X-SQUARE BALANCED FUND, LLC

First Mutual Fund in Puerto Rico Registered with the SEC

TICKER	SHARE CLASS
SQBFX	Class A
SQCBX	Class C
SQBIX	Institutional Class

X² CAPITAL

SEMI-ANNUAL FINANCIAL STATEMENTS & OTHER INFORMATION

(Includes N-CSR Items 7-10)

June 30, 2026

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ITEM 7 – Financial Statements and Financial Highlights for Open-End Management Investment Companies

Description	Shares		Value
COMMON STOCKS (62.66%)			
Communications (5.72%)			
Alphabet, Inc., Class C	5,819	$	2,056,027
AppLovin Corp., Class A[(a)]	2,287		1,178,331
Booking Holdings, Inc.	3,447		614,393
Expedia Group, Inc.	3,637		930,636
Meta Platforms, Inc., Class A	2,028		1,142,352
Zillow Group, Inc., Class C[(a)]	2,688		84,726
			6,006,465
Consumer Discretionary (11.04%)			
Amazon.com, Inc.[(a)]	4,087		974,096
Chipotle Mexican Grill, Inc.[(a)]	15,413		524,042
Copart, Inc.[(a)]	19,264		543,052
Domino's Pizza, Inc.	1,078		319,131
Home Depot, Inc.	2,015		710,650
Lennar Corp., Class A	6,581		595,515
MercadoLibre, Inc.[(a)]	496		841,905
PulteGroup, Inc.	7,635		1,047,598
QXO, Inc.[(a)]	20,222		349,436
RH[(a)]	2,742		451,690
Ross Stores, Inc.	9,835		2,093,380
Tesla, Inc.[(a)]	2,931		1,232,779
TJX Cos., Inc.	9,101		1,378,801
Tractor Supply Co.	17,139		541,764
			11,603,839
Consumer Staples (3.92%)			
Altria Group, Inc.	13,490		970,605
BJ's Wholesale Club Holdings, Inc.[(a)]	6,338		552,800
Dollar General Corp.	4,998		575,320
PepsiCo, Inc.	5,417		733,462
Philip Morris International, Inc.	6,961		1,259,315
Walmart, Inc.	268		30,354
			4,121,856
Energy (4.49%)			
Cenovus Energy, Inc.	20,142		499,723
EOG Resources, Inc.	5,325		690,812
Expand Energy Corp.	7,936		723,684
New Fortress Energy, Inc.[(a)]	60,952		22,132
Occidental Petroleum Corp.	16,800		815,976
Suncor Energy, Inc.	36,702		1,970,163
			4,722,490
Financials (6.50%)			
Ally Financial, Inc.	15,618		717,647
Berkshire Hathaway, Inc., Class B[(a)]	2,281		1,141,390
Chubb, Ltd.	3,408		1,161,242
Coinbase Global, Inc.[(a)]	892		130,402
Intercontinental Exchange, Inc.	2,929		360,589
JPMorgan Chase & Co.	113		36,988
MarketAxess Holdings, Inc.	2,326		263,978
Mastercard, Inc., Class A	1,584		813,542
NU Holdings, Ltd.[(a)]	81,375		1,087,170
OFG Bancorp	3,525		172,972
PayPal Holdings, Inc.	8,980		387,756
Truist Financial Corp.	11,268		561,372

See Notes to Financial Statements.

Description	Shares	Value
Financials (6.50%) (continued)		
		$ 6,835,048
Health Care (2.75%)		
AbbVie, Inc.	2,927	736,550
Amgen, Inc.	2,722	985,691
Bausch Health Cos., Inc.[(a)]	11,163	55,033
Johnson & Johnson	4,363	1,108,071
		2,885,345
Industrials (8.93%)		
Fastenal Co.	22,256	1,068,956
Generac Holdings, Inc.[(a)]	4,372	1,280,165
General Dynamics Corp.	3,391	1,201,228
Lockheed Martin Corp.	1,708	870,158
RXO, Inc.[(a)]	19,555	539,522
TransDigm Group, Inc.	707	941,752
United Rentals, Inc.	1,721	1,949,704
XPO, Inc.[(a)]	7,442	1,527,768
		9,379,253
Materials (4.83%)		
DuPont de Nemours, Inc.	3,076	417,229
Freeport-McMoRan, Inc.	14,228	894,799
Glencore PLC, ADR	77,537	1,055,279
LyondellBasell Industries NV, Class A	8,017	422,095
Rio Tinto PLC, ADR	7,835	743,776
Sasol, Ltd., ADR[(a)]	50,577	496,666
Tecnoglass, Inc.	8,920	417,545
Vale SA, ADR	41,432	623,137
		5,070,526
Technology (14.48%)		
Advanced Micro Devices, Inc.[(a)]	7,215	4,191,266
Akamai Technologies, Inc.[(a)]	5,469	646,491
Booz Allen Hamilton Holding Corp.	3,897	236,431
Fortinet, Inc.[(a)]	9,006	1,383,502
Garmin, Ltd.	4,984	1,183,899
Micron Technology, Inc.	4,270	4,928,818
Microsoft Corp.	815	304,011
Oracle Corp.	3,702	542,528
ServiceNow, Inc.[(a)]	10,000	992,800
Shopify, Inc., Class A[(a)]	7,082	808,623
		15,218,369
TOTAL COMMON STOCKS (Cost $45,304,591)		**65,843,191**

Description	Principal Amount	Value
MORTGAGE-BACKED SECURITIES (26.64%)		
Residential (26.64%)		
Ginnie Mae II Pool, Series MA6985 - 2020 11/20/2050, 2.00%	$ 4,205,184	3,372,545
Ginnie Mae II Pool, Series 785221 - 2020 12/20/2050, 2.00%	1,026,417	834,643

See Notes to Financial Statements.

		Principal Amount		Value
Residential (26.64%) (continued)				
Ginnie Mae II Pool, Series MA7417 - 2021 6/20/2051, 2.00%	$	3,178,950	$	2,608,248
Ginnie Mae II Pool, Series MA7533 - 2021 8/20/2051, 2.00%		4,309,406		3,535,723
Ginnie Mae II Pool, Series MA7648 - 2021 10/20/2051, 2.00%		4,228,442		3,469,273
Ginnie Mae II Pool, Series MA7704 - 2021 11/20/2051, 2.00%		3,759,002		3,084,098
Ginnie Mae II Pool, Series MA7766 - 2021 12/20/2051, 2.00%		3,159,755		2,592,429
Ginnie Mae II Pool, Series MA6540 - 2021 3/20/2050, 2.50%		1,459,858		1,253,362
Ginnie Mae II Pool, Series MA7312 - 2021 4/20/2051, 2.50%		1,553,595		1,328,683
Ginnie Mae II Pool, Series 785657 - 2021 10/20/2051, 2.50%		2,039,261		1,743,249
Ginnie Mae II Pool, Series 2025- 2/20/2052, 3.00%		4,692,011		4,164,957
TOTAL MORTGAGE-BACKED SECURITIES (Cost $28,427,214)				**27,987,210**
GOVERNMENT BONDS (2.51%)				
U.S. Treasury Bond 8/15/2032, 2.75%		1,650,000		1,515,357
U.S. Treasury Note				
10/31/2026, 1.63%		45,600		45,262
4/30/2030, 3.88%		800,000		791,344
11/15/2035, 4.00%		300,000		290,203
				1,126,809
TOTAL GOVERNMENT BONDS (Cost $2,688,684)				**2,642,166**
SHORT TERM INVESTMENTS (7.81%)				
U.S. Treasury Bills (7.81%)				
12/03/2026, 3.74%		4,900,000		4,820,122
07/30/2026, 3.56%		3,400,000		3,390,154

See Notes to Financial Statements.

U.S. Treasury Bills (7.81%) (continued)		
TOTAL SHORT TERM INVESTMENTS (Cost $8,211,139)		**8,210,276**
TOTAL INVESTMENTS (99.62%) (Cost $84,631,628)	$	104,682,843
Other Assets In Excess Of Liabilities (0.38%)		392,197
NET ASSETS (100.00%)	**$**	**105,075,040**

[a] *Non-income producing security.*

See Notes to Financial Statements.

June 30, 2026 (Unaudited)

ASSETS:		
Investments, at value (Cost $84,631,628)	$	104,682,843
Cash and cash equivalents		70,517
Foreign currency, at value (Cost $15,841)		15,854
Dividends receivable		36,810
Interest receivable		85,962
Prepaid expenses and other assets		132,426
Receivable for shares sold		257,249
Total Assets		105,281,661
LIABILITIES:		
Accrued chief compliance officer fees payable		2,901
Payable due to adviser (see Note 4)		85,066
Payable for shares redeemed		4,104
Accrued trustees' fees payable		4,616
Accrued fund administration and accounting fees payable		5,163
Payable for insurance fees		17,361
Transfer Agent fees payable		19,977
Accrued professional fees payable		24,928
Other payables and accrued expenses		42,505
Total Liabilities		206,621
NET ASSETS	$	105,075,040
COMPOSITION OF NET ASSETS ATTRIBUTABLE TO SHARES:		
Paid-in capital	$	78,140,404
Total distributable earnings		26,934,636
NET ASSETS	$	105,075,040
NET ASSET VALUE:		
Class A:		
Net assets	$	85,045,155
Shares outstanding (unlimited shares authorized, no par value)		5,176,160
Net Asset Value per Share	$	16.43
Maximum offering price per share ((NAV/0.9425), based on maximum sales charge of 5.75% of the offering price)	$	17.43
Class C:		
Net assets	$	8,706,421
Shares outstanding (unlimited shares authorized, no par value)		560,594
Net Asset Value per Share	$	15.53
Institutional:		
Net assets	$	11,323,464
Shares outstanding (unlimited shares authorized, no par value)		676,841
Net Asset Value per Share	$	16.73

See Notes to Financial Statements.

For the Six Months Ended June 30, 2026 (Unaudited)

INVESTMENT INCOME:		
Interest	$	748,272
Dividends		370,693
Total Investment Income		1,118,965
EXPENSES:		
Investment advisory fees (see Note 4)		462,780
Fund accounting, administration and compliance fees		119,047
Professional fees		50,971
Trustees' fees and expenses		17,516
Printing expense		6,290
Transfer agent fees		14,583
Distribution fees		
Class A		92,287
Class C		40,102
State registration fees		2,399
Other expenses		24,834
Total Expenses		830,809
Net Investment Income		288,156
REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS:		
Net realized gain/(loss) on:		
Investment securities:		3,768,876
Net realized loss on foreign currency translation		(2,326)
Net realized gain		3,766,550
Change in unrealized appreciation/(depreciation) on:		
Investment securities, before taxes		5,572,388
Net change in unrealized appreciation on translation of assets and liabilities denominated in foreign currencies		13
Net change in unrealized appreciation on investments		5,572,401
Net Realized and Unrealized Gain on Investments		9,338,951
Net Increase in Net Assets Resulting from Operations	$	9,627,107

See Notes to Financial Statements.

	For the Six Months Ended June 30, 2026 (Unaudited)	For the Year Ended December 31, 2025
FROM OPERATIONS:		
Net investment income	$ 288,156	$ 565,941
Net realized gain on investments	3,766,550	2,216,280
Net change in unrealized appreciation on investments	5,572,401	5,143,825
Net Increase in Net Assets from Operations	9,627,107	7,926,046
DISTRIBUTIONS TO SHAREHOLDERS:		
From distributable earnings		
Class A:	(445,536)	—
Class C:	(49,224)	—
Institutional Class:	(60,658)	—
From return of capital		
Class A:	(264,368)	(953,678)
Class C:	(32,210)	(116,573)
Institutional Class:	(39,693)	(115,044)
Decrease in Net Assets from Distributions to Shareholders	(891,689)	(1,185,097)
CAPITAL SHARE TRANSACTIONS:		
Proceeds from sale of shares		
Class A	16,410,179	16,601,481
Class C	827,730	2,292,269
Institutional	304,810	6,498,287
Distributions reinvested		
Class A	549,418	742,162
Class C	47,196	64,796
Institutional	76,595	89,465
Cost of shares redeemed		
Class A	(4,333,149)	(8,717,079)
Class C	(487,007)	(910,146)
Institutional	(165,352)	(471,163)
Redemption Fees		
Class A	30	356
Class C	—	—
Institutional	—	354
Net Increase in Net Assets from Capital Share Transactions	13,230,450	16,190,782
Net increase in Net Assets	21,965,868	22,931,731
NET ASSETS:		
Beginning of period	83,109,172	60,177,441
End of period	$ 105,075,040	$ 83,109,172
OTHER INFORMATION:		
Capital Share Transactions:		
Class A :		
Beginning shares	4,367,641	3,763,878
Shares sold	1,083,682	1,168,747
Distributions reinvested	—	52,922
Shares redeemed	(275,163)	(617,906)
Ending shares	5,176,160	4,367,641
Class C :		
Beginning shares	534,468	428,044
Shares sold	58,672	166,605
Distributions reinvested	—	4,846
Shares redeemed	(32,546)	(65,027)
Ending shares	560,594	534,468

See Notes to Financial Statements.

	For the Six Months Ended June 30, 2026 (Unaudited)	For the Year Ended December 31, 2025
Institutional Class:		
Beginning shares	663,064	233,765
Shares sold	24,125	456,967
Distributions reinvested	—	6,260
Shares redeemed	(10,348)	(33,928)
Ending shares	676,841	663,064

See Notes to Financial Statements.

For a Share Outstanding Throughout the Periods Presented (Unaudited)

	For the Six Months Ended June 30, 2026	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
PER SHARE OPERATING PERFORMANCE:						
Net asset value - beginning of period	$ 14.98	$ 13.64	$ 12.33	$ 10.97	$ 12.57	$ 11.61
INCOME/(LOSS) FROM INVESTMENT OPERATIONS:						
Net investment income/(loss)[(a)]	0.05	0.12	(0.01)	(0.04)	(0.07)	(0.20)
Net realized and unrealized gain/(loss) on investments	1.55	1.46	1.56	1.64	(1.29)	1.28
Net increase/(decrease) in Net Asset Value	1.60	1.58	1.55	1.60	(1.36)	1.08
DISTRIBUTIONS TO SHAREHOLDERS:						
From net investment income	(0.09)	–	(0.03)	–	–	(0.12)
From return of capital	(0.06)	(0.24)	(0.21)	(0.24)	(0.24)	–
Total Distributions to Shareholders	(0.15)	(0.24)	(0.24)	(0.24)	(0.24)	(0.12)
Net asset value - end of period	$ 16.43	$ 14.98	$ 13.64	$ 12.33	$ 10.97	$ 12.57
Total Investment Return - Net Asset Value [(b)]	10.74%	11.72%	12.70%	14.79%	(10.88)%	9.31%
RATIOS AND SUPPLEMENTAL DATA:						
Net assets attributable to shares, end of period (000s)	$ 85,045	$ 65,413	$ 51,343	$ 35,924	$ 29,014	$ 26,262
Ratio of actual expenses to average net assets including fee waivers and reimbursements	1.76%	1.87%	2.66%	2.75%	2.75%	2.75%
Ratio of actual expenses to average net assets excluding fee waivers and reimbursements	1.76%	1.87%	2.66%	2.80%	3.28%	3.50%
Ratio of net investment income/(loss) to average net assets	0.66%	0.83%	(0.11)%	(0.37)%	(0.59)%	(1.59)%
Portfolio turnover rate	7.53%	9.70%	19.58%	30.18%	51.37%	18.40%

(a) *Calculated using average shares outstanding.*

(b) *Total investment return is calculated assuming a purchase of shares at the opening on the first day and a sale at closing on the last day of the period reported. Dividends and distributions are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions, if any, and are not annualized.*

See Notes to Financial Statements.

For a Share Outstanding Throughout the Periods Presented

	For the Six Months Ended June 30, 2026	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
PER SHARE OPERATING PERFORMANCE:						
Net asset value - beginning of period	$ 14.22	$ 13.08	$ 11.94	$ 10.70	$ 12.36	$ 11.50
INCOME/(LOSS) FROM INVESTMENT OPERATIONS:						
Net investment income/(loss)[(a)]	(0.01)	0.01	(0.12)	(0.12)	(0.15)	(0.29)
Net realized and unrealized gain/(loss) on investments	1.47	1.37	1.50	1.60	(1.27)	1.27
Net increase/(decrease) in Net Asset Value	1.46	1.38	1.38	1.48	(1.42)	0.98
DISTRIBUTIONS TO SHAREHOLDERS:						
From net investment income	(0.09)	–	(0.03)	–	–	(0.12)
From return of capital	(0.06)	(0.24)	(0.21)	(0.24)	(0.24)	–
Total Distributions to Shareholders	(0.15)	(0.24)	(0.24)	(0.24)	(0.24)	(0.12)
Net asset value - end of period	$ 15.53	$ 14.22	$ 13.08	$ 11.94	$ 10.70	$ 12.36
Total Investment Return - Net Asset Value [(b)]	10.32%	10.68%	11.68%	14.03%	(11.56)%	8.53%
RATIOS AND SUPPLEMENTAL DATA:						
Net assets attributable to shares, end of period (000s)	$ 8,706	$ 7,599	$ 5,601	$ 4,778	$ 4,205	$ 4,345
Ratio of actual expenses to average net assets including fee waivers and reimbursements	2.51%	2.64%	3.50%	3.50%	3.50%	3.50%
Ratio of actual expenses to average net assets excluding fee waivers and reimbursements	2.51%	2.64%	3.50%	3.55%	4.02%	4.23%
Ratio of net investment income/(loss) to average net assets	(0.10)%	0.06%	(0.94)%	(1.12)%	(1.35)%	(2.34)%
Portfolio turnover rate	7.53%	9.70%	19.58%	30.18%	51.37%	18.40%

(a) *Calculated using average shares outstanding.*

(b) *Total investment return is calculated assuming a purchase of shares at the opening on the first day and a sale at closing on the last day of the period reported. Dividends and distributions are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions, if any, and are not annualized.*

See Notes to Financial Statements.

For a Share Outstanding Throughout the Periods Presented (Unaudited)

	For the Six Months Ended June 30, 2026	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
PER SHARE OPERATING PERFORMANCE:						
Net asset value - beginning of period	$ 15.23	$ 13.83	$ 12.47	$ 11.06	$ 12.63	$ 11.65
INCOME/(LOSS) FROM INVESTMENT OPERATIONS:						
Net investment income/(loss)[(a)]	0.07	0.16	0.02	(0.01)	(0.04)	(0.17)
Net realized and unrealized gain/(loss) on investments	1.58	1.48	1.58	1.66	(1.29)	1.27
Net increase/(decrease) in Net Asset Value	1.65	1.64	1.60	1.65	(1.33)	1.10
DISTRIBUTIONS TO SHAREHOLDERS:						
From net investment income	(0.09)	–	(0.03)	–	–	(0.12)
From return of capital	(0.06)	(0.24)	(0.21)	(0.24)	(0.24)	–
Total Distributions to Shareholders	(0.15)	(0.24)	(0.24)	(0.24)	(0.24)	(0.12)
Net asset value - end of period	$ 16.73	$ 15.23	$ 13.83	$ 12.47	$ 11.06	$ 12.63
Total Investment Return - Net Asset Value [(b)]	10.89%	11.99%	12.96%	15.13%	(10.59)%	9.45%
RATIOS AND SUPPLEMENTAL DATA:						
Net assets attributable to shares, end of period (000s)	$ 11,323	$ 10,098	$ 3,234	$ 1,849	$ 1,414	$ 1,590
Ratio of actual expenses to average net assets including fee waivers and reimbursements	1.51%	1.61%	2.39%	2.50%	2.50%	2.50%
Ratio of actual expenses to average net assets excluding fee waivers and reimbursements	1.51%	1.61%	2.39%	2.55%	3.01%	3.37%
Ratio of net investment income/(loss) to average net assets	0.90%	1.11%	0.15%	(0.12)%	(0.36)%	(1.37)%
Portfolio turnover rate	7.53%	9.70%	19.58%	30.18%	51.37%	18.40%

[(a)] *Calculated using average shares outstanding.*

[(b)] *Total investment return is calculated assuming a purchase of shares at the opening on the first day and a sale at closing on the last day of the period reported. Dividends and distributions are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions, if any, and are not annualized.*

See Notes to Financial Statements.

1. ORGANIZATION AND REGISTRATION

X-Square Balanced Fund, LLC (the "Fund") is an open-end investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). The Fund is a diversified investment company with an investment objective which seeks conservation of capital, current income and long-term growth of capital and income. The Fund currently offers Class A, Class C and Institutional Class Shares. Each share class of the Fund represents an investment in the same portfolio of securities, but each share class has its own expense structures. The Fund’s Investment Adviser is X-Square Capital, LLC (the “Adviser”). The Fund is a related party to the Adviser.

Subject to certain exceptions, investments in Class C shares are subject to a 1.00% contingent deferred sales charge if shares are sold within 12 months of purchase. The contingent deferred sales charge is expected to be calculated based on the lesser of the offering price and market value of shares being sold.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The financial statements are prepared in United States Dollars and in conformity with accounting principles generally accepted in the United States of America (“GAAP”), which requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Actual results may differ from these estimates. The Fund is considered an investment company under GAAP and follows the accounting and reporting guidance applicable to investment companies in the Financial Accounting Standards Board Accounting Standards Codification Topic 946. The financial statements have been prepared as of the close of the New York Stock Exchange (“NYSE”) as of the fiscal year end of the Fund.

Portfolio Valuation: The net asset value (“NAV”) per common share of the Fund is determined daily, on each day that there is a regular trading session on the NYSE as of the close of regular trading. The Fund’s NAV per common share is calculated by dividing the value of the Fund’s total assets, less its liabilities, by the number of shares outstanding and rounding the result to the nearest full cent.

The Fund generally values its securities based on market prices determined at the close of regular trading on the NYSE (normally, 4 p.m. Eastern time) on each business day (Monday through Friday). The Fund will not value its securities on any day that the NYSE is closed, including the following observed holidays: New Year’s Day, Martin Luther King, Jr. Day, Washington’s Birthday, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. The Fund’s currency valuations are done as of the close of regular trading on the NYSE (normally, 4 p.m. Eastern time).

For equity securities that are traded on an exchange, the market price is usually the closing sale or official closing price on that exchange, provided such price is not deemed stale, and that it represents fair value. In the case of securities not traded on an exchange, or if such closing prices are not otherwise available, the market price is typically determined by independent third party pricing vendors approved by the Fund’s Board of Managers (“the Board”) using a variety of pricing techniques and methodologies.

The market price for debt obligations (including short-term debt obligations with remaining maturities of 60 days or less) is generally the price supplied by an independent third-party pricing service approved by the Board, which may use a matrix, formula or other objective method that takes into consideration market indices, yield curves and other specific adjustments. In certain circumstances, bid and ask prices may be obtained from: (i) a broker/ dealer specified and deemed reliable by the Adviser, (ii) pink sheets, yellow sheets or the blue list, or (iii) a pricing agent that obtains quotations from broker/dealers or evaluates the value of the respective bid and ask prices. If vendors are unable to supply a price, or if the price supplied is deemed to be unreliable, the market price may be determined using quotations received from one or more brokers/dealers that make a market in the security.

When such prices or quotations are not available, or when the Adviser believes that they are unreliable, securities may be priced using fair value procedures approved by the Board. The Fund may also use fair value procedures if the Adviser determines that a significant event has occurred between the time at which a market price is determined and the time at which the Fund NAV is calculated. In particular, the value of foreign securities may be materially affected by events occurring after the close of the market on which they are traded, but before the Fund prices its shares.

The Fund may determine the fair value of investments based on information provided by pricing services and other third-party vendors, which may recommend fair value prices or adjustments with reference to other securities, indices or assets. In considering whether fair value pricing is required and in determining fair values, the Fund may, among other things, consider significant events (which may be considered to include changes in the value of U.S. securities or securities indices) that occur after the close of the relevant market and before the Fund values its securities. In addition, the Fund may utilize modeling tools provided by third-party vendors to determine fair values of foreign securities.

Valuing securities at fair value involves greater reliance on judgment than valuation of securities based on readily available market quotations. A fund that uses fair value to price securities may value those securities higher or lower than another fund using market quotations or its own fair value methodologies to price the same securities. There can be no assurance that the Fund could obtain the fair value assigned to a security if it were to sell the security at approximately the time at which the Fund determines its NAV.

The information above is not intended to reflect an exhaustive list of the methodologies that may be used to value portfolio investments. The Fund's valuation procedures permit the use of a variety of valuation methodologies in connection with valuing portfolio investments. The methodology used for a specific type of investment may vary based on the market data available or other considerations. The methodologies summarized above may not represent the specific means by which portfolio investments are valued on any particular business day.

Cash and Cash Equivalents: Idle cash may be swept into various overnight demand deposits and is classified as cash and cash equivalents on the Statements of Assets and Liabilities. The Fund maintains cash in bank deposit accounts which, at times, may exceed United States federally insured limits. Amounts swept overnight are available on the next business day.

Securities Transactions and Investment Income: Investment security transactions are accounted for on a trade date basis. Dividend income is recorded on the ex-dividend date. Realized gains and losses from securities transactions and unrealized appreciation and depreciation of securities are determined using the identified cost basis method for financial reporting purposes. Dividends are recorded net of foreign withholding taxes. Interest income is recorded on an accrual basis.

Allocation of Income, Fund-level Expenses, and Realized and Unrealized Gain or Losses: The Fund's income, expenses (other than class specific service and distribution fees), and realized and unrealized gains and losses are allocated proportionately each day based upon the relative net assets of each class.

Foreign Currency Translation: The books and records of the Fund are maintained in U.S. dollars. Investment valuations and other assets and liabilities initially expressed in foreign currencies are converted each business day into U.S. dollars based upon current exchange rates. Prevailing foreign exchange rates may be generally obtained at the close of the NYSE (normally, 4:00 p.m. EST).

Income Taxes: The Fund is taxed under the dispositions applicable to Registered Investment Companies established by the Puerto Rico Internal Revenue Code of 2011, as amended ("the Code"), its regulations and the administrative pronouncements promulgated thereunder. The Code states that every registered investment company will be exempt from Puerto Rico income tax for a taxable year if it distributes to its stockholders at least 90% of its taxable net investment income for such taxable year. The Fund intends to meet the 90% distribution requirement on a yearly basis to maintain the income tax exemption.

For U.S. federal income taxes, the Fund will be treated as a foreign corporation not engaged in a trade or business in the United States for purposes of the U.S. Internal Revenue Code of 1986, as amended (the "U.S. Code") and does not intend to derive income treated as effectively connected with a trade or business in the United States. As a foreign corporation not engaged in a trade or business in the United States, the Fund will only be subject to United States federal income taxes if it realizes certain items of U.S. source income of a fixed or determinable annual or periodic nature, in which case the Fund will be subject to withholding of United States federal income tax at a 30% gross rate on such U.S. source income (not including interest received by the Fund on certain registered obligations).

Temporary differences between book-basis and tax-basis components of total distributable earnings arise when certain items, of income gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. As of period end, the tax-basis component of total distributable earnings are detailed as follows:

Undistributed ordinary gain:	$236,887
Undistributed capital gains:	$6,646,534
Unrealized appreciation:	$20,051,215

The Puerto Rico income tax basis of the Fund's investments at June 30, 2026, was $84,631,628, and net unrealized appreciation for income tax purposes was $20,051,215 (gross unrealized appreciation $24,314,723; gross unrealized depreciation $4,263,508).

The Fund distributed $336,271 as a return of capital and $555,418 from net investment income for the period ended June 30, 2026.

The Fund recognizes the tax benefits of uncertain tax positions only when the position is more likely than not to be sustained, assuming examination by tax authorities. Management has analyzed the Fund's tax positions and concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions expected to be taken in the Fund's 2024 tax returns. The Fund identifies its major tax jurisdictions as Commonwealth of Puerto Rico; however, the Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months. The Fund remains subject to income tax examinations for its PR income taxes generally for the years 2021 through 2024.

Indemnification: The Fund indemnifies its officers and managers for certain liabilities that may arise from the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties that provide general indemnities. The Fund’s maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund expects the risk of loss due to these warranties and indemnities to be remote.

3. FAIR VALUE MEASUREMENTS

The Fund discloses the classification of its fair value measurements following a three-tier hierarchy based on the inputs used to measure fair value. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability that are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability that are developed based on the best information available.

Various inputs are used in determining the value of the Fund’s investments as of the end of the reporting period. When inputs used fall into different levels of the fair value hierarchy, the level in the hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The designated input levels are not necessarily an indication of the risk or liquidity associated with these investments.

These inputs are categorized in the following hierarchy under applicable financial accounting standards:

Level 1 – Unadjusted quoted prices in active markets for identical investments, unrestricted assets or liabilities that the Fund has the ability to access at the measurement date;

Level 2 – Quoted prices which are not active, quoted prices for similar assets or liabilities in active markets or inputs other than quoted prices that are observable (either directly or indirectly) for substantially the full term of the asset or liability; and

Level 3 – Significant unobservable prices or inputs (including the Fund’s own assumptions in determining the fair value of investments) where there is little or no market activity for the asset or liability at the measurement date.

The following is a summary of the inputs used to value the Fund’s investments as of June 30, 2026:

Investments in Securities at Fair Value	Level 1	Level 2	Level 3	Total
Common Stocks[(a)]	$ 65,843,191	$ –	$ –	$ 65,843,191
Government Bonds	2,642,166	–	–	2,642,166
Mortgage-Backed Securities	–	27,987,210	–	27,987,210
Short Term Investments	8,210,276	–	–	8,210,276
Total	$ 76,695,633	$ 27,987,210	$ –	$ 104,682,843

(a) *For a detailed sector breakdown, see the accompanying Schedule of Investments.*

There were no Level 3 securities held in the Fund at June 30, 2026. There were no transfers in or out from Level 3 as of and for the period ended.

4. INVESTMENT ADVISORY AGREEMENT

As compensation for its services, the Fund pays to the Adviser a monthly management fee at an annual rate of 1.00% of its average daily net assets.

The Adviser, a related party to the Fund, pursuant to an Amended and Restated Expense Reimbursement Agreement (the “Agreement”), has contractually agreed to reduce its fees and/or absorb expenses of the Fund, at least until one year from the date of the Fund’s prospectus (through April 30, 2025), to ensure that Net Annual Operating Expenses (excluding taxes, extraordinary expenses, reorganization expenses, brokerage commissions, interest, other expenditures that are not capitalized in accordance with generally accepted accounting principles, and other extraordinary expenses not incurred in the ordinary course of the Fund’s business) will not exceed 2.75%, 3.50% and 2.50% of the Fund’s average daily net assets, respectively for Class A, Class C and Institutional Class Shares, respectively. The Adviser will be permitted to recover, on a class-by-class basis, any fees waived and/or expenses reimbursed pursuant to the Agreement described above to the extent that the Fund expenses in later periods fall below the lesser of (i) the expense limitation in effect at the time the fees and/or expenses to be recovered were waived and/or reimbursed and (ii) the expense limitation in effect at the time the Adviser seeks to recover the fees or expenses. The Adviser will not be entitled to recover any such waived or reimbursed fees and expenses more than three years after the date on which the fees were waived or expenses were reimbursed. This Agreement will renew automatically for periods of one year (each such one year period, a “Renewal Year”). This Agreement may be terminated, as to any succeeding Renewal Year, by either party upon 60 days’ written notice prior to the end of the then current Renewal Year. Notwithstanding the foregoing, this Agreement may be terminated by the Fund’s Board of Managers at any time if it determines that such termination is in the best interest of the Fund and its Members. The Adviser may not terminate this waiver arrangement without the approval of the Fund’s Board of Managers.

As of June 30, 2026, there are no amounts available for recoupment by the Adviser.

5. OTHER AGREEMENTS

Distribution and Services Agreement

The Fund has adopted a Distribution and Shareholder Servicing Plan pursuant to Rule 12b-1 under the 1940 Act (the “Plan”). Under the Plan, the Fund is authorized to pay distribution fees in connection with the sale and distribution of its shares and pay service fees in connection with the provision of ongoing services to shareholders of each class and the maintenance of shareholder accounts in an amount up to 0.25% of its average daily net assets each year with respect to Class A Shares, 0.00% with respect to Institutional Class shares and 1.00% with respect to Class C shares. The Class C distribution fee includes a distribution fee of up to 0.75% and a service fee of up to 0.25%.

ALPS Distributors, Inc. (the “Distributor”) serves as the Fund’s distributor. The Distributor acts as an agent for the Fund and the distributor of the Fund’s shares.

Administration, Bookkeeping and Pricing Agreement

ALPS Fund Services, Inc. ("ALPS") serves as the administrator to the Fund. The Fund has agreed to pay expenses incurred in connection with ALPS administrative activities. Pursuant to the Administration, Bookkeeping and Pricing Services Agreement, ALPS will provide operational services to the Fund including, but not limited to fund accounting and fund administration and generally assist in the Fund operations.

Transfer Agency Agreement

ALPS also serves as the Transfer Agent to the Fund. Under the Transfer Agency Agreement, ALPS is responsible for maintaining all shareholder records of the Fund.

6. INVESTMENT TRANSACTIONS

Investment transactions for the period ended, excluding U.S. Government Obligations and short-term investments, were as follows:

	Cost of Investments Purchased	Proceeds from Sales of Securities
	$ 13,851,843	$ 7,004,006

Purchases and sales of U.S. Government Obligations for the year ended June 30, 2026, were as follows:

	Cost of Investments Purchased	Proceeds from Sales of Securities
	$ –	$ –

7. LINE OF CREDIT

As of June 30, 2026, the Fund had secured a bank line of credit through U.S. Bank, subject to the limitations of the 1940 Act for borrowings. As of the period ended, the Fund had no outstanding borrowings.

8. RISKS AND UNCERTAINTIES

Risks and uncertainties for the Fund include, but are not limited to, any economic disruption brought upon by artificial intelligence, inflation, tariffs, supply disruptions, and potential fiscal pressures. These matters could erode purchasing power, among other risks, pressuring central banks to delay rate cuts, and negative affecting bond prices while squeezing margins and consumer spending. Developed market indebtedness at elevated levels can also trigger inflationary waves as governments try to monetize these insurmountable debt loads. Geopolitical risks could also result in market and economic disruptions. A continuation or escalation of the Ukrainian war, or any kinetic conflict in the middle east could also alter, disrupt and even destroy important supply chains.

9. SUBSEQUENT EVENTS

The Adviser has evaluated subsequent events through the date of issuance of the financial statements included herein. There have been no subsequent events that occurred during such period that would require disclosure or would be required to be recognized in the financial statements..

Not applicable for this reporting period.

Not applicable for this reporting period.

Included under Item 7 in the Notes to Financial Statements.

The following chart provides certain information about the Manager fees paid by the Fund for the period ended June 30, 2026:

	Aggregate Regular Compensation From the Fund	Aggregate Special Compensation From the Fund	Total Compensation From the Fund
Ramon Ponte	$ 6,000	$ –	$ 6,000
Denisse Rodriguez	$ 6,000	$ –	$ 6,000
Luis R. Roig Hosta	$ 6,000	$ –	$ 6,000
Total	**$ 18,000**	**$ –**	**$ 18,000**

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SCAN ME

Must be accompanied or preceded by a Prospectus.
ALPS Distributors, Inc. is the Distributor for the X-Square Balanced Fund.