

North Growth Balanced Fund

Annual Financial Statements
and Independent Auditor's Report to the Unitholders

Period from commencement on July 23, 2025, to December 31, 2025



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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of North Growth Balanced Fund

Opinion

We have audited the financial statements of North Growth Balanced Fund (the Fund), which comprise:

- the statements of financial position as at December 31, 2025
- the statements of comprehensive income for the period from commencement on July 23, 2025 to December 31, 2025
- the statements of changes in net assets attributable to holders of redeemable units for the period from commencement on July 23, 2025 to December 31, 2025
- the statement of cash flows for the period from commencement on July 23, 2025 to December 31, 2025
- 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 Fund as at December 31, 2025, and its financial performance and its cash flows for the period then ended 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 Fund 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

The Manager is responsible for the other information. Other information comprises:

- the information included in the Annual Management Report of Fund Performance filed with the relevant Canadian Securities Commissions.

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 information included in the Annual Management Report of Fund Performance filed with the relevant Canadian Securities Commissions 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 the Manager and Those Charged with Governance for the Financial Statements

The Manager 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 the Manager 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, the Manager is responsible for assessing the Fund'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 the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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

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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.



KPMG LLP

Chartered Professional Accountants

Vancouver, Canada

March 6, 2026

North Growth Balanced Fund

December 31, 2025

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North Growth Balanced Fund
Statements of financial position
December 31, 2025

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

	Note	2025
Assets		
Cash		\$ 307
Interest receivable		3
Dividends receivable		2
Short term notes		1,076
Equity investments, at fair value		1,744
		3,132
Liabilities		
Accrued liabilities	12	1
		1
Net assets attributable to holders of redeemable units		\$ 3,131
Represented by:		
Net assets attributable to holders of redeemable units		
Series F		\$ 2,600
Series A		531
Net assets attributable to holders of redeemable units per unit		
Series F		\$ 10.95
Series A		10.90

APPROVED ON BEHALF OF THE MANAGER,
NORTH GROWTH MANAGEMENT LTD.

/Erica Lau/
Erica Lau,
CEO and Director

North Growth Balanced Fund
Statements of comprehensive income
Period from commencement on July 23, 2025 to December 31, 2025
(All amounts in thousands of dollars, except per unit amounts)

	Note	2025
Revenue:		
Dividend income	\$	4
Interest and other income		6
Net realized gain on foreign currencies		2
Change in fair value of investments		
Net realized gain		1
Change in unrealized appreciation		134
Total revenue		147
Expenses:		
Management fees	8, 12	1
Trailer fees	8	1
Transaction costs	11	1
Total operating expenses		3
Increase in net assets attributable to holders of redeemable units, from operations	\$	144
Increase in net assets attributable to holders of redeemable units, from operations		
Series F	13	\$ 125
Series A	13	19
Increase in net assets attributable to holders of redeemable units, per unit, from operations		
Series F	13	\$ 1.14
Series A	13	0.79

North Growth Balanced Fund

Statements of changes in net assets attributable to holders of redeemable units

Period from commencement on July 23, 2025 to December 31, 2025

(All amounts in thousands of dollars)

	Series F	Series A
Net assets attributable to holders of redeemable units at beginning of period	\$ -	\$ -
Increase in net assets attributable to holders of redeemable units, from operations	125	19
Proceeds from redeemable units issued	2,475	526
Redemption of redeemable units	-	(14)
Net increase from redeemable unit transactions	2,475	512
Net increase in net assets attributable to holders of redeemable units	2,600	531
Net assets attributable to holders of redeemable units at end of period	\$ 2,600	\$ 531

North Growth Balanced Fund

Statements of cash flows

Period from commencement on July 23, 2025 to December 31, 2025

(All amounts in thousands of dollars)

	2025
Cash (used in) / provided by:	
Operating activities	
Increase in net assets attributable to holders of redeemable units, from operations	\$ 144
Adjust for:	
Net realized gain on foreign currencies	(2)
Net realized gain on sale of investments	(1)
Interest income on short term notes	(2)
Dividend income	(4)
Change in unrealized appreciation of investments	(134)
Purchases of investments	(3,083)
Proceeds from sale of investments	403
Change in interest receivable	(3)
Change in accrued liabilities and payables for investments purchased	1
Dividends received	2
Net cash flow used in operating activities	(2,679)
Financing activities	
Proceeds from issuances of redeemable units	3,001
Amounts paid on redemption of redeemable units	(14)
Net cash provided by financing activities	2,987
Net realized gain on foreign currencies	2
Net increase in cash	308
Change in unrealized appreciation of cash	(3)
Cash at beginning of period	-
Cash at end of period	\$ 307

North Growth Balanced Fund
Schedule of equity investment portfolio
December 31, 2025

(Amounts in thousands of dollars, number of shares expressed in thousands)

Number of Shares	Canadian Common Shares	Cost	Carrying Value
<1	Ciena Corp	\$ 80	\$ 114
<1	Jabil Inc	78	83
<1	Lumentum Holdings Inc.	45	81
<1	Bombardier Inc., Class B	60	69
<1	Applied Materials Inc.	56	64
<1	Coherent Corp.	38	54
2	Leon's Furniture Ltd	46	45
1	Bird Construction Inc	41	42
<1	Brinker International Inc.	37	36
<1	Somnigroup International Inc.	33	34
<1	Tapestry Inc	29	33
<1	Motorola Solutions Inc	36	33
<1	Johnson Controls International plc	31	33
1	ATS Corporation	29	30
<1	Booking Holdings Inc	29	29
<1	Aritzia Inc	24	29
<1	Nvidia Corp.	27	27
<1	Abercrombie & Fitch Co.	19	27
<1	Constellation Software Inc	30	26
<1	Electronic Arts Inc.	25	26
1	Warner Bros. Discovery Inc.	18	26
<1	Ulta Beauty Inc.	22	25
<1	Thermo Fisher Scientific, Inc.	23	24
<1	Texas Instruments Inc.	23	23
<1	Jacobs Solutions Inc.	25	23
<1	Badger Infrastructure Solutions Ltd.	20	22
<1	Global Payments Inc.	22	21
1	CAE Inc.	19	21
<1	TFI International Inc	18	21
<1	IQVIA Holdings Inc.	20	20
1	Zymeworks Inc	13	20
<1	NVR Inc.	22	20
<1	Watts Water Technologies Inc	20	20
<1	Dollarama Inc.	18	19
<1	West Pharmaceutical Services, Inc.	20	19
<1	Restaurant Brands International	20	19
<1	Canadian National Railway Company	18	19
1	HP Inc.	23	19
<1	Bombardier Recreational Products Inc.	17	18
<1	Integer Holdings Corporation	19	18
Total investments		\$ 1,193	\$ 1,332

North Growth Balanced Fund
Schedule of equity investment portfolio (continued)
December 31, 2025

(Amounts in thousands of dollars, number of shares expressed in thousands)

Number of Shares	Canadian Common Shares	Cost	Carrying Value
<1	Qualcomm Inc.	\$ 18	\$ 18
1	InMode Ltd.	18	17
<1	Microsoft Corporation	18	17
<1	Apple Inc.	16	16
<1	Crocs, Inc.	16	16
<1	United Rentals, Inc.	17	16
2	ADF Group Inc	13	15
1	AutoCanada Inc	16	15
<1	FedEx Corp.	13	15
1	TELUS Corporation	16	14
1	5N Plus Inc.	15	14
1	Arhaus Inc	13	14
<1	AutoZone, Inc.	17	14
<1	Elevance Health, Inc.	13	14
<1	Shopify Inc.	13	13
<1	Align Technology, Inc.	12	13
<1	Groupe Dynamite Inc.	9	11
1	Profound Medical Corp	8	11
<1	MDA Space Ltd.	13	11
1	Polaris Renewable Energy Inc	12	11
<1	Biogen Inc	10	11
<1	Atkore Inc.	11	11
<1	Open Text Corporation	12	11
<1	Fortune Brands Innovations, Inc.	11	10
<1	Hammond Power Solutions Inc.	10	10
<1	NIKE Inc.	11	10
<1	Extencicare Inc.	7	9
<1	Old Dominion Freight Line, Inc.	8	9
<1	Information Services Corporation	6	7
<1	First Solar Inc.	7	7
<1	Jamieson Wellness Inc.	6	6
<1	Amentum Holdings Inc	5	5
<1	Lululemon Athletica Inc.	4	5
<1	Masterbrand, Inc.	5	4
2	Zoomd Technologies Ltd.	5	3
<1	Zedcor Inc.	3	3
<1	Blackline Safety Corporation	3	3
2	NTG Clarity Networks Inc.	3	2
1	Dirtt Environmental Solutions Ltd.	1	1
Total investments		\$ 1,607	\$ 1,744

North Growth Balanced Fund
Schedule of short-term debt investment portfolio
December 31, 2025

(All amounts in thousands of dollars)

Par Value \$	Short Term Notes (treasury bills 100%)	Cost \$	Fair Value \$
30	Provincial Treasurer of Alberta, January 6, 2026	\$ 30	\$ 30
30	Government of Canada, January 14, 2026	30	30
40	Province of Ontario, January 14, 2026	40	40
45	Government of Newfoundland and Labrador, January 19, 2026	45	45
10	Government of Canada, January 28, 2026	10	10
10	Government of Canada, January 28, 2026	10	10
30	Government of Canada, January 28, 2026	30	30
55	Province of Saskatchewan, February 3, 2026	55	55
50	Government of Canada, February 11, 2026	50	50
45	Government of Canada, February 25, 2026	45	45
65	Province of Manitoba, February 25, 2026	65	65
70	Gouvernement du Quebec, February 27, 2026	70	70
40	Government of Prince Edward Island, March 3, 2026	40	40
55	Province of New Brunswick, March 5, 2026	55	55
60	Government of Canada, March 11, 2026	60	60
10	Government of Canada, March 25, 2026	9	9
10	Government of Canada, March 25, 2026	9	9
30	Government of Canada, March 25, 2026	30	30
60	Government of Canada, April 8, 2026	60	60
50	Government of Canada, April 8, 2026	50	50
60	Government of Canada, April 22, 2026	59	59
50	Government of Canada, May 6, 2026	49	49
10	Government of Canada, May 20, 2026	9	9
50	Government of Canada, May 20, 2026	49	49
50	Government of Canada, June 17, 2026	49	49
10	Government of Canada, June 17, 2026	9	9
60	Government of Canada, July 15, 2026	59	59
Total short term note investments		\$ 1,076	\$ 1,076

North Growth Balanced Fund

Notes to the financial statements

Period ended December 31, 2025

(Amounts in thousands of dollars unless otherwise stated)

1. The Fund

The North Growth Balanced Fund (the “Fund”), a mutual fund structured as a unit trust, was established under the laws of British Columbia pursuant to an Amended and Restated Master Declaration of Trust dated May 20, 2025. The address of the Fund’s registered office is 830 – 505 Burrard Street, Vancouver, British Columbia. The fundamental investment objective of the Fund is to achieve long-term growth and capital appreciation with moderated volatility by investing primarily in U.S. and Canadian equity securities and short-term debt securities. The financial statements were authorized for issue by North Growth Management Ltd. (the “Manager”) on March 6, 2026.

For purposes of these financial statements, reference herein to “year” or “years” includes, where applicable, “period” or “periods”.

2. Basis of Presentation

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

3. Material Accounting Policy Information

The accounting policies set out below have been applied consistently for the period from commencement on July 23, 2025, to December 31, 2025 in the financial statements.

(a) Basis of Measurement

The financial statements are based on the historical cost basis except for investments which are measured at fair value.

(b) Financial instruments

(i) Recognition and measurement

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

North Growth Balanced Fund

Notes to the financial statements

Period ended December 31, 2025

(Amounts in thousands of dollars unless otherwise stated)

3. Material Accounting Policy Information (continued)

(b) Financial instruments (continued)

(i) Recognition and measurement (continued)

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

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

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

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

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

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

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

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

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

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

North Growth Balanced Fund

Notes to the financial statements

Period ended December 31, 2025

(Amounts in thousands of dollars unless otherwise stated)

3. Material Accounting Policy Information (continued)

(b) Financial instruments (continued)

(ii) Fair value through profit and loss

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the Statements of comprehensive income in the period in which they occur. The Fund's investments in securities are classified as FVTPL.

The Fund's investment in short-term Canadian debt securities are valued at their fair value. The cost, together with accrued interest, approximates fair value using closing prices.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Fund's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

(iii) Amortized cost

Financial assets and liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses. The Fund classifies cash, subscription receivable, interest receivable, dividends receivable, accrued liabilities, payable for units redeemed, distributions payable to holders of redeemable units and investment payable as amortized cost.

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

North Growth Balanced Fund

Notes to the financial statements

Period ended December 31, 2025

(Amounts in thousands of dollars unless otherwise stated)

3. Material Accounting Policy Information (continued)

(c) Accounting estimates

The preparation of financial statements in accordance with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts in these financial statements. Actual results may differ from these estimates.

Information about significant areas of estimation uncertainty, and critical judgement in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in Note 9.

(d) Investment transactions, income, and transaction costs

Interest income is recognized on an accrual basis using the effective interest method. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Investment transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined on the average cost basis of the respective investments.

Transaction costs, such as brokerage commissions included in the purchase and sale of securities by the Fund, incurred for financial instruments classified as FVTPL, are recognized in the Statement of comprehensive income in the period incurred. Transaction costs are incremental costs that are directly paid to agents, advisors, brokers, and dealers, levies by regulatory agencies and security exchanges, and transfer taxes and duties.

(e) Translation of foreign currencies

The Fund's subscriptions and redemptions are denominated in CAD, which is also its functional and presentation currency. Foreign currency assets and liabilities are translated into CAD at the rate of exchange prevailing on the year-end date except for the historical costs of investments which are translated at the rate of exchange prevailing on the date of purchase. The proceeds from sale of investments and investment income in foreign currencies are translated into CAD at the approximate rate of exchange prevailing on the dates of such transactions. Gains and losses from transactions in and the translation of foreign currencies are considered to be investment transactions and accordingly are included in the change in fair value of financial instruments.

North Growth Balanced Fund

Notes to the financial statements

Period ended December 31, 2025

(Amounts in thousands of dollars unless otherwise stated)

3. Material Accounting Policy Information (continued)

(f) Redeemable units

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Fund's redeemable securities contain multiple dissimilar contractual obligations and entitle securityholders to the right to redeem their interest in the Funds for cash equal to their proportionate share of the net asset value of the Fund and therefore meet the criteria for classification as financial liabilities under IAS 32 Financial Instruments: Presentation. The Fund's obligation for net assets attributable to securityholders is presented at the redemption amount. The Fund presents net assets attributable to holders of redeemable units at the redemption amount, which approximates fair value. No FVTPL designation is applied. The redeemable units provide investors with the right to require redemption, subject to available liquidity, for cash at a unit price based on the Fund's valuation policies at each redemption date. Distributions to holders of redeemable units are recognized in the Statements of comprehensive income when they are authorized and no longer at the discretion of the Manager.

The increase/(decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase/(decrease) in net assets attributable to holders of redeemable units by the weighted average number of units outstanding during the period. Refer to Note 13 for the calculation.

(g) Unrealized appreciation or depreciation of investments

The unrealized appreciation or depreciation of investments represents the aggregate of the difference between their average cost and fair value at the reporting date.

(h) Per unit amounts

The net asset value per unit is calculated based on the number of units outstanding at the end of the period.

Increase/(decrease) in net assets per unit in the Statements of comprehensive income represent the increase/(decrease) in the net assets from operations excluding distribution, divided by the average number of units outstanding during the period. Refer to Note 13 for the calculation.

(i) New accounting standards

IFRS 18 Presentation and Disclosure in Financial Statements:

The IASB issued IFRS 18 Presentation and Disclosure in Financial Statements on April 9, 2024, to replace IAS 1 Presentation of Financial Statements and is effective for annual periods beginning on or after January 1, 2027. IFRS 18 introduces a defined structure for the presentation of the statement of income, including required totals and subtotals, as well as aggregating and disaggregating principles to categorize financial information.

North Growth Balanced Fund

Notes to the financial statements

Period ended December 31, 2025

(Amounts in thousands of dollars unless otherwise stated)

3. Material Accounting Policy Information (continued)

(i) New accounting standards (continued)

The standard also requires all Management-defined performance measures to be disclosed in the notes to the financial statements. IFRS 18 will be effective for the Fund on January 1, 2027, with early adoption permitted. The Manager is currently assessing the impact of this new standard on the financial statements.

4. Taxation

The Fund is classified as a “Unit Trust” under the Income Tax Act (Canada). The Fund distributes to its unitholders all its annual taxable income, including its taxable net realized capital gains, with the result that the Fund does not pay any income taxes. The Fund does not record any income taxes in its financial statements.

Until such a time as the Fund is eligible and becomes classified as a Mutual Fund Trust, the Fund may be subject to Alternative Minimum Tax on certain types of income. The Manager has elected, at its own discretion, to settle these tax amounts on behalf of the Fund.

5. Distributions to Unitholders

The Fund makes annual distributions, typically in December, to unitholders of its taxable net investment income and the net realized capital gains on the sale of investments. No distributions occur in periods when there is no taxable net investment income or net realized capital gain on the sale of investments. During the period ended December 31, 2025, there was no distribution.

6. Capital Disclosures

The capital of the Fund is represented by issued and redeemable units with no par value. The units are entitled to distributions, if any, and to payment of a proportionate share of net assets based on the Fund’s net asset value per unit upon redemption. The Fund does not have any externally imposed capital requirements.

The relevant movements in capital are shown in the Statement of changes in net assets attributable to holders of redeemable units and Note 7. In accordance with its investment objectives and strategies, and the financial risk management practices outlined in Note 10, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

North Growth Balanced Fund

Notes to the financial statements

Period ended December 31, 2025

(Amounts in thousands of dollars unless otherwise stated)

7. Redeemable Units

The Fund has two series of units – Series F, and Series A - which are similar in all material respects except that Series A units have a dealer compensation structure. Units of the fund are only available to investors who purchase units through authorized third-party dealers.

During the period ended December 31, 2025, the number of units issued, redeemed and outstanding were as follows:

	Series F	Series A
Units outstanding at July 23, 2025	0.0000	0.0000
Redeemable units issued	237,419.9771	50,109.1432
Redeemable units redeemed	(5.4747)	(1,336.7749)
Units outstanding at December 31, 2025	237,414.5024	48,772.3683

8. Management Fees and Other Expenses

The Manager provides trustee, fund accounting, transfer agent, and management services and acts as investment advisor. Management fees are calculated daily and payable monthly. The Fund's management fees are calculated at an annual rate of 0.95% of the net assets of each series.

Trailer fees, a form of dealer compensation, apply only to Series A units and are calculated daily and payable monthly at an annual rate of 1.00% of the net asset value of the Series A units.

For the period ended December 31, 2025, out of its all-in management fee, the Manager has disbursed Independent Review Committee fees in the amount of \$24.

North Growth Balanced Fund

Notes to the financial statements

Period ended December 31, 2025

(Amounts in thousands of dollars unless otherwise stated)

9. Financial Instruments

The following tables present the carrying amounts of the Fund's financial assets by category as at December 31, 2025. All the Fund's financial liabilities as at December 31, 2025 were carried at amortized cost, except for redeemable units at FVTPL.

Assets	Financial assets at FVTPL	Financial assets at amortized cost	Total
Equity investments	\$ 1,744	\$ -	\$ 1,744
Short term notes	1,076	-	1,076
Cash	-	307	307
Interest receivable	-	3	3
Dividends receivable	-	2	2
Total	\$ 2,820	\$ 312	\$ 3,132

Fair Value Measurement

The Fund classifies fair value measurement within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1), and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

- Level 1** Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3** Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

As at December 31, 2025	Level 1	Level 2	Level 3	Total
Equities	\$ 1,744	\$ -	\$ -	\$ 1,744
Short-term Notes	-	1,076	-	1,076
	\$ 1,744	\$ 1,076	\$ -	\$ 2,820

The carrying amount of the Fund's cash, accrued interest receivable, dividend, receivable for units issued, accrued liabilities and payables for units redeemed approximate fair value due to the short term nature, and net assets attributable to redeemable units also approximates fair value as they are measured at the redemption amount. They are classified as Level 2 in the fair value hierarchy.

All fair value measurements above are recurring. Fair values are classified as Level 1 when the related security is actively traded and quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. The Fund only invests in Level 1 equities and Level 2 short-term debt. Upon analysis at December 31, 2025, there was no requirement to reclassify any of the securities in the Fund's portfolio.

North Growth Balanced Fund

Notes to the financial statements

Period ended December 31, 2025

(Amounts in thousands of dollars unless otherwise stated)

10. Financial Risk Management

Investment Strategy

The Fund aims to achieve long-term capital growth by investing primarily in Canadian and U.S. equities as well as in short-term debt securities, in accordance with the objective set out in Note 1. All equity securities are subject to normal market fluctuations and present a risk of loss of capital. The Fund's manager manages this risk through a careful selection of securities. Securities are selected for key fundamental characteristics such as price earnings ratio, earnings growth and revenue growth. The goal is to identify securities of quality companies with financial strength and strong earnings growth that can be purchased at a reasonable price. The portfolio is monitored on a daily basis.

Financial Risk Management

The Fund may be exposed to a variety of financial risks that are concentrated in its investment holdings. These financial risks include market risk (including interest rate risk, currency risk and price risk), liquidity risk, credit risk, and concentration risk. The Fund's overall risk management philosophy seeks to minimize the potential adverse effects of these risks on the Fund's financial performance. The maximum risk resulting from investing in financial instruments is the fair value of the financial instruments.

The Fund's risk management practice includes monitoring compliance to investment guidelines. The Manager manages the potential effects of these financial risks on the Fund's performance by employing and overseeing professional and experienced portfolio managers that regularly monitor the Fund's positions, market events and diversify investment portfolios within the constraints of the investment guidelines.

Interest Rate Risk

Interest rate risk represents the potential loss resulting from fluctuations in interest rates and has the greatest impact on longer term debt instruments. The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity as at:

Term to maturity	December 31, 2025 (%)
0-1 month	17.99
1-3 months	45.25
3-6 months	31.26
6-7 months	5.50
Total	100.00

Due to the short-term nature of the Fund's debt instrument investments, the Fund has minimal sensitivity to changes in interest rates.

North Growth Balanced Fund

Notes to the financial statements

Period ended December 31, 2025

(Amounts in thousands of dollars unless otherwise stated)

10. Financial Risk Management (continued)

Currency Risk

The Fund invests in certain securities denominated in U.S. dollars and their value, expressed in CAD, is affected by changes in the rate of exchange between the CAD and U.S. dollars. When the value of the CAD falls in relation to the U.S. dollar, then the value of the U.S. investments rises. When the value of the CAD rises, the value of the U.S. investments falls. Currency risk represents the potential loss that the Fund could incur from fluctuations in the CAD versus the U.S. dollar exchange rate. The Fund does not attempt to manage this risk.

The table below indicates the foreign currency to which the Fund had significant exposure at December 31, 2025, in CAD terms. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the CAD had strengthened or weakened by 10% in relation to the foreign currency with all other variables being held constant.

	Exposure			Impact of 10% change, in CAD, on net assets attributable to holders of redeemable units		
	Investments	Cash	Total	Investments	Cash	Total
U.S. Dollar - December 31, 2025	\$ 1,192	\$ 9	\$ 1,201	\$ 119.2	\$ 0.9	+/- \$120.1
% of net assets attributable to holders of redeemable units	38.07	0.29	38.36	3.81	0.03	3.84

Other Price Risk

The Fund is exposed to price risk, which is the risk that the fair value of equity securities will be affected by changes in general market conditions. Changes in market conditions are influenced by corporate developments, changes in interest rates, changes in the level of inflation, and other political and economic developments. Equity securities in certain companies or companies within a certain industry may fluctuate differently because of changes in outlook for those individual companies or the particular industry.

North Growth Balanced Fund

Notes to the financial statements

Period ended December 31, 2025

(Amounts in thousands of dollars unless otherwise stated)

10. Financial Risk Management (continued)

Other Price Risk (continued)

The share price of companies with smaller market capitalization (< \$2,000 M) is usually more volatile than that of more established companies with larger market capitalization.

Smaller companies may be developing new products that have not yet been tested in the marketplace or their products may quickly become obsolete. They may also have limited resources, including limited access to funds or unproven management. Smaller companies may trade less frequently and in smaller volume than shares of large companies. They may have few shares outstanding so a sale or purchase of shares may have a greater impact on the share price. The value of shares in small capitalization companies may rise and fall dramatically.

The Fund's overall exposures to small capitalization companies on December 31, 2025 was:

Valuation date	Fair Value (\$)	Net Assets (%)
Investments at December 31, 2025	209	6.68

Management does not believe that there is a good way of predicting potential future relationships between the Fund's net assets and any given indices. Calculation of market risk is consistent with the industry norm of using a Beta calculation which is calculated based on observed historical changes in value in relationship to a given index. As the fund does not have 3 years of valuation history, a reliable Beta calculation cannot be performed. Once sufficient historic data is available, the appropriate related disclosure will be made.

North Growth Balanced Fund

Notes to the financial statements

Period ended December 31, 2025

(Amounts in thousands of dollars unless otherwise stated)

10. Financial Risk Management (continued)

Liquidity Risk

Liquidity risk represents the potential loss stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. The value of securities is subject to greater fluctuation if they are not traded regularly. The Fund invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

There can be no assurance that an active trading market for the investments will exist at all times, or that the prices at which the securities trade accurately reflect their values. Thin trading in a security could make it difficult to liquidate holdings quickly.

The Fund has no restrictions with regards to the market capitalization of its investments. If the Fund becomes more highly concentrated in stocks of companies with smaller market capitalization, liquidity risk will increase.

The tables below analyze the Fund's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

December 31, 2025

Financial liabilities	On demand	< 3 months	Total
Accrued liabilities	\$ -	\$ 1	\$ 1

Credit Risk

Credit risk represents the potential loss that the Fund would incur if the counterparties failed to perform in accordance with the terms of their obligations to the Fund.

Payments to brokers for securities purchased are only made upon delivery of the securities to the Fund. Delivery to brokers for securities sold is only made once the Fund has received payment from the broker. Therefore, the risk of default is considered minimal.

Portfolio by rating categories, as a percentage of the short term note portfolio, as at December 31 is as follows:

Credit Rating	Percentage of total debt securities
	December 31, 2025 (%)
R-1 (high)	69.48
R-1 (middle)	22.66
R-1 (low)	7.86
	100.00

The ratings R-1 (high), R-1 (middle), and R-1 (low) are ratings assigned to short-term debt by Dominion Bond Rating Service and represents highest credit quality, superior credit quality, and satisfactory credit quality, respectively

North Growth Balanced Fund

Notes to the financial statements

Period ended December 31, 2025

(Amounts in thousands of dollars unless otherwise stated)

10. Financial Risk Management (continued)

Concentration Risk

Concentration risk arises as a result of the concentration of exposure within the same category, whether it is geographic location, product type or industry sector. The following is a summary of the Fund's concentration risk:

Market Segment	December 31, 2025
Information Technology	19.61%
Consumer Discretionary	13.40%
Industrials	12.52%
Health Care	5.62%
Communication Services	2.13%
Materials	0.95%
Financials	0.67%
Utilities	0.34%
Real Estate	0.24%
Consumer Staples	0.20%
Other Net Assets	44.32%
	100.00%

Capital Risk Management

Units issued and outstanding should be considered capital of the Fund. The Fund does not have any special capital requirements on the subscription and redemption of units, other than certain minimum subscription requirements. Unitholders are entitled to require payment of the net asset value per unit of the Fund for all or any of the units of such unitholder by giving written notice to the Manager. The written notice must be received no later than 3:00 p.m., EST (12:00 p.m. Pacific), on the valuation day upon which the units are to be redeemed. Additionally, the notice must be irrevocable. The units are redeemed for cash equal to a pro rata share of the Fund's NAV.

11. Portfolio Transactions

Commissions paid to investment dealers and brokers during the period ended December 31, 2025 amounted to \$1.

North Growth Balanced Fund

Notes to the financial statements

Period ended December 31, 2025

(Amounts in thousands of dollars unless otherwise stated)

12. Related Party Transactions

As at December 31, 2025, the Manager, and other entities under common control, owned 8.88% units of the Fund under the same terms as arms-length unitholders.

Management fees paid to the Manager during the period ended December 31, 2025 amounted to \$1.

Included in accounts payable and accrued liabilities are management fees owing to the Manager of the Fund in the amount of \$1.

13. Change in Net Assets Attributable to Holders of Redeemable Units Per Unit

The increase in net assets attributable to holders of redeemable units per unit for the period ended December 31, 2025, are calculated as follows:

2025	F	A
Increase in net assets attributable to holders of redeemable units, from operations	\$ 125	\$ 19
Weighted average units outstanding during the period (units presented in thousands)	109	23
Increase in net assets attributable to holders of redeemable units per unit, from operations	\$ 1.14	\$ 0.79