

# Annual Management Report of Fund Performance

For the period ended December 31, 2025

## **A Message from the CEO**

As we look back on 2025, I am pleased with the rapid development of LongPoint's ETF lineup and our growing role as a Canadian-built asset manager focused on innovation. As Canada's fastest growing ETF provider in 2025, on a percentage basis, our goal is to design distinctive ETFs that respond to market dynamics while empowering Canadian investors with tools traditionally found outside the domestic market. LongPoint takes great pride in the fact it transformed Canada's ETF market by launching the first 3X and -3X leveraged index ETFs and soon after introducing Canada's first 2X and -2X leveraged single-stock ETFs, bringing advanced trading strategies for active Canadian investors directly to the Toronto Stock Exchange.

2025 presented a challenging but opportunity-rich environment for investors. Ongoing uncertainty surrounding trade agreements and potential tariffs led to sharp market declines in April, followed by a strong recovery through the remainder of the year. Companies with exposure to artificial intelligence drove equity market returns. At the same time, geopolitical tensions in the Middle East added volatility to commodity markets. Gold and gold miner stocks were a major contributor to investor returns. Together, these dynamics created unique trading opportunities, particularly for investors seeking tactical exposure through our Savvy 2X leveraged single stock or commodity ETFs and Mega 3X leveraged index ETFs.

Our ETFs are built with precision and intent. They embody our conviction that Canadian investors should have access to leveraged ETFs without looking beyond domestic markets.

At LongPoint ETFs, as a Canadian owned and operated company, we build world-class ETFs for Canadian investors. As markets continue to evolve, we remain committed to innovation, transparency, and delivering ETFs that will resonate with both advisors and investors.

Thank you for your continued support of our ETFs as we strengthen LongPoint's position as a differentiated Canadian ETF provider.

Sincerely,

*"Steven J. Hawkins"*

CEO of LongPoint Asset Management Inc.

# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2025

## MegaLong (3X) NASDAQ-100<sup>®</sup> Daily Leveraged Alternative ETF ("QQQU")

### Notes on forward-looking statements

This report may contain forward-looking statements concerning the ETF, its future performance, its strategies or prospects or about future events or circumstances. Such forward-looking statements include, among others, statements with respect to our beliefs, plans, expectations, estimates and intentions. The use of the expressions "foresee", "intend", "anticipate", "estimate", "assume", "believe" and "expect" and other similar terms and expressions indicate forward-looking statements.

By their very nature, forward-looking statements imply the use of assumptions and necessarily involve inherent risks and uncertainties. Consequently, there is a significant risk that the explicit or implicit forecasts contained in these forward-looking statements might not materialize or that they may not prove to be accurate in the future. A number of factors could cause future results, conditions or events to differ materially from the objectives, expectations, estimates or intentions expressed in such forward-looking statements. Such differences might be caused by several factors, including changes in Canadian and worldwide economic and financial conditions (in particular interest and exchange rates and the prices of other financial instruments), market trends, new regulatory provisions, competition, changes in technology and the potential impact of conflicts and other international events.

The foregoing list of factors is not exhaustive. Before making any investment decision, investors and others relying on our forward-looking statements should carefully consider the foregoing factors and other factors. We caution readers not to rely unduly on these forward-looking statements. We assume no obligation to update forward-looking statements in the light of new information, future events or other circumstances unless applicable legislation so provides.

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This annual management report of fund performance contains financial highlights, but does not contain the complete annual financial statements of the ETF. You may obtain a copy of the annual financial statements of the ETF at your request, and at no cost, by calling 416 861-8383, by emailing us at [info@LongPointETFs.com](mailto:info@LongPointETFs.com), by visiting our website at [www.LongPointETFs.com](http://www.LongPointETFs.com), by visiting SEDAR's website at [www.sedarplus.ca](http://www.sedarplus.ca), or by contacting your advisor. You may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, interim financial report or quarterly portfolio disclosure.

## Management Discussion of Fund Performance

### Investment Objective and Strategies

The MegaLong (3X) NASDAQ-100® Daily Leveraged Alternative ETF (the "ETF") seeks daily investment results, before fees, expenses and other transaction costs, that endeavour to correspond to three times (3X) the daily performance of its underlying benchmark, currently the NASDAQ 100® Index which is calculated in U.S. dollars. The ETF does not hedge its currency exposure to the U.S. dollar.

In order to achieve its investment objective, the ETF may invest all or a portion of its portfolio in interest bearing accounts, T-Bills and/or other financial instruments, including derivatives such as futures contracts, options on futures contracts, forward contracts, swap agreements, options on securities and indices, or any combination of the foregoing.

### Risks

The risks of the ETF remain as described in the prospectus or any amendments thereto and ETF Facts.

The risk rating of the ETF is high.

### Results of Operations

For the period from May 7, 2025 to December 31, 2025 (the "Period"), shares of the ETF returned 51.47% and the NASDAQ-100® Index returned 18.58%. The above figures are adjusted for distributions, if any.

The ETF generated gross comprehensive income (loss) from investments and derivatives (which includes changes in the fair value of the ETF's portfolio) of \$5,901,174. The ETF incurred management, operating and transaction expenses of \$134,666, net of \$9,098 that was either paid or absorbed by the Manager on behalf of the ETF. The waiving and/or absorption of such fees and/or expenses by the Manager may be terminated at any time, or continued indefinitely, at the discretion of the Manager. The ETF distributed \$0 to shareholders during the Period.

The ETF does not seek to meet its investment objective over any period other than daily, as the ETF is rebalanced daily to ensure an investor's risk is limited to their capital in the ETF. The ETF's returns over Periods longer than one day will, under most market conditions, differ in amount and possibly direction from the performance or inverse performance, as applicable, of the index for the same Period. This effect becomes more pronounced for the ETF as the volatility of the index and/or the Period of time increases. The negative effect of compounding is more pronounced when combined with leverage and daily rebalancing in volatile markets.

When comparing the returns of the ETF and the index over any Period **other than daily**, the volatility of the index is a significant factor as a result of the rebalancing process. The following table illustrates the impact of two factors, benchmark volatility and benchmark performance, on a leveraged ETF's Period performance. The table shows estimated ETF returns for a number of combinations of benchmark performance and benchmark volatility over a one-year Period.

Assumptions used in the table include: a) no ETF expenses and b) borrowing/lending rates (to obtain leverage) of zero percent. If the ETF's expenses were included, the ETF's performance would be lower than shown.

One Year Benchmark Performance	300% One Year Benchmark Performance	Benchmark Volatility			
		0%	25%	50%	75%
(40)%	(120)%	(78.5)%	(82.2)%	(89.9)%	(96.1)%
(20)%	(60)%	(48.8)%	(57.6)%	(75.9)%	(90.7)%
0%	0%	0.0%	(17.0)%	(52.7)%	(81.6)%
20%	60%	72.7%	43.4%	(18.0)%	(67.9)%
40%	120%	174.0%	127.7%	30.5%	(48.6)%

Equity markets delivered positive returns during the year, although performance was accompanied by heightened volatility and periodic market pullbacks. The performance of the index was influenced by rallies in artificial intelligence-related sectors, changing expectations regarding interest rate cuts, and valuation considerations. A long exposure benefited from the strong performance of the underlying index over the Period.

The ETF is a passive ETF that replicated 3X the daily performance of the underlying index.

### Forward Agreements

In order to achieve its investment objective and leverage, the ETF has entered into multiple Forward Agreements (the "Forward Agreements") with one or more bank counterparties (each a "Counterparty"). The Forward Agreements provide both positive exposure to the Index and negative exposure to the Index. The ETF invests the net proceeds of share subscriptions in interest bearing accounts and/or T-Bills to earn prevailing short-term market interest rates. The ETF has the ability to request the termination of its exposure under a Forward Agreement, in whole or in part, at any time.

## Leverage

As an alternative mutual fund, the ETF will use leverage from entering into multiple Forward Agreements. The ETF measures absolute leverage in terms of the total underlying notional absolute value of the securities and/or financial derivative positions as a ratio of the total assets held by such ETF, as applicable. **In accordance with its investment objective, the ETF's absolute leverage will not exceed approximately 300%, or 3X, of the ETF's Net Asset Value at the daily rebalancing.** In order to ensure that a shareholder's risk is limited to their capital in the ETF, the ETF's absolute leverage will be rebalanced in certain circumstances and when the absolute leverage breaches certain bands. Specifically, the ETF's absolute leverage will be rebalanced back to 300% of the ETF's NAV within one business day of the ETF's absolute leverage moving 2% away from its target absolute leverage of 300% (i.e., if the leverage ratio is less than 300% or if the absolute leverage is greater than 300%).

Period Ended	Minimum Leverage	Maximum Leverage	Leverage at end of reporting Period	Approximate percentage of Net Assets
December 31, 2025	3.00:1	3.00:1	3.00:1	300%

## Recent Developments

There have been no recent developments in the industry, the management of the ETF, or the ETF itself that have had, or are expected to have, a material impact on the ETF.

## Related Party Transactions

LongPoint Asset Management Inc. (the "Manager") is the manager, portfolio manager and promoter of the ETF.

The ETF pays a management fee to the Manager pursuant to a management agreement (see the "Management Fees" section below).

## Operating Expenses

Unless otherwise waived or reimbursed by the Manager, the ETF pays all of its operating expenses, including but not limited to: Management Fees; audit fees; custodial expenses; valuation, accounting and record keeping costs; legal expenses; permitted prospectus preparation and filing expenses; costs associated with delivering documents to Shareholders; costs associated with meetings of Shareholders; listing and annual stock exchange fees; index licensing fees, if applicable; CDS fees; bank related fees and interest charges; extraordinary expenses; Shareholder reports and servicing costs; transfer agent and registrar fees; costs of the independent review committee; costs of operating the Company; income taxes; Sales Tax; brokerage expenses and commissions; withholding taxes and fees payable to service providers in connection with regulatory compliance and tax matters in foreign jurisdictions; proxy costs; and the costs of complying with any new governmental or regulatory requirement introduced after the ETF is established.

## Management Fees

The ETF pays 1.55% annually to the Manager, based on the net asset value of its shares, plus applicable Sales Tax. The Management Fees are calculated and accrued daily and payable monthly in arrears.

The management fee for ETF is reduced by a management rebate of 0.90% to 0.65% from June 17, 2025 to December 31, 2025. The Manager may extend this rebate beyond December 31, 2025.

The table below details, in percentage terms, the services received by the ETF, from the Manager, in consideration of the management fees paid during the Period.

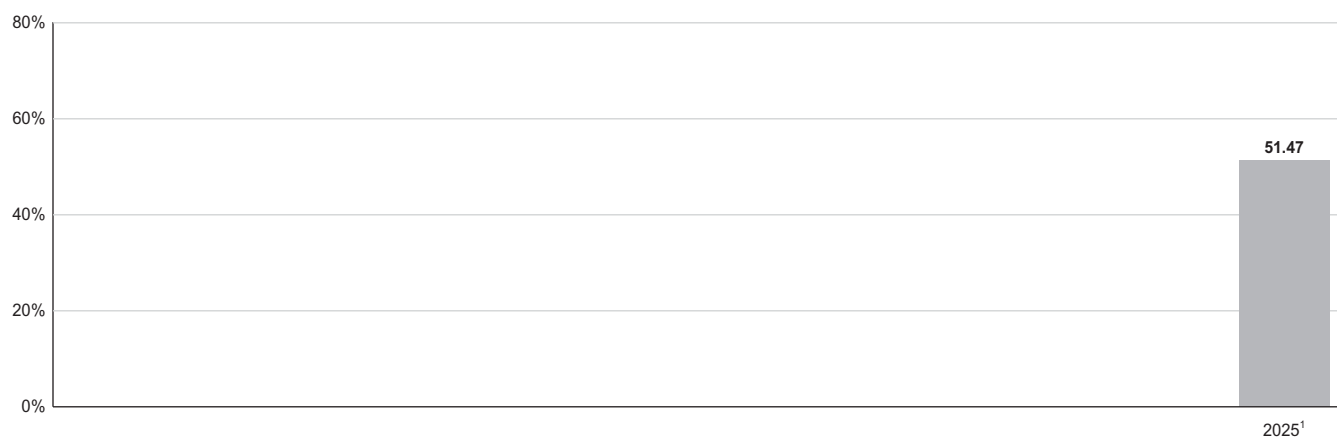
Marketing	Portfolio management fees, general administrative costs and profit	Waived/absorbed expenses of the ETF
23%	77%	0%

## Past Performance

The performance of the ETF, presented below and calculated as at December 31 of each year, is based on the net asset value of the ETF. It assumes that all distributions made in the Periods shown were reinvested in additional shares of the ETF. These returns do not take into account sales, redemption charges, distributions, or optional charges that would have reduced returns. Past performance of an ETF does not necessarily indicate how it will perform in the future.

## Year-by-Year Returns

The bar chart indicates the performance of the ETF for each of the years shown and illustrates how the performance has changed from year to year. It shows, in percentage terms, how much an investment made on January 1 (or made commencing from the start of the ETF) would have grown or decreased by December 31 of that year, in the case of the Annual management report of fund performance, or by June 30, in the case of the Interim management report of fund performance.



<sup>(1)</sup> Returns for the Period from May 7, 2025 (commencement of operations) to December 31, 2025.

## Annual Compound Returns

The following table shows the ETF's annual compound returns for the Period ended on December 31, 2025, compared with the following Index:

- NASDAQ-100<sup>®</sup> Index

### MegaLong (3X) NASDAQ-100<sup>®</sup> Daily Leveraged Alternative ETF

	1 year	3 years	5 years	10 years	Since inception
ETF Shares <sup>1</sup>	–	–	–	–	51.47%
Index	–	–	–	–	18.58%

<sup>1</sup>Commencement of operations: May 7, 2025

The since inception performance shown above is cumulative and has not been annualized, as the period covers the ETF's initial year of operations.

A discussion of the ETF's relative performance in comparison to the benchmark can be found in the *Results of Operations* Section of this report.

### Index Description

The **NASDAQ-100<sup>®</sup> Index** is a stock market index made up of equity securities issued by 100 of the largest non-financial companies listed on the NASDAQ stock exchange.

## Financial Highlights

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the Periods.

Net Assets per Share<sup>(1)</sup>

Commencement of operations: May 7, 2025

Period Ended	2025 December 31
<b>Net Assets, Beginning of Period (\$)<sup>(2)</sup></b>	20.65
<b>Increase (Decrease) from Operations (\$)</b>	
Total revenue	—
Total expenses	(0.31)
Realized gains (losses)	(0.80)
Unrealized gains (losses)	14.44
<b>Total Increase (Decrease) from Operations<sup>(3)</sup></b>	13.33
<b>Distributions (\$)</b>	
From net investment income (excluding dividends)	—
From dividends	—
From capital gains	—
Return of capital	—
<b>Total Annual Distributions<sup>(4)</sup></b>	—
<b>Net Assets, End of Period (\$)<sup>(2)</sup></b>	31.50

### Ratios and Supplemental Data

Period Ended	2025 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	11,027
Number of shares outstanding <sup>(5)</sup>	350,000
Management expense ratio (%) <sup>(6)</sup>	1.79
Management expense ratio before waivers or absorptions (%)	1.92
Trading expense ratio (%) <sup>(7)</sup>	—
Portfolio turnover rate (%) <sup>(8)</sup>	—
Net asset value per share (\$)	31.50
Closing market price <sup>(9)</sup>	31.49

<sup>(1)</sup> This information is derived from the ETF's Annual Audited Financial Statements. The net assets per shares presented in the financial statements might differ from the net asset value calculated for ETF pricing purposes. The differences are explained in the notes to the financial statements, as applicable.

<sup>(2)</sup> The net assets are calculated in accordance with IFRS Accounting Standards.

<sup>(3)</sup> Net assets and distributions are based on the actual number of shares outstanding at the relevant time. The increase or decrease from operations is based on the weighted average number of shares outstanding over the Period.

<sup>(4)</sup> Distributions were paid in cash or reinvested in additional shares of the ETF, or both.

<sup>(5)</sup> This information is provided as at the last day of the Period.

<sup>(6)</sup> Management expense ratio is based on total expenses including sales taxes for the Period indicated (excluding commissions, other portfolio transaction costs and withholding taxes) and is expressed as an annualized percentage of daily average net value during the Period. The management expense ratio includes, if necessary, the management expenses from underlying funds, as described in Article 15.2 of Regulation 81-106.

<sup>(7)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the Period.

The trading expense ratio includes, if necessary, the trading expenses from underlying funds, as described in Article 15.2 of Regulation 81-106.

<sup>(8)</sup> The ETF's portfolio turnover rate indicates how actively the ETF portfolio's Manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the Period. The higher an ETF's portfolio turnover rate in a Period, the greater the trading costs payable by the ETF in the Period, and the greater the chance of an investor receiving taxable capital gains in the Period. There is not necessarily a relationship between a high turnover rate and the performance of an ETF.

<sup>(9)</sup> Closing market price on the last trading day of the Period as reported on the TSX.

## Summary of Investment Portfolio

As of December 31, 2025

### Portfolio Top Holdings

	% of Net Asset Value
Cash Held for Collateral .....	42.4
NASDAQ-100® Forward Agreement (notional value \$66,167,444) .....	58.1
NASDAQ-100® Forward Agreement (notional value (\$33,083,722)) .....	(0.9)
Cash, Money Market and Other Net Assets .....	0.4
	100.0

Net asset value .....

\$11,026,738

### Sector Allocation

	% of Net Asset Value
Derivative Products .....	99.6
Cash, Money Market and Other Net Assets .....	0.4

### Top 25 Securities

#### In the Underlying Index\* - NASDAQ 100® Index

	% of Weighting in Underlying Index
NVIDIA Corporation .....	9.05
Apple Inc. ....	8.02
Microsoft Corporation .....	7.18
Amazon.com, Inc. ....	4.93
Tesla, Inc. ....	3.97
Meta Platforms, Inc. ....	3.87
Alphabet Inc. (Class A) .....	3.64
Alphabet Inc. (Class C) .....	3.39
Broadcom Inc. ....	3.26
Palantir Technologies Inc. ....	2.24
Netflix, Inc. ....	2.19
Costco Wholesale Corporation .....	2.11
Advanced Micro Devices, Inc. ....	1.92
Micron Technology, Inc. ....	1.77
Cisco Systems, Inc. ....	1.68
T-Mobile US, Inc. ....	1.25
Lam Research Corporation .....	1.19
AppLovin Corporation .....	1.14
Applied Materials, Inc. ....	1.13
Intuitive Surgical, Inc. ....	1.11
Linde plc .....	1.10
Shopify Inc. ....	1.09
PepsiCo, Inc. ....	1.08
Intuit Inc. ....	1.02
Qualcomm Incorporated .....	1.01

<sup>(1)</sup> These positions represent the top 25 constituents of the Underlying Index.

The above table shows the top 25 positions held by the ETF. In the case of an ETF with fewer than 25 positions, all positions are indicated.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the ETF. A quarterly update is available. Please consult our website at [www.LongPointETFs.com](http://www.LongPointETFs.com).



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