

North Growth Balanced Fund

Financial Statements

For the six-month period ended June 30, 2026
(unaudited)

North Growth Balanced Fund

June 30, 2026

Table of contents

Statements of financial position	1
Statements of comprehensive income	2
Statements of changes in net assets attributable to holders of redeemable units	3
Statements of cash flows	4
Schedule of equity investment portfolio	5-6
Schedule of short-term debt investment portfolio	7
Notes to the financial statements	8-21

Management's Responsibility for Financial Reporting

August 7, 2026

The accompanying financial statements of the Fund (as defined in Note 1) have been prepared by North Growth Management Ltd. (the "Manager"). The Manager of the Fund is responsible for the information and representations contained in these financial statements.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. These financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant accounting policies which management believes are appropriate for the Fund are described in Note 2 to the financial statements.

The Board of Directors of the Manager is responsible for reviewing and approving the financial statements of the Fund (as defined in Note 1) after reviewing management's report of its financial reporting responsibilities.

"Erica Lau"

Erica Lau, CFA
Chief Executive Officer
North Growth Management Ltd.

The accompanying notes are an integral part of these financial statements

Notice to Unitholders

The Auditor of the Fund has not reviewed these financial statements.

North Growth Management Ltd., the Manager of the Fund, appoints an independent auditor to audit the Fund's annual financial statements. Applicable securities laws require that if an auditor has not reviewed the Fund's' semi-annual financial statements, this must be disclosed in an accompanying notice.

North Growth Balanced Fund
Statements of financial position
As at June 30, 2026

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

	Note	June 30 2026	December 31, 2025
Assets			
Cash		\$ 345	\$ 307
Interest receivable		12	3
Receivable for units issued		33	-
Dividends receivable		6	2
Short term notes		3,612	1,076
Equity investments, at fair value		6,105	1,744
		10,113	3,132
Liabilities			
Accrued liabilities	12	9	1
		9	1
Net assets attributable to holders of redeemable units		\$ 10,104	\$ 3,131
Represented by:			
Net assets attributable to holders of redeemable units			
Series F		\$ 8,569	\$ 2,600
Series A		1,535	531
Net assets attributable to holders of redeemable units per unit			
Series F		\$ 13.15	\$ 10.95
Series A		13.02	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
For the six-month period ended June 30, 2026

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

	Note	2026
Revenue:		
Dividend income		\$ 25
Interest and other income		29
Net realized gain on foreign currencies		5
Change in fair value of investments		
Net realized gain on sale of investments		27
Net change in unrealized appreciation of investments		1,129
Total revenue		1,215
Expenses:		
Management fees	8, 12	30
Withholding taxes	4	2
Trailer fees	8	5
Transaction costs	11	2
Total operating expenses		39
Increase in net assets attributable to holders of redeemable units, from operations		\$ 1,176
Increase in net assets attributable to holders of redeemable units, from operations		
Series F	13	\$ 1,005
Series A	13	171
Increase in net assets attributable to holders of redeemable units, per unit, from operations		
Series F	13	\$ 2.28
Series A	13	1.93

North Growth Balanced Fund

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

For the six-month period ended June 30, 2026

(All amounts in thousands of Canadian dollars) (unaudited)

	Series F	Series A
Net assets attributable to holders of redeemable units at beginning of period	\$ 2,600	\$ 531
Increase in net assets attributable to holders of redeemable units, from operations	1,005	171
Proceeds from redeemable units issued	4,996	1,173
Amounts paid on redemption of redeemable units	(32)	(340)
Net increase from redeemable unit transactions	4,964	833
Net increase in net assets attributable to holders of redeemable units	5,969	1,004
Net assets attributable to holders of redeemable units at end of period	\$ 8,569	\$ 1,535

North Growth Balanced Fund
Statements of cash flows
For the six-month period ended June 30, 2026
(All amounts in thousands of Canadian dollars) (unaudited)

	2026
Cash (used in) / provided by:	
Operating activities	
Increase in net assets attributable to holders of redeemable units, from operations	\$ 1,176
Adjust for:	
Net realized gain on foreign currencies	(5)
Net realized gain on sale of investments	(27)
Interest income on short term notes	(16)
Dividend income	(25)
Withholding taxes on dividend income	2
Change in unrealized appreciation of investments	(1,129)
Purchases of investments	(8,963)
Proceeds from sale of investments	3,246
Change in interest receivable	(9)
Change in accrued liabilities	8
Dividends received	19
Net cash used in operating activities	(5,723)
Financing activities	
Proceeds from issuances of redeemable units	6,136
Amounts paid on redemption of redeemable units	(372)
Net cash provided by financing activities	5,764
Net realized gain on foreign currencies	5
Net increase in cash	41
Change in unrealized appreciation of cash	(8)
Cash at beginning of period	307
Cash at end of period	\$ 345

North Growth Balanced Fund
Schedule of equity investment portfolio
As at June 30, 2026

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

Number of Shares	Canadian Common Shares	Cost	Carrying Value
4	Bird Construction Inc.	\$ 159	\$ 270
1	Bombardier Inc., Class B	133	182
5	Leon's Furniture Ltd.	124	108
2	5N Plus Inc.	65	100
1	Aritzia Inc.	77	100
< 1	Constellation Software Inc.	101	93
2	ATS Corporation	91	92
5	ADF Group Inc.	49	88
< 1	TFI International Inc.	64	84
1	Badger Infrastructure Solutions Ltd.	61	77
1	MDA Space Ltd.	47	67
< 1	Canadian National Railway Company	57	66
< 1	Hammond Power Solutions Inc.	37	61
2	Zymeworks Inc.	47	58
1	Bombardier Recreational Products Inc.	62	59
1	Restaurant Brands International	56	59
< 1	Dollarama Inc.	50	50
1	CAE Inc.	54	50
2	AutoCanada Inc.	44	41
1	Extendicare Inc.	28	41
3	Polaris Renewable Energy Inc.	33	39
< 1	Premium Brands Holdings Corp.	40	38
1	Groupe Dynamite Inc.	44	35
2	TELUS Corporation	42	34
< 1	Shopify Inc.	31	27
3	Profound Medical Corp.	26	27
< 1	Information Services Corporation	20	23
1	Jamieson Wellness Inc.	19	22
1	Blackline Safety Corporation	8	10
6	D-Box Technologies Inc.	4	7
< 1	Lululemon Athletica Inc.	11	7
1	Zedcor Inc.	7	7
9	Zoomd Technologies Ltd.	11	5
4	NTG Clarity Networks Inc.	5	3
4	Dirtt Environmental Solutions Ltd.	3	3
Total investments		\$ 1,710	\$ 2,033

North Growth Balanced Fund
Schedule of equity investment portfolio (continued)
As at June 30, 2026

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

Number of Shares	Foreign Common Shares	Cost	Carrying Value
<1	Applied Materials Inc.	\$ 149	\$ 363
1	Jabil Inc.	192	301
<1	Ciena Corp.	103	289
<1	Lumentum Holdings Inc.	102	235
<1	Coherent Corp.	91	197
1	Brinker International Inc.	107	125
<1	Motorola Solutions Inc.	123	125
<1	West Pharmaceutical Services, Inc.	87	117
1	Johnson Controls International plc	97	116
1	Tapestry Inc.	100	115
<1	Texas Instruments Inc.	78	111
<1	Nvidia Corp.	91	98
<1	Watts Water Technologies Inc.	72	96
3	HP Inc.	93	95
<1	IQVIA Holdings Inc.	82	89
<1	Booking Holdings Inc.	88	86
<1	Thermo Fisher Scientific, Inc.	83	83
1	Somnigroup International Inc.	84	83
1	Integer Holdings Corporation	69	78
<1	Crocs, Inc.	60	78
1	Global Payments Inc.	78	77
<1	United Rentals, Inc.	57	74
2	Warner Bros. Discovery Inc.	66	72
<1	Apple Inc.	65	69
<1	Adobe Systems Inc.	73	66
<1	Elevance Health, Inc.	53	60
<1	NVR Inc.	59	58
<1	Abercrombie & Fitch Co.	56	58
<1	Biogen Inc.	47	56
<1	AutoZone, Inc.	59	54
<1	Jacobs Solutions Inc.	55	54
<1	Ulta Beauty Inc.	59	49
<1	Align Technology, Inc.	46	49
<1	Old Dominion Freight Line, Inc.	40	47
<1	Moody's Corporation	42	42
1	NIKE Inc.	50	38
<1	Electronic Arts Inc.	36	38
<1	Microsoft Corporation	44	38
3	Arhaus Inc.	36	36
<1	Fortune Brands Innovations, Inc.	30	35
<1	Qualcomm Inc.	26	32
<1	FedEx Corp.	20	23
2	Masterbrand, Inc.	23	23
<1	First Solar Inc.	19	19
1	Amentum Holdings Inc	24	19
<1	FedEx Freight Holding Company, Inc.	6	6
		\$4,830	\$ 6,105

North Growth Balanced Fund
Schedule of short-term debt investment portfolio
June 30, 2026

(All amounts in thousands of Canadian dollars) (unaudited)

Par Value \$	Short Term Notes (Treasury Bills 100%)	Cost \$	Fair Value \$
200	Gouvernement du Québec, 2.36%, July 17, 2026	\$ 199	\$ 199
100	Government of Canada, 2.22%, July 2, 2026	99	99
100	Government of Canada, 2.22%, July 29, 2026	99	99
100	Government of Canada, 2.24%, August 12, 2026	99	99
170	Government of Canada, 2.28%, August 26, 2026	169	169
200	Government of Canada, 2.30%, September 9, 2026	198	198
200	Government of Canada, 2.32%, September 23, 2026	198	198
200	Government of Canada, 2.36%, October 7, 2026	198	198
200	Government of Canada, 2.35%, October 21, 2026	198	198
200	Government of Canada, 2.32%, November 4, 2026	198	198
200	Government of Canada, 2.34%, November 18, 2026	198	198
200	Government of Canada, 2.31%, December 2, 2026	198	198
200	Government of Canada, 2.32%, December 16, 2026	198	198
200	Government of Newfoundland and Labrador, 2.33%, July 30, 2026	199	199
200	Government of Prince Edward Island, 2.34%, August 4, 2026	199	199
170	Province of British Columbia, 2.32%, July 7, 2026	169	169
200	Province of Manitoba, 2.32%, September 2, 2026	199	199
200	Province of Ontario, 2.33%, August 12, 2026	199	199
200	Province of Saskatchewan, 2.31%, August 6, 2026	199	199
200	Provincial Treasurer of Alberta, 2.31%, July 17, 2026	199	199
Total short term note investments		\$ 3,612	\$ 3,612

North Growth Balanced Fund

Notes to the financial statements

For the six-month period ended June 30, 2026

(Amounts in thousands of dollars unless otherwise stated) (unaudited)

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 “Declaration of Trust”). 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 August 7, 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”).

These semi-annual financial statements follow the same accounting policies and methods of application as, and should be read in conjunction with, the most recent audited financial statements for the period from commencement on July 23 to December 31, 2025.

3. Material Accounting Policy Information

The accounting policies set out below have been applied consistently to all periods presented.

(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

For the six-month period ended June 30, 2026

(Amounts in thousands of dollars unless otherwise stated) (unaudited)

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

For the six-month period ended June 30, 2026

(Amounts in thousands of dollars unless otherwise stated) (unaudited)

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

For the six-month period ended June 30, 2026

(Amounts in thousands of dollars unless otherwise stated) (unaudited)

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

For the six-month period ended June 30, 2026

(Amounts in thousands of dollars unless otherwise stated) (unaudited)

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

For the six-month period ended June 30, 2026

(Amounts in thousands of dollars unless otherwise stated) (unaudited)

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 June 30, 2026, 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

For the six-month period ended June 30, 2026

(Amounts in thousands of dollars unless otherwise stated) (unaudited)

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 June 30, 2026, the number of units issued, redeemed and outstanding were as follows:

	Series F	Series A
Units outstanding at January 1, 2026	237,414.5024	48,772.3683
Redeemable units issued	416,768.8648	99,329.0872
Redeemable units redeemed	(2,707.9266)	(30,214.5128)
Units outstanding at June 30, 2026	651,475.4406	117,886.9427

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 June 30, 2026, out of its all-in management fee, the Manager has disbursed Independent Review Committee fees in the amount of \$8.

North Growth Balanced Fund

Notes to the financial statements

For the six-month period ended June 30, 2026

(Amounts in thousands of dollars unless otherwise stated) (unaudited)

9. Financial Instruments

The following tables present the carrying amounts of the Fund's financial assets by category as at June 30, 2026. All the Fund's financial liabilities as at June 30, 2026 were carried at amortized cost, except for redeemable units at FVTPL.

Assets	Financial assets at FVTPL	Financial assets at amortized cost	Total
Equity investments	\$ 6,105	\$ -	\$ 6,105
Short term notes	3,612	-	3,612
Cash	-	345	345
Interest receivable	-	12	12
Unitholder receivable	-	33	33
Dividends receivable	-	6	6
Total	\$ 9,717	\$ 396	\$ 10,113

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 June 30, 2026	Level 1	Level 2	Level 3	Total
Equities	\$ 6,105	\$ -	\$ -	\$ 6,105
Short-term Notes	-	3,612	-	3,612
	\$ 6,105	\$ 3,612	\$ -	\$ 9,717

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.

North Growth Balanced Fund

Notes to the financial statements

For the six-month period ended June 30, 2026

(Amounts in thousands of dollars unless otherwise stated) (unaudited)

10. Financial Instruments (continued)

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 June 30, 2026, there was no requirement to reclassify any of the securities in the Fund's portfolio.

11. 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.

North Growth Balanced Fund

Notes to the financial statements

For the six-month period ended June 30, 2026

(Amounts in thousands of dollars unless otherwise stated) (unaudited)

10. Financial Risk Management (continued)

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	June 30, 2026 (%)	December 31, 2025 (%)
0-1 month	26.70	17.99
1-3 months	40.42	45.25
3-6 months	32.88	31.26
6-7 months	0.00	5.50
Total	100.00	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.

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.

North Growth Balanced Fund

Notes to the financial statements

For the six-month period ended June 30, 2026

(Amounts in thousands of dollars unless otherwise stated) (unaudited)

10. Financial Risk Management (continued)

Interest Rate Risk (continued)

The table below indicates the foreign currency to which the Fund had significant exposure at June 30, 2026, 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 - June 30, 2026	\$ 4,072	\$ 12	\$ 4,084	\$ 407.2	\$ 1.2	+/- \$408.4
% of net assets attributable to holders of redeemable units	40.30	0.12	40.42	4.03	0.01	4.04
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

For the six-month period ended June 30, 2026

(Amounts in thousands of dollars unless otherwise stated) (unaudited)

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 June 30, 2026, and December 31, 2025, was:

Valuation date	Fair Value (\$)	Net Assets (%)
Investments at June 30, 2026	418	4.14
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

For the six-month period ended June 30, 2026

(Amounts in thousands of dollars unless otherwise stated) (unaudited)

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.

June 30, 2026

Financial liabilities	On demand	< 3 months	Total
Accrued liabilities	\$ -	\$ 9	\$ 9

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.

North Growth Balanced Fund

Notes to the financial statements

For the six-month period ended June 30, 2026

(Amounts in thousands of dollars unless otherwise stated) (unaudited)

10. Financial Risk Management (continued)

Portfolio by rating categories, as a percentage of the short term note portfolio, as at June 30, 2026 and December 31, 2025 are as follows:

Credit Rating	Percentage of total debt securities	
	June 30, 2026 (%)	December 31, 2025 (%)
R-1 (high)	77.97	69.48
R-1 (middle)	11.02	22.66
R-1 (low)	11.01	7.86
	100.00	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.

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	June 30, 2026	December 31, 2025
Information Technology	21.59%	19.61%
Industrials	14.42%	12.52%
Consumer Discretionary	12.37%	13.40%
Health Care	6.54%	5.62%
Materials	1.87%	0.95%
Communication Services	1.43%	2.13%
Financials	1.19%	0.67%
Consumer Staples	0.59%	0.20%
Utilities	0.39%	0.34%
Real Estate	0.23%	0.24%
Other Net Assets	39.38%	44.32%
	100.00%	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.

North Growth Balanced Fund

Notes to the financial statements

For the six-month period ended June 30, 2026

(Amounts in thousands of dollars unless otherwise stated) (unaudited)

11. Portfolio Transactions

Commissions paid to investment dealers and brokers during the six-month period ended June 30, 2026 amounted to \$2.

12. Related Party Transactions

As at June 30, 2026, the Manager, and other entities under common control, owned 3.30% units of the Fund under the same terms as arms-length unitholders (December 31, 2025 – 8.88%).

Management fees paid to the Manager during the period ended June 30, 2026, amounted to \$30.

Included in accounts payable and accrued liabilities are management fees owing to the Manager of the Fund in the amount of \$7 (December 31, 2025 – \$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 six-month period ended June 30, 2026, are calculated as follows:

	F	A
Increase in net assets attributable to holders of redeemable units, from operations	\$ 1,005	\$ 171
Weighted average units outstanding during the period (units presented in thousands)	442	88
Increase in net assets attributable to holders of redeemable units per unit, from operations	\$ 2.28	\$ 1.93