

**FRIEDBERG GLOBAL-MACRO HEDGE FUND**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2021**  
(in U.S. Dollars)  
(Unaudited)

AND

**FRIEDBERG GLOBAL-MACRO HEDGE FUND LIMITED PARTNERSHIP**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2021**  
(in U.S. Dollars)  
(Unaudited)

**FRIEDBERG GLOBAL-MACRO HEDGE FUND**  
(a unit trust formed under the Laws of Ontario)  
**STATEMENTS OF FINANCIAL POSITION**  
(in U.S. dollars)  
(Unaudited)

	<b>As at June 30, 2021</b>	<b>As at December 31, 2020</b>
	<u>\$</u>	<u>\$</u>
<b>ASSETS</b>		
<b>Current</b>		
Cash balances at broker (note 9)	-	67,862
Investment in Friedberg Global-Macro Hedge Fund Limited Partnership	<b>64,053,184</b>	53,194,749
	<u><b>64,053,184</b></u>	<u>53,262,611</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 9)	<b>91,167</b>	106,791
	<u><b>91,167</b></u>	<u>106,791</u>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>	<u><b>63,962,017</b></u>	<u>53,155,820</u>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT</b>	<u><b>5.82</b></u>	<u>4.80</u>

Approved and authorized for issue by the Manager, Toronto Trust Management Ltd., on August 16, 2021.

\_\_\_\_\_  
Enrique Zauderer                      Director, Toronto Trust Management Ltd.

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Daniel Gordon                         Director, Toronto Trust Management Ltd.

**FRIEDBERG GLOBAL-MACRO HEDGE FUND**  
**STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS**  
**FOR THE PERIODS ENDED JUNE 30,**  
(in U.S. dollars)  
(Unaudited)

	<u>2021</u>	<u>2020</u>
	\$	\$
Net assets attributable to holders of redeemable units, beginning of the period	53,155,820	72,850,641
Proceeds from the issuance of units (note 8)	2,175,005	1,213,980
Increase (decrease) in net assets attributable to holders of redeemable units	11,152,790	(22,966,800)
Redemption of units (note 8)	<u>(2,521,598)</u>	<u>(5,656,364)</u>
Net assets attributable to holders of redeemable units, end of the period	<u>63,962,017</u>	<u>45,441,457</u>

See accompanying notes to financial statements

**FRIEDBERG GLOBAL-MACRO HEDGE FUND**  
**STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)**  
**FOR THE PERIODS ENDED JUNE 30,**  
(in U.S. dollars)  
(Unaudited)

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME</b>		
Gain (loss) on investment in Friedberg Global-Macro Hedge Fund Limited Partnership	<b>11,547,954</b>	(22,653,733)
Interest income	-	603
	<b>11,547,954</b>	(22,653,130)
<b>EXPENSES</b>		
Management fees (note 9)	<b>350,862</b>	270,007
Legal fees	<b>25,287</b>	21,667
Audit and accounting fees	<b>15,110</b>	15,709
Transaction fees	<b>3,905</b>	6,287
	<b>395,164</b>	313,670
<b>INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>	<b>11,152,790</b>	(22,966,800)
<b>INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT</b>	<b>1.01</b>	(1.83)

See accompanying notes to financial statements

**FRIEDBERG GLOBAL-MACRO HEDGE FUND**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIODS ENDED JUNE 30,**  
(in U.S. dollars)  
(Unaudited)

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	<b>11,152,790</b>	(22,966,800)
Adjustments for:		
Loss (gain) on investment in Friedberg Global-Macro Hedge Fund Limited Partnership	<b>(11,547,954)</b>	22,653,733
Advances to Friedberg Global-Macro Hedge Fund Limited Partnership	<b>(8,260)</b>	(30,276)
Drawings from Friedberg Global-Macro Hedge Fund Limited Partnership	<b>697,779</b>	5,900,000
Net change in working capital items:		
Accounts payable and accrued liabilities	<b>(15,624)</b>	(27,421)
Redemption payable	<b>-</b>	(66,037)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>278,731</b>	<b>5,463,199</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from the issuance of redeemable units	<b>2,175,005</b>	1,213,980
Aggregate amounts paid on redemption of redeemable units	<b>(2,521,598)</b>	(5,656,364)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(346,593)</b>	<b>(4,442,384)</b>
<b>NET INCREASE (DECREASE) IN CASH FOR THE PERIOD</b>	<b>(67,862)</b>	1,020,815
<b>CASH, BEGINNING OF THE PERIOD</b>	<b>67,862</b>	49,591
<b>CASH, END OF THE PERIOD</b>	<b>0</b>	<b>1,070,406</b>

See accompanying notes to financial statements

**FRIEDBERG GLOBAL-MACRO HEDGE FUND**  
**SCHEDULE OF INVESTMENT PORTFOLIO**  
**AS AT JUNE 30, 2021**  
(in U.S. dollars)  
(Unaudited)

Investment owned at June 30, 2021 was as follows:

<u>Country</u>	<u>Description</u>	<u>Fair value</u> \$	<u>Fair value as % of Net Assets</u> %
Canada	Friedberg Global-Macro Hedge Fund Limited Partnership	<u>64,053,184</u>	<u>100.14</u>

**FRIEDBERG GLOBAL-MACRO HEDGE FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED JUNE 30, 2021**  
(in U.S. dollars)

**1. GENERAL INFORMATION**

Friedberg Global-Macro Hedge Fund (the “Fund”) was organized on September 5, 2006 and commenced trading operations on October 31, 2006. Pursuant to an agreement dated July 1, 2011, the Fund transferred certain property (including cash, securities and positions in derivatives) to Friedberg Global Macro Hedge Fund Limited Partnership (the “LP”) at their fair value on that date by way of a capital contribution, for all of the limited partnership units of the LP, by the Fund to the LP.

The Fund is an open-end mutual fund trust established under the Laws of Ontario offering non-transferable, redeemable trust units (“Units”). The investment manager and general partner of the LP is Friedberg Advisors LP (“Friedberg Advisors” or the “Investment Manager”) which is an affiliate of Friedberg Mercantile Group Ltd. (“FMGL”). The administrative manager and trustee of the Fund is Toronto Trust Management Ltd. (the “Manager” or “TTML”), which is an affiliate of Friedberg Advisors and FMGL.

The Fund is a multi-strategy fund whose investment objective is to seek, through the investments of the LP, significant total investment returns, consisting of a combination of interest income, currency gains and capital appreciation, by investing in the following four discrete groups of investments: (i) long positions in fixed income securities; (ii) long and short positions in equity securities; (iii) currency forwards and futures contracts and options thereon, and (iv) commodity forwards and futures contracts and options thereon, and other over-the-counter traded derivatives instruments.

**2. BASIS OF PRESENTATION**

**(a) Statement of compliance**

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

The Fund’s significant accounting policies under IFRS are presented in note 3. The policies applied in these financial statements are based on IFRS issued and outstanding as of August 16, 2021, which is the date on which the financial statements were authorized for issue by the Manager.

Any mention of net asset value (“NAV”) is referring to net assets attributable to holders of redeemable units as reported under IFRS.

**(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for financial assets and financial liabilities. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

**(c) Functional currency and reporting currency**

These financial statements are presented in United States dollars, which is the functional currency of the Fund.

(Unaudited)

### **3. SIGNIFICANT ACCOUNTING POLICIES**

#### **(a) Financial instruments**

##### **(i) Recognition and measurement**

Financial instruments are 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.

Financial assets and 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 asset when its contractual rights are discharged, cancelled or expire. 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 achieved by both collecting 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 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 instruments as FVOCI.

A financial liability is generally measured at amortized cost, with the exceptions that may allow for classification as FVTPL. These exceptions include financial liabilities that are mandatorily measured at FVTPL, 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.



**(ii) FVTPL**

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting date with changes in fair value recognized in the statement of income (loss) and comprehensive income (loss) in the period in which they occur. The Fund classifies all of their cash balances at broker as held for trading, while the investment in the LP and net assets attributable to holders of redeemable units are designated as FVTPL.

The Fund's obligations for net assets attributable to holders of redeemable units is presented at the redemption amount which approximates fair value.

The Fund's investment in the LP is presented at FVTPL. As there are no quoted prices in active markets, the fair value of the investment in the LP is based under the carrying value of underlying assets of the LP, which is determined on a fair value basis.

The Fund's accounting policies for measuring the fair value of its investments are similar to those used in measured its NAV for unitholder transactions; therefore, it is expected that net assets attributable to unitholders of redeemable units will be the same in all material respects as the NAV used in processing Unitholder transactions.

**(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 accounts payable and accrued liabilities and redemptions payable, as amortized cost.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocation 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.

**(b) Impairment of financial assets**

An expected credit loss ("ECL") model is applied to the assessment of financial assets. Under the ECL model, the Fund records an allowance for ECL either based on a 12-month ECL or on a lifetime ECL. ECLs are recognized on the following basis:

- A maximum 12-month allowance for ECL is recognized from initial recognition, reflecting the portion of lifetime cash shortfalls that would result if a default occurs in the 12 months after the reporting date, weighted by the risk of a default occurring.
- A lifetime ECL allowance is recognized if a significant increase in credit risk is detected subsequent to the instruments' initial recognition reflecting lifetime cash shortfalls that would result over the expected life of a financial instrument.
- A lifetime ECL allowance is recognized for credit impaired financial instruments.

ECLs for amounts receivable are based on the adoption of a valuation policy which utilize the Fund's historic loss experience by age banding, adjusted for forward looking estimates and other considerations as applicable. The Fund has no amounts receivable subject to the ECL model as at June 30, 2021.

**(b) Cash and cash equivalents**

Cash and cash equivalents consist of cash on deposit and short-term, interest bearing notes with the original term to maturity of less than three months. Cash is comprised of deposits with financial institutions.

**(c) Investment income**

Gain (loss) on the investment in the LP is recognized as it is incurred.

**(d) Foreign currency translation**

The financial statements of the Fund are denominated in U.S. dollars. Transactions in foreign currencies, if any, are translated into the Fund's functional currency using the exchange rate prevailing on the trade date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the period-end exchange rate. Foreign currency translation gains and losses are presented as "Foreign currency translation gain (loss)" in the statements of income (loss) and comprehensive income (loss).

**(e) 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 instrument. The Fund has designated the redeemable units as financial liabilities at FVTPL because they are managed and their performance is evaluated on a fair value basis. 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 statement of income (loss) and comprehensive income (loss) when they are authorized and no longer at the discretion of the Manager.

**(f) Increase (decrease) in net assets attributable to holders of redeemable Units per Unit**

The increase (decrease) in net assets attributable to holders of redeemable Units per Unit in the statements of income (loss) and comprehensive income (loss) 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.

**(g) Income taxes**

The Fund is taxed as a unit trust under the Income Tax Act (Canada). Provided that the Fund makes distributions in each year of its net taxable income and taxable net capital gains, the Fund will not generally be liable for income tax. It is the intention of the Fund to distribute all of its net taxable income and net realized capital gains on an annual basis. Accordingly, no income tax provision has been recorded.

**(i) New standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations are not yet effective at June 30, 2021, and have not been applied in preparing these financial statements. Management has determined that none of these will have a significant effect on the financial statements of the Fund.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of financial statements in conformity with IFRS requires the Manager to make estimates, judgments and assumptions that affect the application of accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

In making estimates and assumptions, the Manager relies on external information and observable conditions where possible, supplemented by internal analysis as required. These estimates and assumptions have been applied in a manner consistent with prior periods and there are no known trends, commitments, events or uncertainties that the Manager believes will materially affect the methodology or assumptions utilized in making these estimates and assumptions in these financial statements. Estimates and underlying assumptions

are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Areas of significant estimates include accounts payable and accrued liabilities and fair value of financial instruments.

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. Its impact on global economies has been far-reaching and businesses around the world have had to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and significant declines. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of the government and central bank responses, remains unclear at this time. These impacts could include volatility in equity prices, interest rates, bond yields, and foreign exchange rates, which may impact the market value of the net assets of the Fund. Given the extent of the pandemic, it is difficult to estimate the ultimate impact or duration of the volatility on the portfolio of the Fund.

## 5. FINANCIAL INSTRUMENTS

The Fund held the following financial instruments:

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
	\$	\$
<b>FVTPL, measured at fair value:</b>		
<b>Assets</b>		
Cash balances at broker (a)	-	67,862
Investment in Friedberg Global-Macro Hedge Fund Limited Partnership (b)	<b>64,053,184</b>	53,194,749
<b>Liabilities</b>		
Net assets attributable to holders of redeemable units (b)	<b>63,962,017</b>	53,155,820
<b>Financial liabilities, measured at amortized cost:</b>		
Accounts payable and accrued liabilities	<b>91,167</b>	106,791

(a) Designated as FVTPL upon initial recognition

The carrying values of the Fund's financial instruments approximate their fair values.

### ***Fair Value Hierarchy of Financial Instruments***

The Fund has categorized its financial instruments that are carried at fair value, based on the priority of the inputs to the valuation techniques used to measure fair value, into a three level fair value hierarchy as follows:

Level 1: Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market. The types of assets and liabilities classified as Level 1 generally include cash balances at broker.

Level 2: Fair value is based on quoted prices for similar assets or liabilities in active markets, valuation that is based on significant observable inputs, or inputs that are derived principally from or corroborated with observable market data through correlation or other means. Currently the Fund has no assets or liabilities that would be in level 2.

Level 3: Fair value is based on valuation techniques that require one or more significant inputs that are not based on observable market inputs. These unobservable inputs reflect the Fund's assumptions about the assumptions market participants would use in pricing the asset or liability. The types of assets and liabilities

classified as Level 3 generally include investment in the LP and net assets attributable to holders of redeemable units.

The following table presents the Fund's fair value hierarchy of its financial instruments as at June 30, 2021:

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
	\$	\$	\$
<b>ASSETS</b>			
Investment in the LP	-	<b>64,053,184</b>	<b>64,053,184</b>
	<u>-</u>	<u><b>64,053,184</b></u>	<u><b>64,053,184</b></u>
<b>LIABILITIES</b>			
Net assets attributable to holders of redeemable units	<u>-</u>	<u><b>63,962,017</b></u>	<u><b>63,962,017</b></u>

The following table presents the Fund's fair value hierarchy of its financial instruments as at December 31, 2020:

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
	\$	\$	\$
<b>ASSETS</b>			
Cash balances at broker	67,862	-	67,862
Investment in the LP	-	53,194,749	53,194,749
	<u>67,862</u>	<u>53,194,749</u>	<u>53,262,611</u>
<b>LIABILITIES</b>			
Net assets attributable to holders of redeemable units	<u>-</u>	<u>53,155,820</u>	<u>53,155,820</u>

#### Fair Value Measurements Using Significant Unobservable Inputs

For the two periods ending June 30, 2021 and December 31, 2020, the reconciliation of the investment in the LP measured using non-observable inputs is as follows:

	<u>\$</u>
<b>Balance as at December 31, 2019</b>	<b>73,006,670</b>
Drawings	(12,000,000)
Contributions	55,202
Unrealized appreciation (devaluation) for the year	(7,867,123)
<b>Balance as at December 31, 2020</b>	<b>53,194,749</b>
Drawings	(697,779)
Contributions	8,260
Unrealized appreciation (devaluation) for the period	11,547,954
<b>Balance as at June 30, 2021</b>	<b><u>64,053,184</u></b>

Fair value of the Fund's investment in the LP is based on the carrying values of underlying assets of the LP, which are determined on a fair value basis. The sole unobservable input used in arriving at fair value of such investment is therefore the net assets position of the LP as at the reporting date.

## 6. FINANCIAL INSTRUMENTS RISK

In the normal course of business, the Fund's investment activities expose it to a variety of financial risks. The Fund has a risk management framework to monitor, evaluate and manage the principal risks assumed with its financial instruments. The potential risks that may arise from transacting financial instruments include market risk, credit risk and liquidity risk.

**(a) Market price risk**

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

*Price sensitivity*

As at June 30, 2021 had the prices of the Fund's investment in the LP decreased or increased by 5% with all other variables held constant, net assets attributable to holder redeemable units would have decreased or increased, by \$3,202,659. In practice, the actual trading results may differ from this analysis and the difference may be material.

**(b) Credit risk**

The Fund is exposed to credit risk arising from its transactions with its counterparties, related to securities purchases, sales and positions held by the counterparties on the Fund's behalf. Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Financial assets which potentially expose the Fund to credit risk consist principally of cash balances at brokers. Credit risk is managed by dealing only with counterparties the Fund believes to be creditworthy, setting transaction limits with specific counterparties and by daily monitoring of credit exposure. The Fund is not exposed to significant credit risk other than exposure through its investment in the LP.

**(c) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign currency exchange rates, which can be caused by market, political and/or other factors which may be subject to intervention by sovereign governments. The Fund is not exposed to significant currency risk other than exposure through its investment in the LP.

**(d) Interest rate risk**

Interest rate risk is the risk that Fund's investment in LP will fluctuate because of change in market interest rates. The Fund is not exposed to significant interest rate risks other than exposure through its investment in the LP.

**(e) Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's policy and Manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, including estimated redemptions of Units, without incurring unacceptable losses or risking damage to the Fund's reputation. The Fund is considered to be relatively liquid. However, unexpected heavy demand for redemptions of the Fund's Units could result in the Fund – and the LP - having to dispose of investments at a time when it is not optional to do so in order to meet such redemption requests.

Please refer to Note 5 of the LP's annual financial statements regarding discussion on financial instrument risks relating to the underlying investments held by the LP.

## 7. REDEEMABLE UNITS

The Fund is authorized to issue an unlimited number of Units, each of which represents an equal, undivided interest in the NAV of the Fund. Each Unit entitles a holder thereof to the same rights and obligations as a holder of any other Unit and no Unitholder is entitled to any privilege, priority or preference in relation to any other Unitholder. Each Unitholder is entitled to participate equally with respect to any and all distributions made by the Fund. On termination of the Fund, all the Unitholders of record holding outstanding Units are entitled to receive any assets of the Fund remaining after payment of all debts, liabilities and liquidation expenses of the Fund.

Units are offered on a continuous basis at current NAV per Unit of the Fund ("NAVPU"). NAVPU is determined on the first business day of each week and the last business day of every month (each a "Valuation Date").

The Units provide an investor with the right to require redemption for cash at value proportionate to NAVPU at each redemption date and are classified as liabilities as a result of the Fund's requirement to distribute net income and capital gains to Unitholders. Unitholders may redeem some or all of their Units at any Valuation Date by written request to the Manager, at NAVPU less 0.375%. The 0.375% is retained by the Fund.

The Fund made no distributions to Unitholders during the periods ended June 30, 2021 and 2020.

The following details the changes in the number of Units outstanding for the periods ended June 30:

	<u>2021</u>	<u>2020</u>
Number of Units issued, beginning of the period	<b>11,066,616</b>	13,319,278
Units subscribed during the period	<b>338,528</b>	393,507
Units redeemed during the period	<u><b>(407,849)</b></u>	<u>(1,242,575)</u>
Number of Units outstanding, end of the period	<u><b>10,997,295</b></u>	<u>12,470,210</u>
Weighted average number of Units outstanding for the period	<u><b>11,002,955</b></u>	<u>12,554,650</u>

## 8. RELATED PARTY TRANSACTIONS

### (a) Management fees

As manager, TTML is entitled to receive management fees, calculated and payable monthly at the annual rate of one percent of the NAV of the Fund and plus Harmonized Sales Tax based on the NAV on the last business day of the month. The management fees are split equally between the Fund and the LP unless TTML determines a more appropriate allocation method. Management fees paid by Fund to TTML for the period ended June 30, 2021 were \$350,862 (\$270,007 for the period ended June 30, 2020). An amount of \$60,840 (\$50,801 as at December 31, 2020) was included in accounts payable and accrued liabilities at June 30, 2021.

### (b) Cash balances

FGML serves as the Fund's primary broker. FGML held cash balances of \$0 as at June 30, 2021 (\$67,862 as at December 31, 2020) on behalf of the Fund.

**(c) Redemptions/ subscriptions**

Directors and officers of FMGL (including their immediate families) redeemed 27,779 Units (153,112 Units in 2020) of the Fund in the amount of \$150,000 (\$293,978 in 2020) and subscribed for 35,602 Units (nil Units in 2020) of the Fund in the amount of \$203,998 (\$nil in 2020).

Related party redemptions are processed at NAVPU less 0.375%.

**9. CAPITAL MANAGEMENT**

Management considers the Fund's capital to consist of NAV.

The Investment Manager manages the capital of the Fund in accordance with the Fund's investment objectives, policies and restrictions, as outlined in the Fund's prospectus, while maintaining sufficient liquidity to meet participating Unitholder redemptions.

The Fund does not have any externally imposed capital requirements.

**NOTICE TO UNITHOLDERS**

**The auditor of the Fund has not reviewed these interim financial statements.**

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 interim financial statements, this must be disclosed in an accompanying notice.



**FRIEDBERG GLOBAL-MACRO HEDGE FUND LIMITED PARTNERSHIP**  
**INTERIM FINANCIAL STATEMENTS**  
**JUNE 30, 2021**  
(in U.S. Dollars)  
(Unaudited)

**FRIEDBERG GLOBAL-MACRO HEDGE FUND LIMITED PARTNERSHIP**  
(a limited partnership formed under the Laws of Manitoba)  
**STATEMENTS OF FINANCIAL POSITION**  
(in U.S. dollars)  
(Unaudited)

	<b>As at June 30, 2021</b>	<b>As at December 31, 2020</b>
	<u>\$</u>	<u>\$</u>
<b>ASSETS</b>		
<b>Current</b>		
Cash (note 9)	19,891,579	15,106,040
Cash held as collateral on futures and swap contracts	17,818,027	11,939,551
Equity securities	33,090,481	34,115,974
Amounts receivable	10,173	10,173
Due from broker	-	377,173
Unrealized gain on long futures and forward contracts (note 8)	745,328	1,958,791
Unrealized gain on equity and commodity index swap contracts	1,030,107	543,544
Warrants	36,000	74,666
Options	2,638	3,228,021
	<u>72,624,333</u>	<u>67,353,933</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 8)	114,817	141,318
Equity securities sold short	-	8,750,308
Unrealized loss on futures and forward contracts (note 9)	4,083,890	-
Equity securities sold short	4,377,268	-
Contracts awaiting settlement	-	2,643,182
Options contracts written	-	2,630,357
	<u>8,575,975</u>	<u>14,165,165</u>
<b>NET ASSETS ATTRIBUTABLE TO PARTNERS</b>	<u>64,048,358</u>	<u>53,188,768</u>
<b>NET ASSETS ATTRIBUTABLE TO LIMITED PARTNER</b>	64,053,184	53,194,749
<b>NET ASSETS (LIABILITIES) ATTRIBUTABLE TO GENERAL PARTNER</b>	(4,826)	(5,981)
	<u>64,048,358</u>	<u>53,188,768</u>

Approved and authorized for issue by the directors of Friedberg Advisors G.P. Inc., the general partner of Friedberg Advisors LP, the general partner of Friedberg Global-Macro Hedge Fund Limited Partnership, on August 16, 2021.

\_\_\_\_\_  
Director, Friedberg Advisors G.P. Inc.  
Enrique Zauderer

\_\_\_\_\_  
Director, Friedberg Advisors G.P. Inc.  
Daniel Gordon

**FRIEDBERG GLOBAL-MACRO HEDGE FUND LIMITED PARTNERSHIP**  
**STATEMENTS OF NET ASSETS (LIABILITIES) ATTRIBUTABLE TO PARTNERS**  
**FOR THE PERIODS ENDED JUNE 30,**  
(in U.S. dollars)  
(Unaudited)

	<b>Friedberg Global- Macro Hedge Fund, Limited Partner</b>	<b>Friedberg Advisors LP, General Partner</b>
	<u>\$</u>	<u>\$</u>
Balance as at December 31, 2019	73,006,670	(5,194)
Contributions during the period	30,276	-
Allocation of comprehensive loss for the period	(22,653,733)	(2,266)
Drawings for the period	<u>(5,900,000)</u>	<u>-</u>
Balance as at June 30, 2020	<u><b>44,483,213</b></u>	<u><b>(7,460)</b></u>
<b>Balance as at December 31, 2020</b>	<b>53,194,749</b>	<b>(5,981)</b>
<b>Contributions during the period</b>	<b>8,260</b>	<b>-</b>
<b>Allocation of comprehensive income (loss) for the period</b>	<b>11,547,954</b>	<b>1,155</b>
<b>Drawings for the period</b>	<u><b>(697,779)</b></u>	<u><b>-</b></u>
<b>Balance as at June 30, 2021</b>	<u><b>64,053,184</b></u>	<u><b>(4,826)</b></u>

See accompanying notes to financial statements

**FRIEDBERG GLOBAL-MACRO HEDGE FUND LIMITED PARTNERSHIP**  
**STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**FOR THE PERIODS ENDED JUNE 30,**  
(in U.S. dollars)  
(Unaudited)

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME (LOSS)</b>		
Change in net unrealized gain/loss on options contracts, options contracts written, and warrants	<b>(10,754)</b>	3,241,124
Realized gains (losses) on options contracts and options contracts written	<b>(1,024,718)</b>	(2,410,633)
Foreign currency translation gain (loss)	-	64,446
Interest	<b>4,533</b>	182,678
Change in net unrealized gain/loss on futures, forwards, and equity and commodity swap contracts	<b>(4,810,790)</b>	923,780
Change in net unrealized gain/loss on equity securities and equity securities sold short	<b>6,349,778</b>	(799,883)
Dividends	<b>125,916</b>	-
Realized gains (losses) on equity securities and equity securities sold short	<b>370,218</b>	(34,135,226)
Realized gains (losses) on equity and commodity swap contracts	<b>7,369,245</b>	(7,065,527)
Realized gains (losses) on futures and forward contracts	<b>3,637,060</b>	17,894,139
	<b>12,010,488</b>	<b>(22,105,102)</b>
<b>EXPENSES</b>		
Management fees (note 9)	<b>350,862</b>	270,327
Transaction costs (note 9)	<b>16,402</b>	34,844
Withholding tax on dividends and interest	<b>25,280</b>	31,691
Legal fees	<b>12,539</b>	7,517
Custodian fees	-	9,895
Audit and accounting fees	<b>27,752</b>	28,115
Interest	<b>28,034</b>	167,357
Office and sundry	<b>510</b>	1,151
	<b>461,379</b>	<b>550,897</b>
<b>NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) BEFORE ALLOCATION TO LIMITED PARTNER</b>	<b>11,549,109</b>	(22,655,999)
<b>ALLOCATION TO THE LIMITED PARTNER</b>	<b>11,547,954</b>	(22,653,733)
<b>NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)</b>	<b>1,155</b>	(2,266)

See accompanying notes to financial statements

**FRIEDBERG GLOBAL-MACRO HEDGE FUND LIMITED PARTNERSHIP**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIODS ENDED JUNE 30,**  
(in U.S. dollars)  
(Unaudited)

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss) and comprehensive income (loss)	1,155	(2,266)
Adjustments for:		
Allocation to limited partner	11,547,954	(22,653,733)
Change in net unrealized gain/loss on equity securities and equity securities sold short	(6,349,778)	799,883
Change in net unrealized gain/loss on futures, forward and equity swap contracts	4,810,790	(923,780)
Change in net unrealized gain/loss on options contracts and options contracts written	10,754	(3,241,124)
Realized (gains) losses on equity securities and equity securities sold short	(370,218)	34,135,226
Realized (gains) losses on futures and forward contracts	(3,637,060)	(17,894,139)
Realized (gains) losses on equity swap contracts	(7,369,245)	7,065,527
Realized (gains) losses on option contracts and option contracts written	1,024,718	2,410,633
Purchase of investments	37,165,853	(505,817,959)
Proceeds on sale of investments	(25,832,061)	525,325,664
Net change in working capital items:		
Amounts receivable	-	55,696
Due from broker	377,173	-
Accounts payable and accrued liabilities	(26,501)	(148,454)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>11,353,534</b>	<b>19,111,174</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions from limited partner	8,260	30,276
Drawings by limited partner	(697,779)	(5,900,000)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(689,519)</b>	<b>(5,869,724)</b>
<b>NET INCREASE IN CASH FOR THE PERIOD</b>	<b>10,664,015</b>	<b>13,241,450</b>
<b>CASH, BEGINNING OF THE PERIOD</b>	<b>27,045,591</b>	<b>10,653,865</b>
<b>CASH, END OF THE PERIOD</b>	<b>37,709,606</b>	<b>23,895,315</b>
<b>CASH BALANCES, END OF THE PERIOD</b>		
Cash	19,891,579	10,205,315
Cash held as collateral on futures and swap contracts	17,818,027	13,690,000
	<b>37,709,606</b>	<b>23,895,315</b>

Friedberg Global Macro Hedge Fund Limited Partnership

Schedule of Investment Portfolio

June 30, 2021

(in U.S. dollars)

(Unaudited)

Equity Positions - Long		51.7%				
Security Name		Quantity	Average Cost	Fair Value		
			\$	\$		
<b>Consumer Discretionary</b>		<b>41.9%</b>				
DR Horton Inc.		83,239	3,563,692	7,522,308		
KB Home		101,306	2,267,040	4,125,180		
Lennar Corp.		76,587	3,658,973	7,608,918		
Meritage Homes Corp.		30,903	2,459,691	2,907,354		
PulteGroup Inc.		85,484	2,378,950	4,664,862		
			14,328,346	26,828,622		
<b>Healthcare</b>		<b>9.8%</b>				
Columbia Care Inc.		68,400	289,307	317,718		
Cresco Labs Inc.		71,200	688,077	811,680		
Curaleaf Holdings Inc.		92,100	992,754	1,298,131		
Green Thumb Industries Inc.		51,300	1,018,720	1,692,900		
TerrAscend Corp.		53,400	466,929	611,430		
Trulieve Cannabis Corp.		40,800	1,138,920	1,530,000		
			4,594,707	6,261,859		
			18,923,053	33,090,481		
<b>Equity Positions - Short</b>		<b>(6.8%)</b>				
Security Name		Quantity	(Proceeds)	Fair Value		
			\$	\$		
<b>Consumer Discretionary</b>						
Tesla Inc.		(6,440)	(4,206,772)	(4,377,268)		
<b>Futures Contracts - Long</b>		<b>-4.4%</b>				
Security Name	Expiry Date	Contracts	Contract Size	Notional Value	Unrealized Gain / (Loss)	
					\$	
Brent Crude	9/2021	169	1,000	12,614,160	(79,467)	
Gold	8/2021	290	100	51,344,500	(3,465,860)	
Natural Gas	8/2021	100	10,000	3,746,000	460,850	
Crude Oil	8/2021	176	1,000	12,939,520	284,478	
				80,644,180	(2,799,999)	
<b>Futures Contracts - Short</b>		<b>-0.3%</b>				
Security Name	Expiry Date	Contracts	Contract Size	Notional Value	Unrealized Gain / (Loss)	
					\$	
Ultra Bond	9/2021	(67)	1,000	(12,899,594)	(189,828)	
<b>Forward Contracts - Long Commodities</b>		<b>(0.5%)</b>				
Security Name	Expiry Date	Contracts	Contract Size	Notional Value	Unrealized Gain / (Loss)	
					\$	
Gold	8/2021	3,100	1	5,489,300	(348,735)	
<b>Option Positions - Long Equities</b>		<b>0.0%</b>				
Security Name	Expiry Date	Contracts	Strike Price	Average Cost	Fair Value	
				\$	\$	
Call iShares U.S. Home Construction ETF	7/16/2021	1,055	80.00	59,065	2,638	

**Friedberg Global Macro Hedge Fund Limited Partnership**

**Schedule of Investment Portfolio**

**June 30, 2021**

**(in U.S. dollars)**

**(Unaudited)**

<b>Warrant Positions - Long Equities</b>	<b>0.1%</b>					
<b>Security Name</b>		<b>Expiry Date</b>	<b>Contracts</b>	<b>Strike Price</b>	<b>Average Cost \$</b>	<b>Fair Value \$</b>
WTS RedBall Acquisition Corp.		8/17/2022	33,333	11.50	45,872	36,000

<b>Commodity Index Swap Positions - Long</b>	<b>1.6%</b>					
<b>Security Name</b>		<b>Counterparty</b>	<b>Counterparty Rating</b>		<b>Notional Value</b>	<b>Fair Value \$</b>
Morgan Stanley Commodity Index		Morgan Stanley	A1		32,108,599	731,917
Bloomberg Commodity Index		JP Morgan	A2		16,215,040	298,190
					<u>48,323,639</u>	<u>1,030,107</u>

<b>Investment Portfolio Summary</b>			<b>Average Cost/ (Proceeds) \$</b>	<b>Fair Value \$</b>
	<b>%</b>			
Equity Positions - Long	51.7		18,923,053	33,090,481
Equity Positions - Short	(6.8)		(4,206,772)	(4,377,268)
Futures Contracts - Long	(4.4)		-	(2,799,999)
Futures Contracts - Short	(0.3)		-	(189,828)
Forward Contracts - Long	(0.5)		-	(348,735)
Options Positions - Long Equities	-		59,065	2,638
Warrant Positions - Long Equities	0.1		45,872	36,000
Commodity Index Swap Positions - Long	1.6		-	1,030,107
Total Investments	<u>41.3</u>		<u>14,821,218</u>	<u>26,443,396</u>
Total Other Net Assets	<u>58.7</u>		<u>37,604,962</u>	<u>37,604,962</u>
Total Net Assets	<u>100.0</u>		<u>52,426,180</u>	<u>64,048,358</u>

**FRIEDBERG GLOBAL-MACRO HEDGE FUND LIMITED PARTNERSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED JUNE 30, 2021**  
(in U.S. dollars)

**1. GENERAL INFORMATION**

The Friedberg Global-Macro Hedge Fund Limited Partnership (the “LP”) was organized on March 3, 2011 and commenced operations as of July 1, 2011. The LP’s principal place of business is 220 Bay Street, Suite 600, Toronto Ontario, M5J 2W4. The LP is a limited partnership established under the laws of Manitoba and an open-end mutual fund. The investment manager and sole general partner of the LP is Friedberg Advisors LP (“Friedberg Advisors”), which is a limited partnership established under the Laws of Ontario. The sole limited partner of the LP is Friedberg Global-Macro Hedge Fund (the “Fund”). The LP is the entity through which the Fund indirectly carries on its investment activities. The administrative manager of the LP and the trustee of the Fund is Toronto Trust Management Ltd. (the “Manager” or “TTML”). Friedberg Advisors and TTML are both controlled by Friedberg Mercantile Group Ltd. (“FMGL”).

The LP is a multi-strategy commodity pool whose investment objective is to seek significant total investment returns, consisting of a combination of interest income, dividend income, currency gains and capital appreciation by investing in the following four discrete groups of investments: (i) long positions in fixed income securities; (ii) long and short positions in equity securities; (iii) currency forwards and futures contracts and options thereon, and (iv) commodity forwards and futures contracts and options thereon, and other over-the-counter traded derivatives instruments.

**2. BASIS OF PRESENTATION AND ADOPTION OF IFRS**

**(a) Statement of compliance**

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

The LP’s significant accounting policies under IFRS are presented in note 3. The policies applied in these financial statements are based on IFRS issued and outstanding as of August 16, 2021, which is the date on which the financial statements were authorized for issue by the Manager.

Any mention of net asset value (“NAV”) is referring to the limited partner’s interest as reported under IFRS.

**(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for financial assets and financial liabilities. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

**(c) Functional currency and presentation currency**

These financial statements are presented in United States dollars, which is the functional currency of the LP.



### **3. SIGNIFICANT ACCOUNTING POLICIES**

#### **(a) Financial instruments**

##### **(i) Recognition and measurement**

Financial instruments are 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.

Financial assets and liabilities are recognized initially on the trade date, which is the date on which the LP becomes a party to the contractual provisions of the instrument. The LP derecognizes a financial asset when its contractual rights are discharged, cancelled or expired. The LP 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 LP 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 achieved by both collecting 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 LP may irrevocably elect to measure financial assets that otherwise meets the requirements to be measured at amortized cost or FVOCI as at FVTPL when doing so results in more relevant information.

Financial assets are not reclassified subsequent to their initial recognition, unless the LP 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 LP has not classified any of its financial instruments as FVOCI.

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

**(ii) FVTPL**

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting date with changes in fair value recognized in the statement of income (loss) and comprehensive income (loss) in the period in which they occur. The LP classifies all of their cash balances at broker, derivative assets and liabilities FVTPL, while all debt and equity investments and net assets attributable to the limited partner have been designated as FVTPL upon initial recognition.

The LP's investments are presented at fair value. Investments held that are traded in an active market through recognized public stock exchanges are valued at quoted market prices at the close of trading on the reporting date. The LP uses the closing market price for investments where the closing price falls within the day's bid-ask spread. In circumstances where the closing market price does not fall within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on specific facts and circumstances.

Options are valued at their closing price as reported by the principal exchange or over the counter market on which the contract is traded. Any difference resulting from revaluation at the reporting date is treated as unrealized gain (loss) in the statements of income (loss) and comprehensive income (loss).

Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded. The value of the contract is the gain or loss that would be realized upon settlement.

Unlisted or non-exchange trade investments, or investments where a last sale or close price is unavailable or investments for which market quotations are, in the Manager's opinion, inaccurate, unreliable, or not reflective of all available material information are valued at their fair value as determined by the Manager using appropriate and accepted industry valuation techniques including valuation models. The fair value determined using valuation models requires the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices. In limited circumstances, the fair value may be determined using valuation techniques that are not supported by observable market data.

Over the counter derivatives (such as currency forward contracts) are valued based on the difference between the contract forward rate and the rate prevailing on a reporting date.

The fair value of other financial assets and liabilities approximates their carrying values due to the short-term nature of these instruments.

**(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 LP classifies amounts receivable, due from broker, options awaiting settlement and accounts payable and accrued liabilities, including contracts awaiting settlement, and net assets attributable to general partner as amortized cost.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocation 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.

**(b) Impairment of financial assets**

An expected credit loss ("ECL") model is applied to the assessment of financial assets. Under the ECL model, the LP records an allowance for ECL either based on a 12-month ECL or on a lifetime ECL. ECLs are recognized on the following basis:

- A maximum 12-month allowance for ECL is recognized from initial recognition, reflecting the portion of lifetime cash shortfalls that would result if a default occurs in the 12 months after the reporting date, weighted by the risk of a default occurring.
- A lifetime ECL allowance is recognized if a significant increase in credit risk is detected subsequent to the instruments' initial recognition reflecting lifetime cash shortfalls that would result over the expected life of a financial instrument.
- A lifetime ECL allowance is recognized for credit impaired financial instruments.

ECLs for amounts receivable are based on the adoption of a valuation policy which utilizes the LP's historic loss experience by age banding, adjusted for forward looking estimates and other considerations as applicable. The LP's dividends and interest receivable are measured at amortized cost and are subject to the ECL model.

**(c) Credit default swap contracts**

A credit default swap contract is an agreement to transfer credit risk from one party, a buyer of protection, to another party, a seller of protection. A seller of protection is required to pay a notional or other agreed upon value to the buyer of the protection in the event of a default by a third party. In return, the seller would receive from the counterparty a periodic stream of payments over the term of the contract provided that no event of default occurs. If no default occurs, the seller would keep the stream of payments and would have no payment obligations.

A buyer of protection would receive a notional or other agreed upon value from the seller of the protection in the event of a default by a third party. In return, the buyer would be required to pay to the counterparty a periodic stream of payments over the term of the contract provided that no event of default occurs.

The premiums paid or received are included in the statements of income (loss) and comprehensive income (loss) in "net realized gain (loss) on futures, forward and swap contracts". The change in the value of a credit default swap contract is included in the statements of financial position in "credit default swap contracts" and in the statements of income (loss) and comprehensive income (loss) in "change in net unrealized gain/loss on credit default swap contracts".

When credit default swap contracts are closed out, gains or losses are included in the statements of income (loss) and comprehensive income (loss) in "net realized gains (losses) on credit default swap contracts".

**(d) Equity and commodity index swap contracts**

An equity swap and commodity index contracts are an agreement between two parties to exchange periodic payments based upon a notional principal amount, with one party paying a fixed or floating amount and the other party paying the actual return of a stock, a basket of stocks or a stock or commodity index.

A buyer of an equity swap or commodity index swap contract would receive the total return of the underlying stocks or stock or commodity index. In return, the buyer would be required to pay to the counterparty a fixed or floating amount on the agreed settlement dates.

Any amount received or paid for equity swap or commodity index swap contracts is included in the statements of income (loss) and comprehensive income (loss) in "realized gains (losses) on equity and commodity swap contracts". The change in the value of an equity or commodity index swap contract is included in the statements of financial position in "unrealized gain (loss) on equity and commodity index swap contracts" and in the statements of income (loss) and comprehensive loss in "change in net unrealized gain/loss on futures, forward and equity swap and commodity index contracts".

When the equity swap or commodity index swap contracts are closed out, gains or losses are included in the statements of income (loss) and comprehensive income (loss) in "realized gains (losses) on equity and commodity swap contracts".

**(e) Transaction costs**

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs are expensed and are included in the statements of income (loss) and comprehensive income (loss).

**(f) Offsetting**

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign currency translation gains and losses.

**(g) Cash and cash equivalents**

Cash and cash equivalents consist of cash on deposit at brokers and cash owing to brokers and short-term, interest bearing notes with the original term to maturity of less than three months.

**(h) Investment income**

Investment transactions are accounted for as of the trade date. Realized gains and losses from investment transactions are calculated on a weighted average cost basis. The difference between fair value and average cost, as recorded in the financial statements, is included in the statements of income (loss) and comprehensive income (loss) as part of the net change in unrealized gain (loss) of investments and derivatives. Interest income from investments in fixed income securities and short-term investments represents the coupon interest received by the LP accounted for on an accrual basis. The LP does not amortize premiums paid or discounts received on the purchase of fixed income securities. Dividend income is recognized on the ex-dividend date.

Income (loss) from derivatives is shown in the statements of income (loss) and comprehensive income (loss) as net realized gain (loss) on futures, forward contracts, and equity swap contracts, credit default swap contracts and options contracts and net unrealized gain (loss) on futures, forward and equity swap contracts, credit default swap contracts and option contracts.

If the LP incurs withholding taxes imposed by certain countries on investment income and capital gains, such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the statements of income (loss) and comprehensive income (loss).

**(i) Foreign currency translation**

Transactions in foreign currencies, if any, are translated into the LP's functional currency using the exchange rate prevailing on the trade date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the period-end exchange rate. Foreign currency translation gains and losses are presented as "Foreign currency translation gain (loss)", except for those arising from financial instruments at FVTPL, which are recognized as a component within the applicable net realized or unrealized gain (loss) in the statements of income (loss) and comprehensive income (loss).

**(j) New standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations are not yet effective at June 30, 2021, and have not been applied in preparing these financial statements. Management has determined that none of these will have a significant effect on the financial statements of the LP.

#### **4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of financial statements in conformity with IFRS requires the Manager to make estimates, judgments and assumptions that affect the application of accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

In making estimates and assumptions, the Manager relies on external information and observable conditions where possible, supplemented by internal analysis as required. These estimates and assumptions have been applied in a manner consistent with prior periods and there are no known trends, commitments, events or uncertainties that the Manager believes will materially affect the methodology or assumptions utilized in making these estimates and assumptions in these financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The LP may hold financial instruments that are not quoted in active markets, including investments. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources. Broker quotes as obtained from pricing sources may be indicative and not executable. Where no market data is available, the LP may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by the Manager.

Models use observable data, to the extent practicable. However, areas such as credit risk, volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The LP considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. See Note 5 for more information on the fair value measurement of the LP's financial instruments.

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. Its impact on global economies has been far-reaching and businesses around the world have had to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and significant declines. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of the government and central bank responses, remains unclear at this time. These impacts could include volatility in equity prices, interest rates, bond yields, and foreign exchange rates, which may impact the market value of the net assets of the LP. Given the extent of the pandemic, it is difficult to estimate the ultimate impact or duration of the volatility on the portfolio of the LP.

## 5. FINANCIAL INSTRUMENTS

The LP held the following financial instruments as at:

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
	\$	\$
<b>FVTPL, measured at fair value:</b>		
<b>Assets</b>		
Cash	<b>19,891,579</b>	15,106,040
Cash held as collateral on futures and swap contracts	<b>17,818,027</b>	11,939,551
Equity securities (a)	<b>33,090,481</b>	34,115,974
Unrealized gain on long futures and forward contracts	<b>745,328</b>	1,958,791
Unrealized gain on equity and commodity index swap contracts	<b>1,030,107</b>	543,544
Warrants	<b>36,000</b>	74,666
Options (a)	<b>2,638</b>	3,228,021
<b>Liabilities</b>		
Equity securities sold short (a)	<b>4,377,268</b>	8,750,308
Unrealized loss on long futures and forward contracts	<b>4,083,890</b>	-
Options contracts written	-	2,630,357
Net assets attributable to the limited partner (a)	-	53,194,749
<b>Loans and receivables, measured at amortized cost:</b>		
Amounts receivable	<b>10,173</b>	10,173
Due from broker	-	377,173
<b>Financial liabilities, measured at amortized cost:</b>		
Contracts awaiting settlement	-	2,643,182
Accounts payable and accrued liabilities	<b>114,817</b>	141,318

(a) Designated at FVTPL upon initial recognition

The fair value of these financial instruments approximates their carrying value.

The following table presents the net gain (loss) on financial instruments at FVTPL by category for the period:

	<u>2021</u>	<u>2020</u>
	\$	\$
Mandatorily measured at FVTPL	<b>5,160,043</b>	12,582,883
Designated at FVTPL	<b>6,850,445</b>	(34,687,985)
	<b><u>12,010,488</u></b>	<b><u>(22,105,102)</u></b>

### *Fair Value Hierarchy of Financial Instruments*

The LP has categorized its financial instruments that are carried at fair value, based on the priority of the inputs to the valuation techniques used to measure fair value, into a three level fair value hierarchy as follows:

Level 1: Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market. The types of assets and liabilities classified as Level 1 generally include cash balances, cash held as collateral on futures and swap contracts, equity securities, fixed income securities, unrealized gain (loss) on futures contracts, equity and futures options contracts, cash balances, equity securities sold short, and equity options and futures options contracts written.

Level 2: Fair value is based on quoted prices for similar assets or liabilities in active markets, valuation that is based on significant observable inputs, or inputs that are derived principally from or corroborated with observable market data through correlation or other means. The types of assets and liabilities classified as level 2 include unrealized gain (loss) on forward and equity and commodity swap contracts.

Level 3: Fair value is based on valuation techniques that require one or more significant inputs that are not based on observable market inputs. These observable inputs reflect the LP's assumptions about the assumptions

market participants would use in pricing the asset or liability. The types of assets and liabilities classified as Level 3 include credit default swap contracts and limited partner's equity.

The following table presents the LP's fair value hierarch of its financial instruments as at June 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	\$	\$	\$	\$
<b>ASSETS</b>				
Cash	19,891,579	-	-	19,891,579
Cash held as collateral on futures and swap contracts	17,818,027	-	-	17,818,027
Equity securities	33,090,481	-	-	33,090,481
Unrealized gain on long futures contracts	745,328	-	-	745,328
Unrealized gain on equity swap contracts	-	1,030,107	-	1,030,107
Warrants	36,000	-	-	36,000
Options	2,638	-	-	2,638
	<u>71,584,053</u>	<u>1,030,107</u>	<u>-</u>	<u>72,614,160</u>
<b>LIABILITIES</b>				
Equity securities sold short	4,377,268	-	-	4,377,268
Unrealized loss on short futures and forward contracts	3,735,155	348,735	-	4,083,890
	<u>8,112,423</u>	<u>348,735</u>	<u>-</u>	<u>8,461,158</u>

The following table presents the LP's fair value hierarchy of its financial instruments as at December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	\$	\$	\$	\$
<b>ASSETS</b>				
Cash	15,106,040	-	-	15,106,040
Cash held as collateral on futures and swap contracts	11,939,551	-	-	11,939,551
Equity securities	34,115,974	-	-	34,115,974
Unrealized gain on long futures and forward contracts	478,643	1,480,148	-	1,958,791
Unrealized gain on equity swap and commodity index swap contracts	-	543,544	-	543,544
Warrants	74,666	-	-	74,666
Options	3,228,021	-	-	3,228,021
	<u>64,942,895</u>	<u>2,023,692</u>	<u>-</u>	<u>66,966,587</u>
<b>LIABILITIES</b>				
Equity securities sold short	8,750,308	-	-	8,750,308
Options contracts written	2,630,357	-	-	2,630,357
Net assets attributable to the limited partner	-	-	53,194,749	53,194,749
	<u>11,380,665</u>	<u>-</u>	<u>53,194,749</u>	<u>64,575,414</u>

#### ***Fair Value Measurements Using Significant Unobservable Inputs***

Fair value of the net assets attributable to holders of limited partner is based on the valuation of the LP's own asset values.

## **6. FINANCIAL INSTRUMENTS RISK**

In the normal course of business, the LP's investment activities expose it to a variety of financial risks. The Manager seeks to minimize potential adverse effects of these risks for the LP's performance by employing professional, experienced portfolio advisors, by daily monitoring of the LP's positions and market events, and periodically may use derivatives to hedge certain risk exposures. To assist in managing risks, the Manager

maintains a governance structure that oversees the LP's investment activities and monitors compliance with the LP's stated investment strategies, internal guidelines and securities regulations.

Significant financial instrument risks that are relevant to the LP and an analysis of how they are managed are presented below. Total assets and liabilities presented in the tables below are not intended to match total assets and liabilities disclosed in the statement of financial position, due to differences of derivative instruments. Certain risks, such as currency and interest rate risk may be correlated. Such correlation is not taken into account in these financial statements.

**(a) Market price risk**

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The table below summarizes the LP's overall market exposure, excluding financial futures:

	<u>Fair value</u>	<u>% of NAV</u>
	<u>\$</u>	<u>%</u>
Equity positions - long	33,090,481	51.7
Equity positions - short	4,377,268	6.8
Warrants	36,000	0.1
Options contracts	2,638	0.0
Futures contracts - long (total notional contract value)	80,644,180	125.9
Futures contracts - short (total notional contract value)	12,899,594	20.1
Forward contracts - long (total notional contract value)	5,489,300	8.6
Commodity Index Swap - long (total notional contract value)	48,323,639	75.4
	<u>184,863,100</u>	<u>288.6</u>

*Price sensitivity*

As at June 30, 2021 had the prices of the long investments held in the LP decreased or increased by 5% with all other variables held constant, comprehensive income (loss) before allocation to the limited partner for the period would have decreased or increased by \$9,243,155. In practice, the actual trading results may differ from this analysis and the difference may be material.

**(b) Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in foreign currency exchange rates, which can be caused by market, political and/or other factors which may be subject to intervention by sovereign governments.

The LP holds assets denominated in currencies other than its functional currency. The LP is therefore exposed to currency risk, as the value of the securities and fixed income securities denominated in other currencies fluctuates due to changes in exchange rates.

The table below summarizes the LP's exposure to currency risk (in U.S. dollars):



<u>Currency</u>	<u>Equity securities</u>	<u>Equity Swaps</u>	<u>Options</u>	<u>Amounts receivable</u>	<u>Amounts payable</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
Euro	25	-	-	-	-	25
Canadian dollar	6,261,859	-	-	-	-	6,261,859
Chinese yuan	-	-	-	-	-	-
Australian dollar	-	-	-	-	-	-
	<b>6,261,884</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,261,884</b>

*Currency sensitivity*

As at June 30, 2021, had the United States dollar strengthened or weakened by 1% in relation to all currencies, with all other variables remaining constant, comprehensive income (loss) before allocation to the limited partner for the period would have increased or decreased by \$62,619. This analysis only addresses the impact on the financial instruments with respect to currency movement, and excludes any other economic or geo-political implications of such currency fluctuation. In practice, the actual result may differ from this analysis and the difference may be material.

**(c) Interest rate risk**

The LP is exposed to the risk that the fair value of future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. In general, the value of the interest rate futures will rise if interest rates fall, and conversely, will generally fall if interest rates rise. How sensitive the LP is to changes in prevailing interest rates depends on other factors like credit rating of issuers and the term to maturity of the LP's investments. The lower the credit rating of the issuers and the longer the term to maturity, the more sensitive the LP is to changes in prevailing interest rates, thus the higher interest rate risk. As at June 30, 2021 the LP is not subject to significant interest rate risk.

**(d) Credit risk**

The LP is exposed to credit risk arising from its transactions with its counterparties, related to securities purchases, sales and positions held by the counterparties on the LP's behalf. Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Financial assets which potentially expose the LP to credit risk consist principally of investments in cash balances at brokers, amounts receivable, equity securities, fixed income securities, futures, forward and swap contracts and options contracts. Until the fixed income securities are sold or mature, the LP is exposed to credit risk relating to whether the counterparty will meet its obligations when they come due. Credit risk is managed by dealing only with counterparties the LP believes to be creditworthy, setting transaction limits with specific counterparties and by daily monitoring of credit exposure. Credit risk did not impact the values of the LP's financial liabilities.

The table below summarizes the LP's counterparty concentration as a percentage of NAV, as at June 30, 2021:

Counterparty	Cash held as collateral on futures and swap contracts				Equity securities	Futures, forward and swap contracts	Warrants and Options	% of total NAV
	Cash	Amounts receivable	Due from broker					
	%	%	\$	%	%	%	%	
NBIN	0.1	-	-	-	26.4	-	-	26.5
CIBC Mellon	25.9	-	-	-	-	-	-	25.9
FMGL	0.4	-	-	-	-	-	-	0.4
JP Morgan Chase Bank ("JPM")	3.6	18.9	-	-	18.4	(4.6)	-	36.3
Morgan Stanley	1.1	8.9	-	-	-	1.1	-	11.1
	<u>31.1</u>	<u>27.8</u>	<u>-</u>	<u>-</u>	<u>44.8</u>	<u>(3.5)</u>	<u>-</u>	<u>100.2</u>

The table below summarizes the LP's counterparty concentration as a percentage of NAV, as at December 31, 2020:

Counterparty	Cash held as collateral on futures and swap contracts				Equity securities	Futures, forward and swap contracts	Warrants and Options	% of total NAV
	Cash	Amounts receivable	Due from broker					
	%	%	\$	%	%	%	%	
CIBC Mellon	0.05	-	-	-	-	-	-	0.05
FMGL	1.49	-	-	-	-	-	-	1.49
JP Morgan Chase Bank ("JPM")	14.76	18.93	0.01	0.71	17.73	3.68	0.14	55.96
Morgan Stanley	3.05	3.52	-	-	-	1.02	6.07	13.66
National Bank Independent Network	9.04	-	0.01	-	46.42	-	-	55.47
UBS AG ("UBS")	0.01	-	-	-	-	-	-	0.01
	<u>28.40</u>	<u>22.45</u>	<u>0.02</u>	<u>0.71</u>	<u>64.15</u>	<u>4.70</u>	<u>6.21</u>	<u>126.64</u>

#### (i) Concentration of credit risk

The following are the significant countries of domicile of the LP's cash balances at brokers, equity securities, fixed income securities, and equity swap contracts as a percentage of NAV:

	June 30, 2021	December 31, 2020
	%	%
United States	64.50	103.24
Canada	35.70	9.11
Greece	-	-
Brazil	-	-
Switzerland	-	0.01
China	-	14.28
Australia	-	-
	<u>100.20</u>	<u>126.64</u>

The following are individual issuers of equity and fixed income securities that exceed 5% of NAV, as a percentage of NAV:

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
	%	%
Lennar Corp.	11.88	10.98
DR Horton Inc.	11.74	10.79
PulteGroup Inc.	7.28	6.93
Tesla Inc.	6.83	16.45
KB Home	6.44	6.38
NIO Inc.	-	7.99

**(e) Liquidity risk**

The LP invests the majority of its assets in investments that are traded in an active market and can be readily disposed. In addition, the LP retains sufficient cash and cash equivalent positions to maintain liquidity.

**7. ALLOCATION OF INCOME (LOSS) TO GENERAL PARTNER**

The general partner is allocated 0.01% of comprehensive income (loss) before the allocation to the limited partner. In addition, as investment manager of the LP, receives a distribution from the LP, calculated and payable quarterly, equal to 20% of net new profits, in any year that such new profits represent a return of partners' equity before any allocation to the limited partner that exceeds the current yield on the two-year Government treasury notes ("Incentive Distribution"). For the purposes for calculating the net new profits any net losses of the LP are carried forward and set off against the net profit of the LP of subsequent financial years. The balance of the comprehensive income (loss) is allocated to the limited partner. For the periods ended June 30, 2021 and 2020 no Incentive Distribution was made.

**8. RELATED PARTY TRANSACTIONS**

**(a) Transaction costs**

FMGL serves as one of the LP's brokers. For the period ended June 30, 2021, the LP incurred \$21,064, (\$34,844 in 2020) in transaction costs on options, futures and forward contracts with FMGL. Transaction costs are charged to comprehensive income (loss). FMGL does not charge the LP brokerage fees in respect of fixed income security transactions.

**(b) Management fees**

As manager, TTML is entitled to receive management fees, calculated and payable monthly at the annual rate of one percent of the NAV of the Fund plus HST, based on the NAV on the last business day of the month. The management fees are split equally between the Fund and the LP unless TTML determines a more appropriate allocation method. Management fees expense of the LP incurred with TTML for the period ended June 30, 2021 was \$350,862 (\$270,327 in 2020). An amount of \$62,345 (\$51,979 as at December 31, 2020) was included in accounts payable and accrued liabilities as at June 30, 2021.

**(c) Cash balances and securities held at broker**

The following details the cash and investments which FGML held on behalf of the LP:

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
	\$	\$
<b><u>Assets</u></b>		
Cash	<u>273,631</u>	<u>793,271</u>
	<u><u>273,631</u></u>	<u><u>793,271</u></u>

9. **CAPITAL MANAGEMENT**

Management considers the LP's capital to consist of general partner's equity and limited partner's equity. The Manager manages the capital of the LP in accordance with the LP's investment objectives, policies and restrictions, as outlined in the Fund's prospectus, while maintaining sufficient liquidity to enable distributions to the limited partners. The LP does not have any externally imposed capital requirements.

## **NOTICE TO UNITHOLDERS**

**The auditor of the LP has not reviewed these interim financial statements.**

The Manager of the LP appoints an independent auditor to audit the LP's annual financial statements. Applicable securities laws require that if an auditor has not reviewed the LP's interim financial statements, this must be disclosed in an accompanying notice.