106
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	39,210,722	27,826,594
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT	19.64	13.10

Approved and authorized for issue by the Manager, Toronto Trust Management Ltd., on March 26, 2026.

_____ Director, Toronto Trust Management Ltd.
Enrique Zauderer

_____ Director, Toronto Trust Management Ltd.
Daniel Gordon

FRIEDBERG ASSET ALLOCATION FUND
STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS
FOR THE YEARS ENDED DECEMBER 31,
(in U.S. Dollars)

	2025	2024
	\$	\$
Net assets attributable to holders of redeemable Units, beginning of the year	27,826,594	29,013,925
Proceeds from the issuance of Units (notes 8)	50,764	350,981
Increase in net assets attributable to holders of redeemable Units	13,355,436	5,013,452
Distribution to Unitholders during the year (note 9)	(6,209,248)	(561,862)
Reinvestment of distributions (note 9)	6,209,248	561,862
Redemption of Units (notes 8)	(2,022,072)	(6,551,764)
Net assets attributable to holders of redeemable Units, end of the year	39,210,722	27,826,594

See accompanying notes to financial statements

FRIEDBERG ASSET ALLOCATION FUND
STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31,
(in U.S. dollars)

	2025	2024
	\$	\$
INCOME		
Gain on investment in Friedberg Asset Allocation Fund Limited Partnership	13,641,500	5,286,244
EXPENSES		
Management fees (note 10)	191,752	175,436
Audit and accounting fees	40,399	43,193
Custodian fees	29,375	29,868
Legal fees	24,538	24,295
	286,064	272,792
INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	13,355,436	5,013,452
INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT	6.54	2.05

See accompanying notes to financial statements

FRIEDBERG ASSET ALLOCATION FUND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,
(in U.S. dollars)

	2025	2024
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets attributable to holders of redeemable units	13,355,436	5,013,452
Adjustments for:		
Gain on investment in Friedberg Asset Allocation Fund Limited Partnership	(13,641,500)	(5,286,244)
Net change in working capital items:		
Accounts payable and accrued liabilities	2,119	2,965
Advances to Friedberg Asset Allocation Fund Limited Partnership	(91,572)	(348,193)
Drawings from Friedberg Asset Allocation Fund Limited Partnership	2,346,825	6,818,803
NET CASH FLOWS FROM OPERATING ACTIVITIES	1,971,308	6,200,783
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on the issuance of Units	50,764	350,981
Amounts paid on redemption of Units	(2,022,072)	(6,551,764)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(1,971,308)	(6,200,783)
NET INCREASE IN CASH FOR THE YEAR	-	-
CASH, BEGINNING OF THE YEAR	-	-
CASH, END OF THE YEAR	-	-

See accompanying notes to financial statements

**FRIEDBERG ASSET ALLOCATION FUND
SCHEDULE OF INVESTMENT PORTFOLIO
DECEMBER 31, 2025
(in U.S. dollars)**

Investment owned at December 31, 2025 was as follows:

<u>Country</u>	<u>Description</u>	<u>Fair value</u> \$	<u>Fair value as a</u> <u>% of net assets</u> %
Canada	Friedberg Asset Allocation Fund Limited Partnership	<u>39,280,947</u>	<u>100.18%</u>

FRIEDBERG ASSET ALLOCATION FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

(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 of 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 four 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 IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

The Fund's material accounting policy information under IFRS Accounting Standards is presented in note 3. The policies applied in these financial statements are based on IFRS Accounting Standards issued and effective for the accounting year ended December 31, 2025. The financial statements were approved and authorized for issued by the Manager on March 26, 2026.

The Funds' Manager has the power to amend the financial statements after issue.

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

The Fund is an investment entity under IFRS Accounting Standards and therefore does not present consolidated financial statements as it measures its investee at fair value through profit or loss ("FVTPL"). The LP is also an investment entity and measures its investments at FVTPL.

(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.

3. MATERIAL ACCOUNTING POLICY INFORMATION

(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 expire. 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 meet 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 period with changes in fair value recognized in the statement of income and comprehensive income in the period in which they occur. The Fund classifies all of their cash balances at broker as FVTPL, 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 obligation 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 measuring its NAV for unitholder transactions; therefore, it is expected that net assets attributable to holders 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 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 December 31, 2025.

(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 the 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. Foreign currency translation gains and losses are presented as "Foreign currency translation gain (loss)" in the statements of income and comprehensive income.

(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 and comprehensive income 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 year.

(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 of 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 December 31, 2025, and have not been applied in preparing these financial statements.

IFRS 9 – Financial Instruments ("IFRS 9") and IFRS 7 - Financial Instruments: Disclosures ("IFRS 7")

In May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 in response to practical implementation issues and to issue new requirements applicable to both financial institutions and corporate entities. These amendments aim to enhance the clarity and consistency of financial reporting for various types of financial instruments and their related disclosures by (i) clarifying the date of recognition and derecognition for certain financial assets and liabilities, including a new exception for financial liabilities settled through an electronic cash transfer system; (ii) providing help to determine whether a financial asset meets the Solely Payments of Principal and Interest criterion; (iii) introducing new disclosures for instruments with contractual terms that may alter cash flows, such as financial instruments linked to the achievement of environmental, social and governance targets; and (iv) updating the disclosure requirements for equity instruments designated as FVOCI. The new standard is to be effective for annual periods beginning on or after January 1, 2026. The Fund has determined that the adoption of these amendments are not expected to have a material impact on the Fund's financial statements.

IFRS 18, Presentation and Disclosure in Financial Statements (“IFRS 18”)

In April 2024, The IASB issued IFRS 18 that are to replace IAS 1, *Presentation of Financial Statements*. The new standard aims to improve the quality of financial reporting by: (i) requiring defined subtotals in the statement of profit or loss; (ii) requiring disclosure about management defined performance measures; and (iii) adding new principles for aggregation and disaggregation of information. The new standard is to be effective for annual periods beginning on or after January 1, 2027. Early adoption is permitted. The Fund is in the process of assessing the impact of the standard on the Fund’s financial statements.

All other new or pending IFRS standards and amendments issued but not yet effective have been assessed by the Fund and are not expected to have a material impact on the Fund’s financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS Accounting Standards as issued by the IASB 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 fair value of financial instruments.

Key areas of estimation, where the Manager has made complex or subjective judgments, include the determination of fair values of financial instruments that are not quoted in an active market. The use of valuation techniques for financial instruments that are not quoted in an active market requires the Manager to make assumptions that are based on market conditions existing as at the date of the financial statements. Changes in the assumption as a result of changes in market conditions affected the reported fair value of the instruments.

In accordance with IFRS 10, Consolidated Financial Statements, the Manager has determined that the Fund meets the definition of an "investment entity" which requires that the Fund obtains funds from one or more investor for the purpose of providing investment management services, commits to its investors that its business purpose is to investment funds solely for returns from capital appreciation, investment income, or both; and measures and evaluates the performance of its investments on a fair value basis. Consequently, the Fund does not consolidate its investment in the LP, but instead measures it at FVTPL, as required by the accounting standard.

Geopolitical conflicts, terrorism or other military events could directly or indirectly impact the LP’s portfolio companies, financial markets or more broadly, the global economy. For example, as a result of geopolitical conflicts, a portfolio company may be adversely impacted by having operations in effected countries, 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, geopolitical conflicts have broader implications, including increased sanctions, trade barriers or restrictions on global trade or further retaliatory sanctions and trade measures taken by countries in response. The future of geopolitical conflicts is highly uncertain, and unforeseen developments in this war could generate further changes to geopolitical conflicts risk and worsen its economic effects on the business of portfolio companies.

5. FINANCIAL INSTRUMENTS

The Fund held the following financial instruments as at December 31,

	<u>2025</u>	<u>2024</u>
	\$	\$
FVTPL, measured at fair value:		
Assets		
Investment in Friedberg Asset Allocation Fund Limited Partnership (a)	39,280,947	27,894,700
Liabilities		
Net assets attributable to holders of redeemable Units (a)	39,210,722	27,826,594
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	70,225	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 December 31, 2025:

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
	\$	\$	\$
ASSETS			
Investment in Friedberg Asset Allocation Fund Limited Partnership	-	39,280,947	39,280,947
LIABILITIES			
Net assets attributable to holders of redeemable Units	-	39,210,722	39,210,722

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			
Investment in Friedberg Asset Allocation Fund Limited Partnership	-	27,894,700	27,894,700
LIABILITIES			
Net assets attributable to holders of redeemable Units	-	27,826,594	27,826,594

Fair Value Measurements Using Significant Unobservable Inputs

For the two years ended December 31, 2025, the change in the investment in the LP measured using non-observable inputs are:

	\$
Balance as at December 31, 2023	29,079,066
Drawings	(6,818,803)
Contributions	348,193
Appreciation for the year	<u>5,286,244</u>
Balance as at December 31, 2024	27,894,700
Drawings	(2,346,825)
Contributions	91,572
Appreciation for the year	<u>13,641,500</u>
Balance as at December 31, 2025	<u>39,280,947</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 December 31, 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 \$1,964,047. 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

The LP is exposed to the risk that the fair value of 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 will rise if interest rates fall, and conversely, will generally fall if interest rates rise, thus the higher interest rate risk. The LP is exposed to interest rate risk through its ultra treasury bond short futures contracts.

Interest sensitivity

As at December 31, 2025, had the market interest rate strengthened or weakened by 25 basis points, with all other variables remaining constant, management estimates that comprehensive loss before allocation to limited partner for the year would have decreased or increased by approximately \$34,311 and \$34,621, respectively. This analysis only addresses the impact on these financial instruments with respect to interest rate movement, and excludes any other economic or geo-political implications of such interest rate fluctuation.

(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 – and the LP - having to dispose of investments at a time when it is not optimal to do so in order to meet such redemption requests.

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

7. INCOME TAXES

Net cumulative realized capital gains of the Fund, net of any net capital loss carryovers available, are distributed at least annually to ensure that the Fund pays no income tax, capital gains tax, or minimal alternative minimum tax. Distributions are reinvested into the Fund unless the Unitholder designates otherwise. Taxable income of the Fund which is distributed to Unitholders is not taxable to the Fund, but is taxable income to Unitholders.

As at December 31, 2025, there were unused capital losses of \$nil (\$2,563,807 as at December 31, 2024) with no expiry.

As at December 31, 2025, there were income tax temporary differences of \$4,139,305 (\$2,744,833 as at December 31, 2024) being unrealized gains. The reversal of these timing differences would result in taxable income.

8. REDEEMABLE UNITS

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

Two series are being offered by the Fund: The U.S. Denominated Series and the Canadian Denominated Series.

The U.S. Denominated Series Units are issued and redeemed in U.S. dollars, as explained below, while the Canadian Denominated Series are issued and redeemed in Canadian dollars at the prevailing exchange rate at such date.

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.

There were no Canadian Denominated Series Units outstanding for the two years ended December 31, 2025 and 2024.

The following details the changes in the number of U.S. Denominated Units outstanding for the two years ended December 31:

	<u>2024</u>	<u>2024</u>
Number of Units issued, beginning of the year	2,123,455	2,600,984
Units subscribed during the year	3,065	26,861
Units issued upon reinvestment of distribution (note 9)	316,153	42,876
Effect of consolidation of Units (note 9)	(316,153)	(42,876)
Units redeemed during the year	<u>(129,807)</u>	<u>(504,390)</u>
Number of Units outstanding, end of the year	<u>1,996,713</u>	<u>2,123,455</u>
Weighted average number of Units outstanding for the year	<u>2,041,266</u>	<u>2,442,429</u>

9. DISTRIBUTIONS 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 year ended December 31, 2025, the Fund declared a notional distribution of \$6,209,248 (2024 - \$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 reported as taxable distributions and increase each Unitholder's adjusted cost based 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 cost of these management fees is split equally between the Fund and the LP unless TTML determines a more appropriate allocation method. Management fees expense incurred by the Fund with TTML for the year ended December 31, 2025 was \$169,692 plus HST of \$22,060 (\$155,253 plus HST of \$20,183 for the year ended December 31, 2024). An amount of \$18,740 (\$14,459 as at December 31, 2024) was included in accounts payable and accrued liabilities of the Fund at December 31, 2025.

(b) Redemptions and subscriptions

Directors and officers of FMGL (including their immediate families), and entities controlled by them, subscribed for nil Units (70,727 Units in 2024) of the Fund in the amount of nil (\$847,912 in 2024) and redeemed 79,541 Units (208,546 Units in 2024) of the Fund in the amount of \$1,168,437 (\$2,861,859 in 2024) during the year.

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.

There were no changes in the policies and procedures during the year ended December 31, 2025 with respect to the Fund's approach to its redeemable units capital management.

FRIEDBERG ASSET ALLOCATION FUND LIMITED PARTNERSHIP
FINANCIAL STATEMENTS
DECEMBER 31, 2025
(in U.S. Dollars)

FRIEDBERG ASSET ALLOCATION FUND LIMITED PARTNERSHIP
FINANCIAL STATEMENTS
DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the Partners of Friedberg Asset Allocation Fund Limited Partnership

Opinion

We have audited the accompanying financial statements of Friedberg Asset Allocation Fund Limited Partnership (the "LP"), which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of income and comprehensive income, changes in net assets attributable to partners and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the LP as at December 31, 2025 and 2024 and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB")

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audits of the Financial Statements* section of our report. We are independent of the LP in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Report on Fund Performance (the "MRFP") but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the MRFP and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the MRFP and, in doing so, consider whether the MRFP is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be misstated.

We obtained the MRFP prior to the date of this auditors' report. If, based on the work we have performed on the MRFP, we conclude that there is a material misstatement of the MRFP, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the LP's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the LP or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the LP's financial reporting process.



Auditors' Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the LP's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the LP's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the LP to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audits resulting in this independent auditors' report is Laurence W. Zeifman, CPA, CA.

March 26, 2026
Toronto, Ontario

Zeifmans LLP
Chartered Professional Accountants
Licensed Public Accountants

FRIEDBERG ASSET ALLOCATION FUND LIMITED PARTNERSHIP
(a limited partnership formed under the laws of Manitoba)
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31,
(in U.S. Dollars)

	2025	2024
	\$	\$
ASSETS		
Current		
Cash	19,972,668	9,337,492
Cash held as collateral on futures and equity swap contracts	-	1,520,688
Equity securities	13,473,770	16,575,944
Fixed income securities	4,774,764	-
Amounts receivable	67,569	23,396
Unrealized gain on futures contracts	1,755,638	644,215
	40,044,409	28,101,735
LIABILITIES		
Current		
Due to broker	182,221	-
Accounts payable and accrued liabilities	86,736	80,248
Incentive Distribution payable (note 7)	491,612	-
Unrealized loss on futures contracts	-	10,816
Unrealized loss on equity swap contracts	-	114,442
	760,569	205,506
NET ASSETS ATTRIBUTABLE TO PARTNERS	39,283,840	27,896,229
NET ASSETS ATTRIBUTABLE TO LIMITED PARTNER	39,280,947	27,894,700
NET ASSETS ATTRIBUTABLE TO GENERAL PARTNER	2,893	1,529
	39,283,840	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 March 26, 2026.

Enrique Zauderer

Director, Friedberg Advisors G.P. Inc.

Daniel Gordon

Director, Friedberg Advisors G.P. Inc.

FRIEDBERG ASSET ALLOCATION FUND LIMITED PARTNERSHIP
STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTNERS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(in U.S. Dollars)

	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 year	348,193	-
Allocation of comprehensive income for the year	5,286,244	529
Drawings during the year	<u>(6,818,803)</u>	<u>-</u>
Balance as at December 31, 2024	27,894,700	1,529
Contributions during the year	91,572	-
Allocation of comprehensive income for the year	13,641,500	1,097,754
Distributions for the year (note 7)	-	(970,257)
HST on distributions for the year (note 7)	-	(126,133)
Drawings during the year	<u>(2,346,825)</u>	<u>-</u>
Balance as at December 31, 2025	<u>39,280,947</u>	<u>2,893</u>

See accompanying notes to financial statements

FRIEDBERG ASSET ALLOCATION FUND LIMITED PARTNERSHIP
STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31,
(in U.S. Dollars)

	2025	2024
	\$	\$
INCOME (LOSSES)		
Realized gains on equity securities	7,684,076	765,250
Realized gains on futures contracts	3,551,907	454,089
Change in net unrealized gain/loss on equity securities	1,931,590	3,370,346
Change in net unrealized gain/loss on futures contracts	1,122,239	237,239
Interest	1,071,071	327,879
Realized gains on fixed income securities	608,444	-
Dividends	215,847	318,874
Change in net unrealized gain/loss on equity swap contracts	114,442	95,693
Realized gains (losses) on equity swap contracts	(291,110)	20,028
Change in net unrealized gain/loss on fixed income securities	(945,928)	-
	15,062,578	5,589,398
EXPENSES		
Management fees (note 10)	191,752	175,436
Audit and accounting fees	74,879	75,431
Legal fees	26,533	26,353
Withholding taxes	16,877	11,444
Custodian fees	12,354	12,977
Transaction costs (note 10)	929	984
	323,324	302,625
NET INCOME AND COMPREHENSIVE INCOME BEFORE ALLOCATION TO LIMITED PARTNER	14,739,254	5,286,773
ALLOCATION TO THE LIMITED PARTNER	13,641,500	5,286,244
NET INCOME AND COMPREHENSIVE INCOME	1,097,754	529

See accompanying notes to financial statements

FRIEDBERG ASSET ALLOCATION FUND LIMITED PARTNERSHIP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,
(in U.S. Dollars)

	2025	2024
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net and comprehensive income	1,097,754	529
Adjustments for:		
Allocation to the limited partner	13,641,500	5,286,244
Change in net unrealized gain/loss on fixed income securities	945,928	-
Change in net unrealized gain/loss on equity securities	(1,931,590)	(3,370,346)
Change in net unrealized gain/loss on futures contracts	(1,122,239)	(237,239)
Change in net unrealized gain/loss on equity swap contracts	(114,442)	(95,693)
Realized gains on fixed income securities	(608,444)	-
Realized gains on equity securities	(7,684,076)	(765,250)
Realized gains on futures contracts	(3,551,907)	(454,089)
Realized (gains) losses on equity swap contracts	291,110	(20,028)
Purchase of investments	(30,070,008)	(17,975,120)
Proceeds on sale of investments	40,936,397	25,506,785
Net change in working capital items:		
Amounts receivable	(44,173)	67,206
Accounts payable and accrued liabilities	6,488	4,475
NET CASH FLOWS FROM OPERATING ACTIVITIES	11,792,298	7,947,474
CASH FLOWS FROM FINANCING ACTIVITIES		
Limited Partners' contributions during the year	91,572	348,193
Limited Partners' rawings for the year	(2,346,825)	(6,818,803)
Incentive Distribution	(604,778)	-
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(2,860,031)	(6,470,610)
NET DECREASE IN CASH FOR THE YEAR	8,932,267	1,476,864
CASH, BEGINNING OF THE YEAR	10,858,180	9,381,316
CASH, END OF THE YEAR	19,790,447	10,858,180
CASH BALANCES, END OF THE YEAR		
Cash	19,972,668	9,337,492
Cash held as collateral on futures and swap contracts	-	1,520,688
Cash balances due to broker	(182,221)	-
	19,790,447	10,858,180

See accompanying notes to financial statements

FRIEDBERG ASSET ALLOCATION FUND LIMITED PARTNERSHIP
SCHEDULE OF INVESTMENT PORTFOLIO
AS AT DECEMBER 31, 2025
(in U.S. Dollars)

Equity Positions - Long						
Security Name	34.3%	Quantity	Average Cost	Fair Value		
			\$	\$		
Materials		30.5%				
Agnico Eagle Mines Ltd.		45,010	2,367,703	7,630,545		
Franco-Nevada Corp.		2,000	237,864	414,645		
VanEck Junior Gold Miners EFT		34,450	3,821,725	3,919,721		
			6,427,292	11,964,911		
Energy		3.8%				
Chevron Corp.		9,900	1,532,841	1,508,859		
			7,960,133	13,473,770		
Fixed Income Positions - Long		12.2%				
Security Name	Maturity Date	Coupon %	Face Value	Average Cost	Fair Value	
			\$	\$	\$	
Argentina Treasury Bond	May 30, 2030	29.50	6,414,245,272	5,720,692	4,774,764	
Futures Contracts - Long		4.5%				
Security Name	Unit of Measure	Expiry Date	Contracts	Contract Size	Notional Value	Unrealized Gain / (Loss)
						\$
Gold	Ounces	April 2026	36	100	15,694,020	720,523
Silver	Ounces	March 2026	14	5,000	4,929,050	1,035,115
					20,623,070	1,755,638
Investment Portfolio Summary						
	%			Average Cost/ (Proceeds)	Fair Value	
				\$	\$	
Equity positions - long	34.30			7,960,133	13,473,770	
Fixed income positions - long	12.20			5,720,692	4,774,764	
Futures contracts - long	4.50			-	1,755,638	
Total investments	51.00			13,680,825	20,004,172	
Total other net assets	49.00			19,279,668	19,279,668	
Total net assets	100.00			32,960,493	39,283,840	

FRIEDBERG ASSET ALLOCATION FUND LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024
(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 four 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 IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

The LP’s material accounting policy information under IFRS Accounting Standards is presented in note 3. The policies applied in these financial statements are based on IFRS Accounting Standards issued and effective for the accounting year ended December 31, 2025. The financial statements were approved and authorized for issue by the Manager on March 26, 2026.

The LP’s Manager has the power to amend the financial statements after issue.

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

(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. MATERIAL ACCOUNTING POLICY INFORMATION

(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 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 meet 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 and comprehensive income in the period in which they occur. The LP classifies all of their cash balances at broker, derivative assets and liabilities and due to broker as FVTPL, while all debt and equity investments, fixed income securities and net

assets attributable to the limited partner and net assets attributable to the general 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 and comprehensive income.

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 and incentive distribution 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 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 utilize 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 and comprehensive income.

(d) Offsetting

Financial assets and liabilities are offset in the statements of financial position when, and only when, the LP has a legally enforceable and unconditional right to offset the amounts and intends to settle on a net basis or to realize the asset and liability simultaneously. Over-the-counter derivative financial instruments, receivable for investments sold and payable for investments purchased short positions are subject to master netting or similar agreements that do not meet the criteria for offsetting in the statements of financial position as they give a right to an offset that is enforceable only in the event of default, insolvency or bankruptcy.

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 and comprehensive income 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 and comprehensive income 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 and comprehensive income.

(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 exchange 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 and comprehensive income.

(h) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective at December 31, 2025, and have not been applied in preparing these financial statements.

IFRS 9 – Financial Instruments (“IFRS 9”) and IFRS 7 - Financial Instruments: Disclosures (“IFRS 7”)

In May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 in response to practical implementation issues and to issue new requirements applicable to both financial institutions and corporate entities. These amendments aim to enhance the clarity and consistency of financial reporting for various types of financial instruments and their related disclosures by (i) clarifying the date of recognition and derecognition for certain financial assets and liabilities, including a new exception for financial liabilities settled through an electronic cash transfer system; (ii) providing help to determine whether a financial asset meets the Solely Payments of Principal and Interest criterion; (iii) introducing new disclosures for instruments with contractual terms that may alter cash flows, such as financial instruments linked to the achievement of environmental, social and governance targets; and (iv) updating the disclosure requirements for equity instruments designated as FVOCI. The new standard is to be effective for annual periods beginning on or after January 1, 2026. The Fund has determined that the adoption of these amendments are not expected to have a material impact on the Fund’s financial statements.

IFRS 18, Presentation and Disclosure in Financial Statements (“IFRS 18”)

In April 2024, The IASB issued IFRS 18 that are to replace IAS 1, *Presentation of Financial Statements*. The new standard aims to improve the quality of financial reporting by: (i) requiring defined subtotals in the statement of profit or loss; (ii) requiring disclosure about management defined performance measures; and (iii) adding new principles for aggregation and disaggregation of information. The new standard is to be effective for annual periods beginning on or after January 1, 2027. Early adoption is permitted. The Fund is in the process of assessing the impact of the standard on the Fund’s financial statements.

All other new or pending IFRS standards and amendments issued but not yet effective have been assessed by the Fund and are not expected to have a material impact on the Fund’s financial statements.

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.

In accordance with IFRS 10, Consolidated Financial Statements, the Manager has determined that the LP meets the definition of an "investment entity" which requires that the Fund obtains funds from one or more investor for the purpose of providing investment management services, commits to its investors that its business purpose is to investment funds solely for returns from capital appreciation, investment income, or both; and measures and evaluates the performance of its investments on a fair value basis.

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, terrorism or other military events could directly or indirectly impact the LP's portfolio companies, financial markets or more broadly, the global economy. For example, as a result of geopolitical conflicts, a portfolio company may be adversely impacted by having operations in effected countries, 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 geopolitical conflicts have broader implications, including increased sanctions, trade barriers or restrictions on global trade or further retaliatory sanctions and trade measures taken by countries in response. The future of the geopolitical conflicts is highly uncertain, and unforeseen developments in this war could generate further changes to geopolitical conflicts risk and worsen its economic effects on the business of portfolio companies.

5. FINANCIAL INSTRUMENTS

The LP held the following financial instruments as at December 31:

	<u>2025</u>	<u>2024</u>
	\$	\$
FVTPL, measured at fair value:		
Assets		
Cash	19,972,668	9,337,492
Cash held as collateral on futures and equity swap contracts	-	1,520,688
Equity securities (a)	13,473,770	16,575,944
Fixed income securities (a)	4,774,764	-
Unrealized gain on futures contracts	1,755,638	644,215
Liabilities		
Unrealized loss on futures contracts	-	10,816
Unrealized loss on equity swap contracts	-	114,442
Net assets attributable to limited partner (a)	39,280,947	27,894,700
Net assets attributable to general partner (a)	2,893	1,529
Loans and receivables, measured at amortized cost:		
Amounts receivable	67,569	23,396
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	86,736	80,248
Due to broker	182,221	-
Incentive Distribution payable	491,612	-

(a) Designated as FVTPL upon initial recognition.

The following table presents the net gain (loss) on financial instruments at FVTPL by category for the year:

	<u>2025</u>	<u>2024</u>
	\$	\$
Mandatorily measured at FVTPL	4,497,478	807,049
Designated at FVTPL	9,278,182	4,135,596
	<u>13,775,660</u>	<u>4,942,645</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, 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 and liabilities classified as Level 2 include fixed income securities and unrealized gain (loss) on 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 December 31, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	\$	\$	\$	\$
ASSETS				
Cash	19,972,668	-	-	19,972,668
Equity securities	13,473,770	-	-	13,473,770
Fixed income securities	-	4,774,764	-	4,774,764
Unrealized gain on futures contracts	1,755,638	-	-	1,755,638
	<u>35,202,076</u>	<u>4,774,764</u>	<u>-</u>	<u>39,976,840</u>
LIABILITIES				
Due to broker	182,221	-	-	182,221
Net assets attributable to limited partner	-	-	39,280,947	39,280,947
Net assets attributable to general partner	-	-	2,893	2,893
	<u>182,221</u>	<u>-</u>	<u>39,283,840</u>	<u>39,466,061</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 equity swap contracts	1,520,688	-	-	1,520,688
Equity 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 limited partner	-	-	27,894,700	27,894,700
Net assets attributable to 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 the 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 statement of financial position, due to differences of derivative instruments. Certain risks, such as currency 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 environment 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	13,473,770	34.30
Fixed income securities	4,774,764	12.15
Futures contracts (total notional contract value)	20,623,070	52.50
	<u>38,871,604</u>	<u>98.95</u>

Price sensitivity

As at December 31, 2025, had the prices of the investments held in the LP decreased or increased by 5% with all other variables held constant, comprehensive income before allocation to limited partner for the year would have decreased or increased by \$1,943,580. 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 fluctuates due to changes in exchange rates.

The table below summarizes the LP's overall currency exposure:

<u>Currency</u>	<u>Equity securities</u>	<u>Fixed income securities</u>	<u>Accounts payable</u>	<u>Total</u>	<u>% of NAV</u>
	\$	\$	\$	\$	%
Canadian dollar	8,045,190	-	(47,580)	7,997,610	20.35
Argentine peso	-	4,774,764	-	4,774,764	12.15
	<u>8,045,190</u>	<u>4,774,764</u>	<u>(47,580)</u>	<u>12,772,374</u>	<u>32.50</u>

Currency Sensitivity

As at December 31, 2025, had the United States dollar strengthened or weakened by 1% in relation to all currencies, with all other variables remaining constant, comprehensive income before allocation to limited partner for the year would have increased or decreased by \$127,724. This analysis only addresses the impact on the financial instruments with respect to currency movement and excludes any other economic or geopolitical 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 of 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 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 December 31, 2025, the LP is not subject to significant interest rate risk.

Interest sensitivity

As at December 31, 2025, had interest rates strengthened or weakened by 25 basis points, with all other variables remaining constant, comprehensive income before allocation to limited partner for the year would have decreased by \$34,311 or increased by \$34,621, respectively. This analysis only addresses the impact on the financial instruments with respect to interest rate movement, and excludes any other economic or geopolitical implications of such interest rate fluctuation.

(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 LP is exposed to credit risk arising from derivative counterparties; however, this risk is mitigated through daily mark-to-market valuation and collateralization. The maximum credit exposure is limited to the fair value of derivative assets less cash collateral received.

The table below summarizes the LP's counterparty concentration as a percentage of NAV, as at December 31, 2025:

<u>Counterparty</u>	<u>Cash</u>	<u>Amounts</u>	<u>Equity</u>	<u>Fixed income</u>	<u>Futures</u>	<u>Due to broker</u>	<u>Total</u>
	%	%	%	%	%	%	%
Bank of Montreal	50.74	0.16	-	-	-	-	50.90
BMO Bank N.A	0.05	0.01	-	-	-	-	0.06
JP Morgan	-	-	-	-	4.47	(0.46)	4.01
CIBC Mellon	0.05	-	34.30	12.15	-	-	46.50
	<u>50.84</u>	<u>0.17</u>	<u>34.30</u>	<u>12.15</u>	<u>4.47</u>	<u>(0.46)</u>	<u>101.47</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</u>	<u>Amounts</u>	<u>Equity</u>	<u>Futures</u>	<u>Equity</u>	<u>Accounts</u>	<u>Total</u>
	%	<u>as collateral</u>	%	%	%	<u>Swaps</u>	<u>payable and</u>	%
		<u>on futures</u>					<u>accrued</u>	
		<u>contracts</u>					<u>liabilities</u>	
BMO Bank N.A	0.29	-	0.01	-	-	-	-	0.30
Bank of Montreal	32.74	-	0.06	-	-	-	-	32.80
JP Morgan	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 and unrealized gains on futures contracts as at December 31, as a percentage of NAV:

	<u>2025</u>	<u>2024</u>
	%	%
Canada	<u>97.41</u>	<u>94.61</u>
United States	<u>4.06</u>	<u>5.64</u>
	<u>101.47</u>	<u>100.25</u>

The following are the individual issuers of equity securities that exceed 5% of NAV as at December 31, as a percentage of NAV:

	<u>2025</u>	<u>2024</u>
	%	%
Agnico Eagle Mines Ltd	<u>19.42</u>	<u>24.53</u>
VanEck Junior Gold Miners ETF	<u>9.98</u>	<u>5.73</u>
SPDR Gold Shares	<u>-</u>	<u>18.4</u>
iShares U.S. Home Construction ETF	<u>-</u>	<u>7.38</u>

(e) Liquidity risk

The LP invests virtually all of 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 a distribution from the LP, calculated and payable quarterly, equal to 15% of the cumulative total return (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 a distribution was made (“Incentive Distribution”). Incentive Distributions are, however, only payable to the extent that cumulative total return for the subject period exceeds an annualized rate of return equal to the two-year U.S. Government treasury note. The balance of comprehensive income is allocated to the limited partner. An Incentive Distribution of \$970,257 (2024 - \$nil) plus HST of \$126,133 (2024 - \$nil) was recognized for the year ended December 31, 2025.

The allocation of comprehensive income to the general partner is comprised as follows:

	<u>2025</u>	<u>2024</u>
	\$	\$
Incentive Distribution	970,257	-
HST	126,133	-
Allocation of 0.01% of comprehensive income before allocation to the limited	<u>1,364</u>	<u>529</u>
	<u>1,097,754</u>	<u>529</u>

Incentive Distribution of \$435,055 (\$nil as at December 31, 2024) and HST of \$56,557 (\$nil as at December 31, 2024) remained payable at December 31, 2025.

8. OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

The LP’s derivatives noted below are subject to enforceable master netting arrangements in the form of International Swaps and Derivatives Association, Inc. agreements. The normal business terms of derivative contracts under the central clearing agreement call for net settlement when contracts of the same position mature simultaneously. In the event of default or bankruptcy, net settlement of the contract would be enforced. As at December 31, 2025 the LP has no offsetting assets or liabilities.

	<u>Amounts offset</u>			<u>Amounts not offset</u>		
	<u>Gross</u>	<u>Gross assets/ liabilities offset</u>	<u>Net</u>	<u>Master netting arrangements</u>	<u>Financial collateral</u>	<u>Net</u>
	\$	\$	\$	\$	\$	\$
As at December 31, 2025						
ASSETS						
Cash	19,972,668	-	19,972,668	-	-	19,972,668
Equity securities	13,473,770	-	13,473,770	-	-	13,473,770
Fixed income securities	4,774,764	-	4,774,764	-	-	4,774,764
Amounts receivable	67,569	-	67,569	-	-	67,569
Unrealized gain on futures contracts	1,755,638	-	1,755,638	(182,221)	-	1,573,417
	<u>40,044,409</u>	<u>-</u>	<u>40,044,409</u>	<u>(182,221)</u>	<u>-</u>	<u>39,862,188</u>
LIABILITIES						
Due to broker	182,221	-	182,221	(182,221)	-	-
Accounts payable and accrued liabilities	86,736	-	86,736	-	-	86,736
Incentive fee payable	491,612	-	491,612	-	-	491,612
	<u>760,569</u>	<u>-</u>	<u>760,569</u>	<u>(182,221)</u>	<u>-</u>	<u>578,348</u>
As at December 31, 2024						
ASSETS						
Cash	9,337,492	-	9,337,492	(14,449)	-	9,323,043
Cash held as collateral on futures and equity swap contracts	1,520,668	-	1,520,668	(125,258)	-	1,395,410
Equity securities	16,575,944	-	16,575,944	-	-	16,575,944
Amounts receivable	23,396	-	23,396	-	-	23,396
Unrealized gain on futures contracts	644,215	-	644,215	(6,103)	-	638,112
	<u>28,125,571</u>	<u>-</u>	<u>28,125,571</u>	<u>(145,810)</u>	<u>-</u>	<u>27,955,905</u>
LIABILITIES						
Accounts payable and accrued liabilities	80,248	-	80,248	(20,552)	-	59,696
Unrealized loss on futures contracts	10,816	-	10,816	(10,816)	-	-
Unrealized loss on equity swap contracts	114,442	-	114,442	(114,442)	-	-
	<u>205,506</u>	<u>-</u>	<u>205,506</u>	<u>(145,810)</u>	<u>-</u>	<u>59,696</u>

9. INCOME TAXES

The LP is an unincorporated entity and, therefore, is not subject to income taxation. The LP is to distribute sufficient net income (including, if applicable, net capital gains) to the Fund and thus the Fund would be able to in turn distribute sufficient net income (including, if applicable, net capital gains) so that the Fund would generally not be liable for income tax or capital gains tax or for no or minimal alternative minimum tax for any given year. All distributions are to be automatically reinvested on behalf of the Fund in the LP, unless the Fund requests otherwise. Accordingly, no provision for income taxes payable or recoverable has been made in these financial statements.

10. RELATED PARTY TRANSACTIONS

(a) Transaction costs

FMGL serves as one of the LP's brokers. For the year ended December 31, 2025, the LP incurred \$2,035 (\$2,448 for the year ended December 31, 2024) in transaction costs on options and futures contracts with FMGL. Transaction costs are charged to income and comprehensive income.

(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 fee expense is split equally between the Fund and the LP unless TTML determines a more appropriate allocation method. Management fee expense of the LP incurred with TTML for the year ended December 31, 2025 was \$169,692 plus HST of \$22,060 (\$155,253 plus HST of \$20,183 for the year ended December 31, 2024). An amount of \$19,929 (\$15,129 as at December 31, 2024) was included in accounts payable and accrued liabilities at December 31, 2025.

(c) Cash and securities held at broker

The following details the assets that FMGL held on behalf of the LP as at December 31:

	<u>2025</u>	<u>2024</u>
	\$	\$
Cash	-	14,449
Unrealized gain on futures contracts	-	644,215
	<hr/>	<hr/>
	-	658,664
	<hr/>	<hr/>

11. 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.

There were no changes in the policies and procedures during the year ended December 31, 2025 with respect to the LP's approach to its capital management.