

# Annual Financial Statements

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For the year ended December 31, 2025



## Manager's Responsibility for Financial Reporting

The accompanying audited annual financial statements of ForAll Core & More U.S. Equity Index ETF are the responsibility of the manager to the ETF, LongPoint Asset Management Inc. These financial statements have been prepared in accordance with IFRS Accounting Standards using information available to the Manager and include certain amounts that are based on the Manager's estimates and judgments.

The Manager is responsible for maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded and that relevant, reliable and timely financial information, including the financial statements are produced.

The Board of Directors of the Manager have approved these financial statements.

KPMG LLP, Chartered Professional Accountants, Licensed Public Accountants, have audited the financial statements on behalf of the unitholders. The independent auditor's report outlines the scope of their audit and their opinion on the financial statements.



(signed) "Steven J. Hawkins"

Steven J. Hawkins, Director



(signed) "Paul L. Glavine"

Paul L. Glavine, Director



KPMG LLP  
Bay Adelaide Centre  
333 Bay Street, Suite 4600  
Toronto, ON M5H 2S5  
Canada  
Tel 416 777 8500  
Fax 416 777 8818

## INDEPENDENT AUDITOR'S REPORT

To the Unitholders of ForAll Core & More U.S. Equity Index ETF

### ***Opinion***

We have audited the financial statements of ForAll Core & More U.S. Equity Index ETF (the "ETF"), which comprise:

- the statements of financial position as at December 31, 2025 and December 31, 2024
- the statements of comprehensive income (loss) for the year ended December 31, 2025 and the period from October 29, 2024 to December 31, 2024
- the statements of changes in net assets attributable to holders of redeemable units for the year ended December 31, 2025 and the period from October 29, 2024 to December 31, 2024
- the statements of cash flows for the year ended December 31, 2025 and the period from October 29, 2024 to December 31, 2024
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the ETF as at December 31, 2025 and December 31, 2024, and its financial performance and its cash flows for the year ended December 31, 2025 and the period from October 29, 2024 to December 31, 2024, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.



We are independent of the ETF in accordance with the ethical requirements that are relevant to our audit 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. Other information comprises:

- the information included in the Management Report of Fund Performance of the ETF.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the Management Report of Fund Performance as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's 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 International Accounting Standards Board, 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 ETF's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the ETF or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the ETF.

### ***Auditor's Responsibilities for the Audit 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 auditor's 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 Canadian generally accepted auditing standards 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

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 audit 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 ETF'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 ETF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the ETF 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.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditor's report is Peter Hayes.

Toronto, Canada

March 30, 2026

# ForAll Core & More U.S. Equity Index ETF ("FORU")

## Financial Statements

### Statements of Financial Position

As at December 31, 2025 and December 31, 2024

(in thousands of Canadian dollars, except per unit amounts)

	Note	2025 \$	2024 \$
<b>Assets</b>			
Investments	5	3,055	2,197
Cash and cash equivalents	2	10	-
Unrealized appreciation on foreign exchange contracts	5	36	1
Proceeds from sale of investments receivable	2	-	34
<b>Total assets</b>		<b>3,101</b>	<b>2,232</b>
<b>Liabilities</b>			
Bank overdraft	2	-	28
Distributions payable	2	-	3
Investments payable	2	4	-
Accrued expenses	7	6	-
<b>Total liabilities</b>		<b>10</b>	<b>31</b>
<b>Net assets attributable to holders of redeemable units</b>	2	<b>3,091</b>	<b>2,201</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	2	<b>11.24</b>	<b>9.78</b>

Approved on behalf of the board of directors of LongPoint Asset Management Inc.

**Steven J. Hawkins**

*Chief Executive Officer*

**Paul Glavine**

*Director*

**Donald Kirkwood**

*Director*

*The accompanying notes are an integral part of these financial statements.*

**Statements of Comprehensive Income (Loss)**

For the Year Ended December 31, 2025 and the Period from October 29, 2024 (commencement of operations) to December 31, 2024

(in thousands of Canadian dollars, except per unit amounts)

	Note	2025	2024
		\$	\$
<b>Income</b>	2		
Dividend income		17	4
Changes in fair value			
Net realized gains (losses) on sale of investments		68	(1)
Net realized gains (losses) on foreign currencies		(20)	5
Net realized gains (losses) on foreign exchange contracts		(47)	(51)
Change in net unrealized appreciation (depreciation) on investments		415	-
Change in unrealized gains (losses) on foreign exchange contracts		35	1
<b>Total income (loss)</b>		<b>468</b>	<b>(42)</b>
<b>Expenses</b>	7		
Management fees		13	-
Interest expenses		3	-
Independent review committee fees		5	2
Audit fees		9	10
Other operating expenses		54	2
Fees paid by the Manager		(61)	(15)
Withholding taxes	2	3	1
Transaction costs		1	-
<b>Total expenses</b>		<b>27</b>	<b>-</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units from operations</b>	2	<b>441</b>	<b>(43)</b>
<b>Average number of units</b>	2	<b>286,370</b>	<b>200,500</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit from operations</b>	2	<b>1.54</b>	<b>(0.21)</b>

*The accompanying notes are an integral part of these financial statements.*

**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units**

For the Year Ended December 31, 2025 and the Period from October 29, 2024 (commencement of operations) to December 31, 2024

(in thousands of Canadian dollars, except per unit amounts)

	Note	2025	2024
		\$	\$
Net assets attributable to holders of redeemable units, beginning of the year		2,201	-
Increase (decrease) in net assets attributable to holders of redeemable units from operations		441	(43)
<b>Redeemable units transactions</b>			
Proceeds from redeemable units issued	6	735	2,247
Redemption of redeemable units		(286)	-
<b>Total redeemable units transactions</b>		449	2,247
<b>Distributions to investors</b>			
Net investment income	2	-	3
<b>Total distributions to investors</b>		-	3
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>		890	2,201
<b>Net assets attributable to holders of redeemable units, end of the year</b>		3,091	2,201
<b>Redeemable unit transactions</b>			
Redeemable units outstanding, beginning of the year		225,000	-
Redeemable units issued		75,000	225,000
Redeemable units redeemed		(25,000)	-
<b>Redeemable units outstanding, end of the year</b>		275,000	225,000

*The accompanying notes are an integral part of these financial statements.*

**Statements of Cash Flows**

For the Year Ended December 31, 2025 and the Period from October 29, 2024 (commencement of operations) to December 31, 2024

(in thousands of Canadian dollars)

	Note	2025 \$	2024 \$
<b>Cash flows from (used in) operating activities</b>			
Increase (decrease) in net assets attributable to holders of redeemable units from operations	2	441	(43)
Adjustments for:			
Net realized (gains) losses on sale of investments		(68)	1
Net realized (gains) losses on foreign exchange contracts		47	-
Change in net unrealized (appreciation) depreciation on investments		(415)	-
Change in unrealized (gains) losses on foreign exchange contracts		(35)	(1)
Purchases of investments†		(3,187)	(2,008)
Proceeds from sale and maturity of investments†		3,243	26
Accrued expenses		6	-
<b>Net cash from (used in) operating activities</b>		<b>32</b>	<b>(2,025)</b>
<b>Cash flows from (used in) financing activities</b>			
Distributions paid to holders of redeemable units, net of reinvested distributions	2	(3)	-
Proceeds from issuances of redeemable units†		7	1,997
Amounts paid on redemption of redeemable units†		2	-
<b>Net cash from (used in) financing activities</b>		<b>6</b>	<b>1,997</b>
Net increase (decrease) for the year		38	(28)
Bank overdraft (cash), beginning of the year		(28)	-
<b>Cash (bank overdraft), end of the year</b>		<b>10</b>	<b>(28)</b>
<b>Included in cash flows from operating activities</b>			
Dividends received, net of withholding taxes		14	3

† Excludes in-kind transactions.

In-kind subscriptions of \$728 (\$250 in 2024)

In-kind redemptions of \$288 (\$0 in 2024)

The accompanying notes are an integral part of these financial statements.

**Schedule of Investments**

As at December 31, 2025

(in Canadian dollars)

	Number of units	Average Cost \$	Fair Value \$
<b>Exchange Traded Funds (98.8%)</b>			
BetaPro NASDAQ-100 2x Daily Bull ETF	30,249	716,265	911,100
SPDR S&P 500 Fossil Fuel Reserves Free ETF	27,802	1,923,936	2,144,190
		<u>2,640,201</u>	<u>3,055,290</u>
<b>Total Investments (98.8%)</b>		<u>2,640,201</u>	3,055,290
<b>Unrealized Appreciation on Foreign Exchange Contracts (1.2%)</b>			<u>35,969</u>
<b>Cash and Other Net Assets (0.0%)</b>			<u>(35)</u>
<b>Net Assets (100%)</b>			<u>3,091,224</u>

**Foreign Exchange Contracts**

**Unrealized Appreciation on Foreign Exchange Contracts**

Settlement Date	Contract Rates	Currency to be Delivered			Currency to be Received			Unrealized Appreciation (CAD)
		Currency	Par Value	Canadian Value as December 31, 2025	Currency	Par Value	Canadian Value as December 31, 2025	
January 2, 2026	0.7286	CAD	2,178,289	2,178,289	USD	1,587,096	2,178,448	159
January 2, 2026	1.3956	USD	1,560,874	2,142,456	CAD	2,178,289	2,178,289	35,833
								<u>35,992</u>

**Unrealized Depreciation on Foreign Exchange Contracts**

Settlement Date	Contract Rates	Currency to be Delivered			Currency to be Received			Unrealized Depreciation (CAD)
		Currency	Par Value	Canadian Value as December 31, 2025	Currency	Par Value	Canadian Value as December 31, 2025	
February 2, 2026	1.3705	USD	1,571,206	2,153,361	CAD	2,153,338	2,153,338	(23)

**Net Unrealized Appreciation on Foreign Exchange Contracts**

35,969

## ETF Specific Notes

### Investment Objective and Strategies

The ForAll Core & More U.S. Equity Index ETF ("The ETF") seeks to replicate, to the extent possible, the performance of the ForAll Core & More U.S. Equity Index (the "Index"), before fees and expenses. In doing so, the ForAll Index ETF may invest more than 10% of its net asset value in other alternative mutual funds. In accordance with applicable securities law requirements, the ForAll Index ETF may also obtain leverage by investing in other alternative mutual funds that seek to provide leveraged exposure to an underlying index or asset class.

The investment strategy of the ForAll Index ETF is currently to invest in and hold the constituent securities of the ForAll Core & More U.S. Equity Index in the same proportion as they are reflected in the Index. The ForAll Index ETF will hedge any U.S. Dollar exposure back to the Canadian dollar in accordance with the Index.

### General Information

ETF Name	Ticker Symbol	Reporting Currency	Commencement of Operations
ForAll Core & More U.S. Equity Index ETF	FORU	CAD	October 29, 2024

### Offsetting of Financial Instruments Table (Note 2)

Financial Assets and Liabilities as at December 31, 2025	Amounts Offset (\$)		Net Amounts	Amounts Not Offset (\$)		Net (\$)
	Gross Assets (Liabilities)	Gross Assets (Liabilities) Offset		Financial Instruments	Cash Collateral Pledged	
Derivative assets	35,992	-	35,992	(23)	-	35,969
Derivative liabilities	(23)	-	(23)	23	-	-
Financial Assets and Liabilities as at December 31, 2024	Amounts Offset (\$)		Net Amounts	Amounts Not Offset (\$)		Net (\$)
	Gross Assets (Liabilities)	Gross Assets (Liabilities) Offset		Financial Instruments	Cash Collateral Pledged	
Derivative assets	706	-	706	-	-	706
Derivative liabilities	-	-	-	-	-	-

### Structured Entities (Note 2)

As at December 31, 2025	Carrying Amounts (\$)	Carrying amount as a % of the underlying fund's Nets Assets
<b>Securities</b>		
BetaPro NASDAQ-100 2x Daily Bull ETF	911,100	0.21
SPDR S&P 500 Fossil Fuel Reserves Free ETF	2,144,190	0.06
<b>Total</b>	<b>3,055,290</b>	

As at December 31, 2024	Carrying Amounts (\$)	Carrying amount as a % of the underlying fund's Nets Assets
<b>Security</b>		
BetaPro NASDAQ-100 2x Daily Bull ETF	653,044	0.17
SPDR S&P 500 Fossil Fuel Reserves Free ETF	1,544,355	0.05
<b>Total</b>	<b>2,197,399</b>	

### Leverage Risk (Note 5)

As an "alternative mutual fund", the ETF may create leverage through cash borrowings, short sales, derivative contracts or by investing in other alternative mutual funds that seek to provide leveraged exposure to an underlying index or asset class. Under the investment restrictions applicable to alternative mutual funds in NI 81-102, the ETF's aggregate gross exposure, calculated as the sum of the following, must not exceed 300% of its NAV: (i) the aggregate value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; and (iii) the aggregate notional value of its specified derivatives positions excluding any specified derivatives used for hedging purposes. If the ETF's aggregate gross exposure exceeds 300% of its NAV, it must, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate gross exposure to 300% of its NAV or less.

During the year ended December 31, 2025 and the period from October 29, 2024 (commencement of operations) to December 31, 2024, the ETF rebalanced at each month end to 130% aggregate gross exposure based on the ETF's investment in BetaPro NASDAQ-100 2x Daily Bull ETF that provides two times exposure to its underlying reference benchmark.

The Portfolio Manager monitors, on a daily basis, that the ETF's aggregate gross exposure will not exceed approximately 200% of the ETF's NAV at the daily rebalancing.

During the year ended December 31, 2025, the lowest aggregated fair value amount of the leverage exercised by the ETF was \$2,806,031 (\$2,508,147 – December 31, 2024), representing 129.2% of net asset value (130.3% - December 31, 2024), and the highest aggregated fair value amount of the leverage used during the year was \$8,464,563 (\$2,854,402 – December 31, 2024), representing 130.7% (129.8% - December 31, 2024) of net asset value.

**Currency Risk (Note 5)**

Currency	December 31, 2025		December 31, 2024	
	Net exposure \$	Net assets attributable to holders of redeemable units %	Net exposure \$	Net assets attributable to holders of redeemable units %
U.S. Dollar	27,402	0.9	3,433	0.2

The ETF holds units in mutual funds and/or exchange traded funds. The value of these investments may be indirectly exposed to this risk.

Numbers shown could include monetary and non-monetary instruments, and derivatives if appropriate.

Based on the assumption that the Canadian Dollar had increased or decreased by 5% in relation to all other currencies, with all other variables held constant, net assets and results of the fund would have decreased or increased, respectively, by approximately \$1,370 (\$172 as at December 31, 2024).

**Price Risk (Note 5)**

The ETF's Benchmark Composition	December 31, 2025		December 31, 2024	
	Impact on Net Assets and Results \$	Percentage of Net Assets %	Impact on Net Assets and Results \$	Percentage of Net Assets %
ForAll Core & More US Equity Index NTR (100%)	300,776	9.7	223,391	10.2

The impact is presented in the event that the benchmark's performance would increase or decrease by 10%, with all variables held constant. In practice, actual results may differ from this sensitivity analysis, and the difference could be material. This impact is presented on a 14-month historical correlation between the fund's fluctuating performance and the reference index.

**Credit Risk (Note 5)**

The fund holds units in mutual funds and/or exchange traded funds. The value of these investments may be indirectly exposed to this risk.

**Interest Rate Risk (Note 5)**

The fund holds units in mutual funds and/or exchange traded funds. The value of these investments may be indirectly exposed to this risk.

**Concentration Risk (Note 5)**

Sector Allocation	Percentage of Net Assets as at	
	December 31, 2025 %	December 31, 2024 %
Information Technology	39.9	38.5
Communication Services	12.2	11.2
Consumer Discretionary	11.2	12.5
Financials	9.7	10.0
Health Care	8.4	8.7
Industrials	7.1	7.2
Consumer Staples	4.7	5.6
Utilities	2.0	2.0
Materials	1.5	1.7
Real Estate	1.3	1.6
Cash, Money Market and/or Other Net Assets	1.2	0.1
Energy	0.8	0.8

The ETF holds units in mutual funds and/or exchange traded funds. The value of these investments may be indirectly exposed to this risk and have been included in the table above.

**Fair Value of Financial Instruments Table (Note 5)**

December 31, 2025	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Exchange traded funds	3,055,290	-	-	3,055,290
Derivative assets	-	35,992	-	35,992
Derivative liabilities	-	(23)	-	(23)
<b>Total derivative instruments</b>	-	<b>35,969</b>	-	<b>35,969</b>

During the year ended December 31, 2025, there were no significant transfers of investments between Level 1, Level 2 and Level 3.

December 31, 2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Exchange traded funds	2,197,399	-	-	2,197,399
<b>Total derivative instruments</b>	-	<b>706</b>	-	<b>706</b>

During the period ended December 31, 2024, there were no significant transfers of investments between Level 1, Level 2 and Level 3.

**Brokerage Commissions and Soft Dollars (Note 7)**

(in thousands Canadian dollars)

<u>Period Ended</u>	<u>Brokerage Commissions Paid</u>	<u>Soft Dollar Transactions</u>	<u>Amount Paid to Related Parties</u>
December 31, 2025	\$ 1	\$ -	\$ -
December 31, 2024	-	-	-

**Transactions with Related Parties (Note 7)**

Included in accrued expenses is \$5,797 (\$466 as at December 31, 2024) that is payable to the manager for Management Fees and Operating Expenses. During the year ended December 31, 2025, the Manager absorbed operating expenses of \$61,388 (\$14,577 during the period ended December 31, 2024).

**Tax Losses Carried Forward (Note 9)**

(in thousands Canadian dollars)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Capital Losses	\$ 23	\$ 5
Non-capital Losses	6	-
Maximum Due Date	2045	2044

# Notes to Financial Statements

## NOTE 1: GENERAL INFORMATION

The ForAll Core & More U.S. Equity Index ETF (the "ETF") is an exchange-traded mutual fund established under the laws of the province of Ontario. The Declaration of Trust date is October 25, 2024.

LongPoint Asset Management Inc. (the "Manager") is the trustee, manager, co-promoter and portfolio manager of the ETF. The Manager has engaged the services of Tidal Investments LLC as sub-advisor.

Natcan Trust Company is the custodian and the valuation agent.

The headquarters, which is also the principal place of business of the ETF, is located at 390 Bay Street, Suite 922, Toronto, Ontario, M5H 2Y2, Canada.

The ETF is listed on the Cboe Canada Inc. ("Cboe") and was created on the date indicated below.

ETF name	Ticker symbol	ETF inception date
ForAll Core & More U.S. Equity Index ETF	FORU	October 29, 2024

More in-depth information on the primary activities is presented in the "Notes to Financial Statements – ETF Specific Notes" section regarding the ETF.

The Statements of Financial Position and related notes of the ETF are presented as at December 31, 2025, and December 31, 2024.

The Statements of Comprehensive Income (Loss), Changes in Net Assets Attributable to Holders of Redeemable Units, Cash Flows and related notes are presented for the year ended December 31, 2025 and the period from October 29, 2024 to December 31, 2024.

These financial statements were approved and authorized for issue on March 30, 2026, by the Board of Directors of LongPoint Asset Management Inc.

## NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PRESENTATION

### 2.1 Basis of presentation

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

### 2.2 Financial instruments

#### 2.2.1 Classification

The ETF classifies its financial instruments in the following categories in accordance with IFRS 9 – Financial Instruments ("IFRS 9").

##### 2.2.1.1 Financial assets and liabilities at fair value

Given that the investments in the ETF are measured on a fair value basis according to the investment strategy defined in its prospectus, these investments and derivative financial instruments are classified in this category when they are initially recognized.

Derivative financial instruments are financial contracts that derive their value from changes in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the "underlying"). They could require a nominal amount and are settled at a future date.

In the Statements of Financial Position, financial assets and liabilities at fair value include the following items: "Investments", "Unrealized appreciation on foreign exchange contracts".

In the Statements of Comprehensive Income (Loss), gains (losses) and income from these financial instruments are included in the following items: "Dividend income", "Net realized gains (losses) on foreign exchange contracts", "Net realized gains (losses) on sale of investments", "Net realized gains (losses) on foreign currencies", "Change in net unrealized appreciation (depreciation) on investments " and "Change in unrealized gains (losses) on foreign exchange contracts".

##### 2.2.1.2 Financial assets at amortized cost

The ETF has included cash and cash equivalents and proceeds from sale of investments receivable, as financial assets at amortized cost which approximates fair value given their short-term nature.

Financial assets at amortized cost must be depreciated by the amount of expected credit losses. Given the very short maturity of these financial assets, the financial strength of the counterparties involved, and the history of losses incurred, the Manager believes that the risk of loss is very low. For this reason, no impairment was recorded for assets at amortized cost.

##### 2.2.1.3 Financial liabilities at amortized cost

This category includes all financial liabilities, except those classified at fair value through profit or loss.

The ETF has included bank overdraft, distributions payable, investments payables, and accrued expenses.

## 2.2.2 Recognition and measurement

### 2.2.2.1 Investment transactions

Investment transactions are accounted for on the trade date. Transaction costs, such as brokerage commissions, incurred at the time of purchase and sale of investments by the ETF are recognized as "Transaction costs" in the Statements of Comprehensive Income (Loss).

Realized gains and losses arising from investment transactions and unrealized appreciation or depreciation on investments are determined from the cost using the average cost basis that does not take into account the amortization of premiums or discounts on fixed-income securities and debt securities, apart from zero-coupon bonds.

### 2.2.2.2 Recording of income and expenses

Income and expenses are recorded using the accrual basis of accounting.

#### Dividend income

Dividend income and distribution income received from investment trusts (which includes underlying funds) are recognized on the ex-dividend date and ex-distribution date, respectively. Income from foreign sources is presented before deduction of taxes withheld at source deducted by foreign countries.

#### Distributions

Distributions are recorded on the ex-dividend date.

#### Tax deductions

Withholding tax deducted by foreign countries is recorded separately in the Statements of Comprehensive Income (Loss) under "Withholding Taxes".

#### Currency forward contracts

The ETF have entered into currency forward contracts to gain exposure to international currency markets or to reduce foreign currency risk within its portfolio.

Realized gains or losses on these forward contracts are reported in the Statements of Comprehensive Income (Loss) under "Net realized gains (losses) on foreign exchange contracts" and the changes in such forward contracts' fair value are reported in "Change in unrealized gains (losses) on foreign exchange contracts". The fair value of these foreign currency contracts is recorded as the difference between the fair value of the contract on the Valuation Date (the "Valuation Date" is each day on which Cboe is open for trading) and the fair value on the date the contract originated. The fair value is reported under "Unrealized appreciation on foreign exchange contracts" and "Unrealized depreciation on foreign exchange contracts", as applicable, in the Statements of Financial Position.

## 2.2.3 Measurement

According to IFRS 13 - Fair Value Measurement, fair value is defined as the price that would be received on the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the Valuation Date.

### 2.2.3.1 Initial measurement

Upon initial measurement, the ETF's financial instruments are measured at fair value, plus transaction costs for financial instruments measured at amortized cost.

### 2.2.3.2 Subsequent measurement

Financial assets and liabilities at fair value are subsequently measured at fair value with changes in fair value recognized in the Statements of Comprehensive Income (Loss) as "Change in net unrealized appreciation (depreciation) on investments" and "Change in unrealized gains (losses) on foreign exchange contracts". Refer to Note 5 – Financial instruments disclosures for the valuation methods used.

The ETF's obligation regarding net assets attributable to holders of redeemable securities is recorded at the redemption value as of the date of the Statements of Financial Position.

All other financial assets and liabilities are measured at amortized cost. Given the short-term maturity of these financial instruments, their value at amortized cost approximates their fair value.

## 2.2.4 Derecognition

Financial assets are derecognized when the contractual rights to the cash flows from the investments have expired or when the ETF has significantly transferred the risk and financial reward of its participation (ownership). Financial liabilities are derecognized when a contractual arrangement specifies that the obligation to that liability is discharged, cancelled, or expired.

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported on the Statements of Comprehensive Income (Loss). Realized gains and losses are recognized based on the average cost method and included in "Net realized gains (losses) on sale of investments" in the Statements of Comprehensive Income (Loss) for the period in which they occur. Realized gains or losses on forward contracts are reported in the Statements of Comprehensive Income (Loss) under "Net realized gains (losses) on foreign exchange contracts".

## **2.3 Cash and cash equivalents**

Cash and cash equivalents includes cash deposits and bank overdrafts, if applicable. They are included in the Statements of Financial Position.

## 2.4 Redeemable units

The outstanding redeemable units of the ETF may be redeemed for cash at an amount less than the closing price of the Units on the Cboe. This reduced redemption price results in cash flow from redemptions not being significantly based on net asset value ("NAV"). In addition, the ETF has a contractual obligation to distribute any taxable income annually that allows the unitholders to request cash payment for any distributions or dividends declared. These features violate criteria that are required in order for the units to be presented as equity under IAS 32 Financial Instruments: Presentation (IAS 32). Consequently, the ETF outstanding redeemable units are classified as financial liabilities in accordance with the requirements of IAS 32.

### 2.4.1 Valuation of units

For the purposes of processing transactions for unitholders in the ETF, in accordance with National Instrument 81-106 respecting Investment Fund Continuous Disclosure, the net asset value of the ETF is equivalent to the total market value of the ETF assets, less its liabilities. The net asset value of the units and the net asset value per unit of the ETF is calculated at the valuation time each business day that the Cboe is open for trading and any other day designated by the Manager. The ETF issues units on a continuous basis and there is no maximum number of units that may be issued.

Unitholders may buy or sell units of the ETF on an exchange or marketplace through registered brokers and dealers in the province or territory where the unitholder resides. Unitholders may incur customary brokerage commissions in buying or selling units. No fees are paid by a unitholder to the Manager or the ETF in connection with the buying or selling of units on the Cboe or another exchange or marketplace. Unitholders may exchange a minimum of a prescribed number of units (and any additional multiple thereof) for cash or, with the consent of the Manager, securities and cash. Refer to the "Redemption of Units" section in the ETF's prospectus for more information.

Net assets attributable to holders of redeemable units refers to net assets calculated in accordance with IFRS Accounting Standards. Net assets attributable to holders of redeemable units per unit is calculated by dividing net assets attributable to holders of redeemable units by the number of outstanding units.

### 2.4.2 Increase or decrease in net assets attributable to holders of redeemable units per unit

"Increase (decrease) in net assets attributable to holders of redeemable units per unit from operations" presented in the Statements of Comprehensive Income (Loss) represents the increase (decrease) in net assets attributable to holders of redeemable units for the year(s)/period(s), divided by the average number of units outstanding during the year(s)/period(s).

### 2.4.3 Distributions to unitholders

Cash distributions, if any, will be paid annually. The ETF does not have a fixed distribution amount nor are distributions guaranteed. The amount and date of any ordinary cash distributions of the ETF will be announced in advance by issuance of a press release. The Manager may, in its sole discretion, change the frequency of such distributions, which change will be announced by the Manager in a press release.

Depending on the underlying investments of the ETF, distributions may consist of ordinary income, including foreign source income, and net realized capital gains, less the expenses of the ETF. Distributions on Units may also include returns of capital which will generally not be taxable but will generally reduce the adjusted cost base on the Unitholder's Units of the ETF. To the extent that the expenses of the ETF exceed the income generated by the ETF in any applicable payment period, it is not expected that a distribution will be paid in respect of that payment period.

## 2.5 Functional currency and foreign currency translation

The ETF's purchases and redemptions are denominated in Canadian dollars. The Canadian dollar is considered the functional and presentation currency of the ETF.

The fair value of investments, derivatives, other assets and liabilities denominated in foreign currencies is translated into the functional currency at the exchange rate in effect as at the date of the Statements of Financial Position.

Transactions in foreign currency are translated into the ETF's reporting currency using the exchange rate prevailing on the trade date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at period-end exchange rates are recognized in the Statements of Comprehensive Income (Loss) under "Net realized gains (losses) on foreign currencies", except for those arising from financial instruments at fair value through profit or loss, which are recognized as a component within "Net realized gains (losses) on sale of investments", "Change in net unrealized appreciation (depreciation) on investments" in the Statements of Comprehensive Income (Loss).

## 2.6 Taxes

Under the Income Tax Act (Canada), the "Tax Acts", the ETF qualifies as a mutual fund trust (see Note 8 Income Taxes) and all of its net income for tax purposes and a sufficient portion of the net capital gains realized in any taxation year must be distributed to unitholders such that no income tax is payable by the ETF.

The ETF is subject to withholding taxes on investment income and capital gains in certain foreign countries. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a "Withholding tax" in the Statements of Comprehensive Income (Loss).

## 2.7 Investment in structured entities

A structured entity is designed in such a way that voting rights or similar rights are not the determining factor in who controls the entity; this is particularly the case when the voting rights concern only administrative tasks and the relevant activities are directed by a contractual agreement.

The ETF may invest in mutual funds, limited partnerships and/or exchange-traded funds managed by the Manager or by other fund managers. The ETF considers all its investments in mutual funds, limited partnerships and/or exchange-traded funds (the "underlying funds") as investments in unconsolidated structured entities, because decisions made by the underlying funds are not dependent on the voting rights or similar rights held by the ETF. The ETF does not provide and has not committed to providing any other support to these unconsolidated structured entities. The objectives of the underlying funds, whose investment strategy excludes borrowing, enable the ETF to achieve their main objectives. The underlying funds finance their operations by issuing securities that are redeemable at the option of the holder, entitling the holder to receive a proportionate share in the net assets of the underlying funds. The ETF holds redeemable securities of the underlying funds.

Therefore, the ETF accounts for its investments in unconsolidated structured entities at fair value. The change in fair value of these investments is presented in the Statements of Comprehensive Income (Loss) under "Change in net unrealized appreciation (depreciation) on investments".

If applicable, the fund specific notes for the ETF present the fair value exposure of investments in structured entities.

## **2.8 Offsetting financial assets and financial liabilities**

Financial instruments are recognized on a net or gross basis in the Statements of Financial Position based on the intention and legal obligation to offset opposite positions on instruments held with the same counterparties. Amounts offset in the Statements of Financial Position arise from transactions where the ETF has a legally enforceable right to offset and intends to settle the positions on a net basis. Amounts not offset in the Statements of Financial Position arise from transactions where a master netting arrangement is in place with a right to offset only in the event of default, insolvency or bankruptcy, or where the ETF has no intention of settling on a net basis.

## **NOTE 3: CRITICAL JUDGMENTS AND ACCOUNTING ESTIMATES**

In preparing these financial statements, the Manager has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

### 3.1.1 Functional currency

The Manager considers the Canadian dollar to be the functional currency in which the ETF operates. Moreover, the Canadian dollar is the currency in which the ETF assesses its performance. The ETF issues and redeems its securities in Canadian dollars. The financial statements are presented in Canadian dollars, which is the ETF's functional and presentation currency.

### 3.1.2 Investment entity

It has been determined that the ETF meets the definition of an investment entity in accordance with IFRS 10: *Consolidated Financial Statements* and, accordingly, investments are valued at fair value. An investment entity is an entity that: obtains funds from one or more investors for the purpose of providing those investors with investment management services; declares to its investors that its purpose is to invest funds for the sole purpose of realizing returns in the form of capital gains and/or investment income; and evaluates and assesses the performance of almost all of its investments on the basis of fair value. The most important judgment in determining that the ETF meets the definition above is that fair value is used as the main measure to assess the performance of almost all the ETF investments.

## **3.2 Estimation uncertainties**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

### 3.2.1 Fair value of financial instruments

As described in Note 5 – Financial instruments disclosures, the Manager has taken a position when the closing price does not fall within that day's bid-ask spread. Under IFRS Accounting Standards, the Manager must determine the traded price by considering the character that is most representative of fair value based on the specific facts and circumstances. The Manager has taken the position that when such a situation arises investments are measured at the bid price.

Furthermore, the Manager exercises his judgment in selecting the appropriate valuation technique for financial instruments that are not listed on an active market. The valuation techniques used are those that are currently applied by market participants. For derivative financial instruments, the assumptions are based on the market price adjusted with respect to the instrument's specific characteristics.

## **NOTE 4: CHANGES IN ACCOUNTING STANDARDS THAT ARE NOT YET IN EFFECT**

IFRS 18 will replace IAS 1 Presentation of Financial Statements and will be effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. IFRS 18 introduces significant changes to the presentation of the Statements of Comprehensive Income (Loss), including the requirement to disclose new defined subtotals such as operating profit and profit before financing and income taxes, as well as mandatory disclosures of management-defined performance measures.

The Manager is in the process of assessing the impact of the amended and new accounting standards to the financial statements.

## **NOTE 5: FINANCIAL INSTRUMENT DISCLOSURES**

### **5.1 Financial risks**

Investment activities of the ETF expose it to financial risks. The main types of risk to which the ETF is exposed are credit risk, liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and concentration risk. The Manager seeks to maximize returns for any given level of risk while minimizing these risks by entrusting the portfolio management of the ETF to portfolio managers. The Manager oversees day-to-day management according to the progress of the ETF's investments and market events as well as diversify the investment portfolio within the constraints of the investment objective of the ETF.

The Manager invests in and holds the constituent securities of the ETF in the same proportion as they are reflected in the Index. The ETF hedges any U.S. Dollar exposure back to the Canadian dollar in accordance with the Index.

Tables quantifying the various financial risks are presented in the ETF specific notes for the ETF. These sensitivity analyses may differ from actual results and the differences could be significant.

## 5.2 Credit risk

Credit risk is the risk that a commitment with an ETF will not be upheld by the counterparty to a financial instrument. The ETF's credit risk is derived primarily from debt securities and derivative instruments held, if applicable.

The fair value of total assets represents the maximum credit risk as at the end of the period. The fair value of a financial instrument reflects the creditworthiness and the credit ratings of the issuer.

The ETF's policy with respect to credit risk management is to invest in financial assets whose credit ratings are established by recognized credit rating agencies. Credit risk is reduced by choosing reputable financial asset issuers that have previously been subject to a rigorous credit assessment.

Furthermore, the investment policy of the ETF allows the portfolio manager, at their discretion, to review and adjust the target weightings of the underlying funds, as well as to add, change or delete an underlying fund. In selecting an underlying fund to invest in, the portfolio manager will consider the degree of exposure to the asset class provided by the underlying fund as well as the credit risk attached to its debt securities.

Portfolio securities transactions are settled upon delivery by the brokers. The risk of default is considered low because the delivery of securities is made once the broker has received payment. The transaction fails when one of the parties fails to honor its commitments.

The ETF is exposed to deposit credit risk. If the security custodian becomes insolvent, ETF may encounter a delay in accessing its assets.

The Portfolio Manager invests in and holds the constituent securities of the ETF in the same proportion as they are reflected in the Index. The ETFs that compose the Index investment universe are monitored by the Index Committee for applicability, size and liquidity.

A table showing the distribution of securities according to their credit ratings is presented in the specific notes for the ETF whose exposure to credit risk is significant at the end of the periods.

## 5.3 Liquidity risk

Liquidity risk is defined as the risk that an ETF will have difficulty meeting its obligations or commitments within a reasonable delay. Security holders of the ETF may redeem their securities on any Valuation Date.

Since the ETF invests in active markets, it can dispose of its assets quickly. The ETF may invest in derivatives, debt securities and unlisted equity securities that are not traded on an active market.

As a result, the ETF may not be able to quickly liquidate its investments in these instruments at amounts which approximate their fair values or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer. In accordance with the ETF policy, the Manager monitors the liquidity position on a quarterly basis. To manage this risk, the counterparty is carried out with reputable financial institutions. The ETF maintains a cash flow and short-term investment level that the Manager deems sufficient to maintain the required liquidities.

## 5.4 Market risk

The ETF's investments are subject to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The market risk can be broken down into the following three risk components: currency risk, interest rate risk, and price risk.

### 5.4.1 Currency risk

Currency risk is the risk that financial instruments which are denominated in currencies other than the ETF's reporting currency will fluctuate due to changes in exchange rates and adversely impact the ETF's income, cash flows or fair value of its investments holdings.

A table quantifying the currency risk is presented if applicable in the specific notes for the ETF having a significant exposure to foreign currencies at the end of the year/period.

### 5.4.2 Interest rate risk

The ETF may be 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 interest-bearing financial instruments will rise if interest rates fall, and conversely, will generally fall if interest rates rise. There is minimal sensitivity to interest rate fluctuation on cash and cash equivalents invested at short-term market rates since those securities are usually held to maturity and are short term in nature.

### 5.4.3 Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices caused by factors specific to a security, its issuer or any other factor affecting a market or a segment of the market (other than those arising from currency risk and interest rate risk).

The ETF is exposed to price risk since all its investments are exposed to the volatility of market factors and capital loss risk. The maximum risk resulting from financial instruments is equivalent to their fair value, except for certain options and futures contracts for which the loss may be unlimited. The Manager invests in and holds the constituent securities of the ETF in the same proportion as they are reflected in the Index. The Index rebalances monthly using two indicator functions, or signals, to determine the constituents and weights of the Index for the following month. The Index has a static core component, an alpha seeking component and a strategic asset allocation component. A table quantifying the price risk is presented in the specific notes for the ETF having a significant exposure to this risk at the end of the year/period.

## 5.5 Concentration risk

Concentration risk arises from the net exposure of financial instruments to the same investment category, notably based on a region, a type of asset, industry or market segment. Financial instruments of the same category have similar characteristics and are affected similarly by changes in economic or other conditions. Exposure to this

risk is managed by diversifying the investments of the ETF using its investment policy. Compliance with this policy allows the management of concentration risk related to exposure to an issuer or group of issuers with common characteristics.

A table quantifying the concentration risk is presented in the specific notes for the ETF, according to the type of concentration that the Manager has determined to be relevant.

## 5.6 Leverage

The ETF may also obtain leverage by investing in other alternative mutual funds that seek to provide leveraged exposure to an underlying index or asset class. The ETF is not expected to have leveraged exposure of more than 100% of its net asset value.

## 5.7 Fair value measurement

The ETF measures fair value using the following hierarchy that reflects the inputs used in making the valuations. For the purpose of presenting information about financial instruments, these must be classified according to a fair value valuation hierarchy. This three-level hierarchy is established according to the transparency of data considered in assessing the fair value of assets and liabilities and is presented below:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the ETF can access on the Valuation Date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. This category includes instruments valued using: quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Unobservable inputs relating to the asset or liability. This category includes all instruments for which the valuation technique includes inputs not based on observable data and unobservable inputs that have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments, but for which significant unobservable adjustments or assumptions are required to account for differences between instruments. This category also includes illiquid securities (are considered as such when no transaction has been recorded for such securities for more than 10 days), insolvent securities, delisted securities or securities suspended for more than one year and private investments as well.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is ranked at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. When, at the financial position date, the observable inputs used for a financial instrument are different from those used at the opening date, it is the policy of the ETF to establish that on the date of the event or change in circumstances, a transfer between levels of the fair value hierarchy is deemed to have occurred.

A table showing the breakdown of securities according to their level at the end of the periods along with a sensitivity analysis of the ETF with Level 3 financial instruments, as applicable, are presented in the specific notes for the ETF.

### 5.7.1 Active Markets

The fair value of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or broker price quotations.

Exchange-traded funds are valued at the closing price at the Valuation Date when that price is within bid-ask spread. When the last quoted price does not fall within the bid-ask spread, the investments are measured at the bid price.

### 5.7.2 Securities Level 2

Forward currency contracts are valued based on the difference between the contracted rate and the current market rate for the foreign currency at the Valuation Date.

Forward currency contracts are valued at the gain or loss that would result from the contract close-out at the Valuation Date.

## **NOTE 6: REDEEMABLE SECURITIES**

The ETF is authorized to issue an unlimited number of redeemable and assignable units.

### **6.1 Redemption of units in any number for cash**

On any Trading Day, unitholders of the ETF may redeem (i) Units of the ETF for cash at a redemption price per Unit equal to 95% of the closing price for the applicable units on the exchange on the effective day of the redemption, subject to a maximum redemption price per Unit equal to the NAV per Unit on the effective day of redemption, less any applicable administrative fee determined by the Manager, in its sole discretion, from time to time, or (ii) a PNU ("Prescribed number of units") of the ETF or a multiple PNU of the ETF for cash equal to the NAV of that number of Units of the ETF less any applicable Administrative Fee determined by the Manager, in its sole discretion from time to time. Because Unitholders will generally be able to sell Units at the market price on the Exchange through a registered broker or dealer subject only to customary brokerage commissions, Unitholders of the ETF are advised to consult their brokers, dealers or investment advisors before redeeming such Units for cash. No fees or expenses are paid by Unitholders to the Manager or the ETF in connection with selling Units on the Exchange. In order for a cash redemption to be effective on a Trading Day, a cash redemption request with respect to the ETF must be delivered to the Manager in the form and at the location prescribed by the Manager from time to time at or before the applicable cut-off time on such Trading Day. Any cash redemption request received after such time will be effective only on the next Trading Day.

Where possible, payment of the redemption price will be made by no later than the second Trading Day after the effective day of the redemption. The cash redemption request forms may be obtained from any registered broker or Dealer. Unitholders that have delivered a redemption request prior to the Distribution Record Date for any distribution will not be entitled to receive that distribution. In connection with the redemption of units of the ETF, the ETF will generally dispose of securities or other financial instruments.

## 6.2 Exchange of prescribed number of units

On any trading day, unitholders may exchange a minimum of a prescribed number of units (and any additional multiple thereof) for baskets of securities and cash or, with the consent of the manager, cash. To effect an exchange of units, a unitholder must submit an exchange request in the form prescribed by the manager from time to time to the applicable ETF at its head office or as the manager may otherwise direct by the applicable cut-off time on a trading day. The exchange price will be equal to the aggregate NAV per Unit of the Prescribed Number of Units on the effective day of the exchange request, payable in cash or, with the consent of the Manager, by delivery of a Basket of Securities (constituted prior to the receipt of the exchange request) and cash. The exchange price will be equal to the aggregate net asset value per unit of the prescribed number of units on the effective day of the exchange request, payable by delivery of baskets of securities (constituted prior to the receipt of the exchange request) and cash or, with the consent of the manager, cash. On an exchange, the manager may, at its discretion, require the unitholder to pay or reimburse the applicable ETF for the trading expenses incurred or expected to be incurred by the ETF in connection with the sale by such ETF of securities in order to obtain the necessary cash to fund the exchange price. On an exchange, the applicable units will be redeemed.

If an exchange request is not received by the applicable cut-off time on a trading day, subject to the discretion of the manager, the exchange request will be deemed to be received only on the next trading day. Settlement of exchanges for cash or, with the consent of the Manager, for a Basket of Securities and cash, as the case may be, will be made by no later than the second business day (or such shorter period as may be determined by us in response to changes to applicable law or general changes to settlement procedures in applicable markets) after the effective day of the exchange request.

The manager will make available to the designated broker and the dealers information as to the prescribed number of units and any basket of securities for the ETF for each trading day. The manager may, at its discretion, increase or decrease the prescribed number of units from time to time.

A unitholder who exchanges or redeems units during the period that is one trading day before a distribution record date until that distribution record date will be entitled to receive the applicable distribution in respect of those units.

If securities held in the portfolio of an ETF are ceased traded at any time by order of a securities regulatory authority or other relevant regulator or stock exchange, the delivery of such securities to a unitholder on an exchange may be postponed until such time as the transfer of the securities is permitted by law.

## 6.3 Characterization of redemption or exchange amount

The redemption or exchange price paid to a unitholder may include capital gains realized by the ETF. The remaining portion of the exchange or redemption price will be proceeds of disposition.

## 6.4 Units

The number of outstanding units and the number of units issued, reinvested and redeemed for the year ended December 31, 2025 and the period from October 29, 2024 to December 31, 2024, are presented after the "Statement of Changes in Net Assets Attributable to Holders of Redeemable Units" of the ETF.

## NOTE 7: EXPENSES AND TRANSACTIONS WITH RELATED PARTIES

Transactions that are considered to be related party transactions for the ETF are presented in the specific notes for the ETF to which the situation applies.

### 7.1 Manager

LongPoint Asset Management Inc. is the manager, co-promoter and portfolio manager of the ETF. Accordingly, it is entitled to receive, in exchange for the services that it provides to the ETF, management fees paid to it by the fund (see "Management Fees" below).

From time to time, the Manager may, on behalf of the ETF, carry out transactions or sign agreements to involve certain persons or companies related to them, to the extent that these transactions or agreements are, in its opinion, in the interest of the ETF. The description of the transactions or agreements between the ETF and a related party is provided in this section.

### 7.2 Trustee

The Manager is the trustee for the ETF.

### 7.3 Designated broker

The Manager has signed an agreement with National Bank Financial Inc. ("NBF"). NBF is the designated broker for the ETF.

### 7.4 Management fees

The ETF will pay the Manager a management fee of 1.08% based on the NAV of the ETF. The management fee, plus applicable taxes, will be accrued daily and paid monthly. The management fee is payable to the Manager in consideration of the services that the Manager provides to the ETF in its capacity as the Manager.

The management fee will be waived for months in which the total return per ETF unit is negative. The total return per ETF Unit is equal to the difference between (I) the quotient of (A) the sum of (a) the NAV per ETF unit as of the last day of the current month, and (b) the sum of cash distributions per ETF unit made in the current month, and (B) the NAV per ETF unit as of the last day of the previous month, and (II) one.

Additionally, the Manager may at its discretion, agree to charge a reduced management fee as compared to the management fee that it otherwise would be entitled to receive from the ETF, provided that the difference between the fee otherwise chargeable and the reduced management fee is distributed periodically by the ETF to the applicable unitholders as a management fee distribution. Management fee distributions will be paid first out of net income of the ETF then out of capital gains of the ETF and thereafter out of capital.

## 7.5 Operating expenses

In addition to the management fee, the ETF pays for its ordinary expenses incurred in connection with its operation and administration. Unless otherwise paid, waived or reimbursed by the Manager (as discussed below), and subject to compliance with NI 81-102, the expenses for the ETF will include, as applicable, without limitation: all fees payable to third party service providers retained by the Manager, as applicable; trustee and custodial expenses; valuation, accounting and record keeping costs; transfer agent and registrar fees; listing and annual stock exchange fees; audit fees; legal expenses; permitted prospectus preparation and filing expenses; all costs associated with portfolio transactions, including brokerage expenses and commissions; currency hedging costs (if any); expenses related to compliance with NI 81-107, including fees and expenses of the members of the IRC, premiums for directors' and officers' insurance coverage for the members of the IRC, and IRC administration; fees and expenses relating to the voting of proxies by a third party; income taxes; sales taxes (including GST/HST); withholding taxes; fees payable to service providers in connection with regulatory compliance and tax matters in foreign jurisdictions; Unitholder reports and servicing costs; costs associated with delivering documents to Unitholders; costs associated with meetings of Unitholders; CDS fees; bank related fees and interest charges; the costs of complying with any new governmental or regulatory requirement introduced after the ETF is established; and extraordinary expenses, such as expenses of any action, suit or other proceedings in which or in relation to which the Manager, the Custodian, the IRC and/or any of their respective officers, directors, employees, consultants or agents is entitled to indemnity by the ETF.

The Manager may, from time to time, decide to reimburse, waive, or pay directly, certain operating expenses that would otherwise be chargeable to the ETF. Under the Index Provider Agreement, the Index Provider may be required to repay the Manager for Reimbursed Expenses.

## 7.6 Brokerage fees

The ETF may pay brokerage fees on portfolio transactions to brokers.

### NOTE 8: INCOME TAXES

Under the Tax Act, the ETF is defined as a mutual fund trust. The trust distributes all its net taxable income and enough portion of its net taxable realized capital gains to not pay income taxes. The distributed net income and net realized gains are taxable in the hands of the unitholders of the ETF in the year in which the distribution was received, prorated to the number of units. The taxation year of the ETF trust ends on December 15.

Since all the net income and the realized gains are distributed to the unitholders of the ETF, the ETF does not have taxable income and therefore no income tax expense has been recorded in the financial statements of the ETF.

Under the Tax Act, the ETF may claim a capital gains refund. A mathematical formula, which considers redemptions of units during the period is used to maximize the claim to retain capital gains in the ETF and minimize income taxes payable by the ETF's unitholders.

### NOTE 9: TAX LOSSES CARRIED FORWARD

Where the ETF has realized a net capital loss in a taxation year, such capital loss cannot be allocated to unitholders but the ETF may carry such capital loss back three years or forward indefinitely to offset capital gains realized by the ETF. Non-capital losses incurred by the ETF in a taxation year cannot be allocated to unitholders of the ETF, but may be carried back three years or carried forward twenty years to offset income (including taxable capital gains).

A tax losses carried forward table is presented in the specific notes for the ETF with tax losses carried forward.

### NOTE 10: FEES PAID TO THE AUDITOR

The fees paid or payable to KPMG LLP for audit services for the ETFs managed by LongPoint Asset Management Inc. for the year ended December 31, 2025 were \$402,930.

