

Annual Audited Financial Statements
(Expressed in Canadian dollars)



For the years ended December 31, 2025 and 2024





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INDEPENDENT AUDITOR'S REPORT

To the Investment Manager of Mageska Fund

Opinion

We have audited the financial statements of Mageska Fund (the "Entity"), which comprise:

- the statements of financial position as at December 31, 2025 and 2024
- the statements of comprehensive income for the years then ended
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of material accounting policy information

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

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

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Montréal, Canada

March 30, 2026

Mageska Fund

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Mageska Fund

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2025 and 2024

	2025	2024
	\$	\$
Assets		
Financial assets at fair value through profit or loss	234,473,188	245,332,797
Cash	1,681,493	2,350,249
Dividends receivable	67,541	183,997
Margin account	39,931,403	3,250,903
Futures contracts gain	307,085	-
Total Assets	276,460,710	251,117,946
Liabilities		
Accrued expenses	68,604	106,114
Futures contracts loss	266,339	-
Option contracts written	-	1,237,751
Total Liabilities (excluding net assets attributable to holders of redeemable units)	334,943	1,343,865
Net assets attributable to holders of redeemable units	276,125,767	249,774,081
Net assets attributable to holders of redeemable units per class		
Class A	512	472
Class F	4,728,403	3,858,146
Class J	271,396,852	245,915,463
Number of redeemable units outstanding		
Class A	5	4
Class F	42,460	35,317
Class J	2,438,988	2,249,937
Net assets attributable to holders of redeemable units per unit		
Class A	110.38	108.51
Class F	111.36	109.24
Class J	111.27	109.30

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

On behalf of the Manager,



Director

Mageska Fund

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2025 and 2024

	2025	2024
	\$	\$
Income		
Interest income for distribution purposes	126,040	71,830
Dividend income	6,926,113	5,526,866
Net gain on foreign exchange	217,261	139,670
Net realized gain on sale of investments	8,557,880	20,663,995
Net realized gain (loss) on futures contracts	8,592,565	(642,650)
Net realized gain (loss) on option contracts	503,669	(1,774,448)
Net change in unrealized appreciation of investments	4,124,111	13,950,312
Net change in unrealized appreciation (depreciation) of futures and option contracts	(97,181)	75,600
Other Income		
Securities lending income	227,136	148,433
Miscellaneous income	3	1
Total income	29,177,597	38,159,609
Expenses		
Management fees (Note 6)	1,125,926	996,185
Performance fees (Note 6)	917,613	-
Withholding taxes	658,419	520,657
Sales tax expense	321,954	174,606
Transaction costs	80,783	98,719
Custodian fees	74,709	69,904
Audit fees	18,439	18,725
Administrative and other expenses	9,527	7,060
Financial reporting fees	3,195	11,092
Valuation fees	100	57,564
Filing fees	-	52,765
Legal fees	-	5,062
Total expenses	3,210,665	2,012,339
Increase in net assets attributable to holders of redeemable units	25,966,932	36,147,270
Increase in net assets attributable to holders of redeemable units		
Class A	40	61
Class F	485,503	537,068
Class J	25,481,389	35,610,141
Daily average number of redeemable units outstanding		
Class A	4	4
Class F	43,833	32,814
Class J	2,247,568	2,076,665
Increase in net assets attributable to holders of redeemable units per unit		
Class A	10.00	15.25
Class F	11.08	16.37
Class J	11.34	17.15

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

Mageska Fund

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31, 2025 and 2024

	2025	2024
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class A	472	411
Class F	3,858,146	3,321,078
Class J	245,915,463	210,305,322
	249,774,081	213,626,811
Increase in net assets attributable to holders of redeemable units		
Class A	40	61
Class F	485,503	537,068
Class J	25,481,389	35,610,141
	25,966,932	36,147,270
Distributions to redeemable unitholders		
From net investment income		
Class A	-	-
Class F	(41,654)	(25,828)
Class J	(4,192,153)	(3,147,140)
From capital gain		
Class A	(32)	(30)
Class F	(293,637)	(247,283)
Class J	(16,844,384)	(15,752,762)
	(21,371,860)	(19,173,043)
Redeemable unit transactions (Note 5)		
Proceeds from units issued		
Class A	-	-
Class F	2,000,000	-
Class J	-	-
Amount paid for units redeemed		
Class A	-	-
Class F	(1,615,246)	-
Class J	-	-
Reinvestment of distributions		
Class A	32	30
Class F	335,291	273,111
Class J	21,036,537	18,899,902
	21,756,614	19,173,043
Net increase in net assets attributable to holders of redeemable units		
Class A	40	61
Class F	870,257	537,068
Class J	25,481,389	35,610,141
	26,351,686	36,147,270
Net assets attributable to holders of redeemable units at end of year		
Class A	512	472
Class F	4,728,403	3,858,146
Class J	271,396,852	245,915,463
	276,125,767	249,774,081

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

Mageska Fund

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2025 and 2024

	2025	2024
	\$	\$
Cash provided by (used in) operating activities		
Net increase in net assets attributable to holders of redeemable units	25,966,932	36,147,270
Adjustments for:		
Net gain on foreign exchange	(217,261)	(139,670)
Net realized gain on sale of investments	(8,557,880)	(20,663,995)
Net change in appreciation of investments	(4,124,111)	(13,950,312)
Net change in unrealized (appreciation) depreciation of futures and option contracts	(1,278,497)	1,438,465
Purchase of investments	(603,832,430)	(757,681,117)
Proceeds from sale of investments	627,293,247	753,224,439
Transaction costs	80,783	98,719
Decrease (increase) in dividends receivable	116,456	(72,563)
Increase (decrease) in margin receivable	(36,680,500)	599,099
Decrease (increase) in accrued expenses	(37,510)	43,131
Net cash used in operating activities	(1,270,771)	(956,534)
Cash provided by financing activities		
Proceeds from units issued	2,000,000	-
Amount paid for units redeemed	(1,615,246)	-
Net cash provided by financing activities	384,754	-
Net decrease in cash	(886,017)	(956,534)
Net gain on foreign exchange	217,261	139,670
Cash, beginning of year	2,350,249	3,167,113
Cash, end of year	1,681,493	2,350,249
Interest received	126,040	71,830
Dividends received, net of withholding taxes	6,384,150	4,933,646

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

Mageska Fund

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31 2025

Exchange Traded Funds

Investments	Number of shares	\$ Average cost	\$ Fair value	% of net assets
Invesco QQQ Trust Series 1	2,666	2,056,987	2,247,897	0.8
iShares 7-10 Year Treasury Bond ETF	4,474	605,681	590,499	0.2
iShares Core U.S. Aggregate Bond ETF	200,270	27,025,692	27,455,107	9.9
iShares iBoxx \$ High Yield Corporate Bond ETF	224,217	24,767,962	24,813,836	9.0
iShares J.P. Morgan USD Emerging Markets Bond ETF	41,726	5,343,512	5,514,061	2.0
iShares MSCI ACWI ETF	426,580	61,474,103	82,842,834	30.1
iShares MSCI Canada ETF	9,751	712,424	721,786	0.3
iShares MSCI EAFE ETF	158,300	20,781,922	20,864,912	7.6
iShares MSCI India ETF	23,879	1,816,517	1,771,498	0.6
iShares Silver Trust	12,487	640,272	1,104,098	0.4
SPDR Gold Shares Fund	1,672	799,858	909,494	0.3
SPDR S&P 500 ETF	1,724	1,545,641	1,613,613	0.6
SPDR S&P MidCap 400 ETF Trust	24,937	21,024,817	20,648,659	7.5
State Street Health Care Select Sector SPDR ETF	21,790	4,737,600	4,629,743	1.7
State Street SPDR Bloomberg 1-3 Month T-Bill ETF	94,500	11,982,492	11,852,547	4.3
State Street SPDR Bloomberg Convertible Securities ETF	6,971	878,231	853,471	0.3
State Street SPDR Bloomberg High Yield Bond ETF	27,576	3,717,427	3,679,349	1.3
State Street Technology Select Sector SPDR ETF	7,684	1,477,905	1,518,407	0.5
Vanguard FTSE All-World ex-US ETF	206,422	18,965,438	20,841,377	7.5
Total Exchange Traded Funds		210,354,481	234,473,188	84.9
Futures contracts gain			307,085	0.1
Futures contracts loss			(266,339)	(0.1)
Transaction Costs		(9,687)		0.0
Total Investments Portfolio		210,344,794	234,513,934	84.9
Other assets, net of liabilities			41,611,833	15.1
Total net assets attributable to holders of redeemable units			276,125,767	100.0

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

Mageska Fund

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2025

Long Futures Contracts

			\$		\$
Contracts	Description	Expiry Date	Contract price	Currency	Fair Value
9	Comex Gold 100 Oz Futures	February 25, 2026	4,341.10	USD	124,518
3	Comex Gold 100 Oz Futures	February 25, 2026	4,341.10	USD	100,800
44	S&P 500 Index Futures Emini	March 20, 2026	6,892.50	USD	40,765
1	Comex Gold 100 Oz Futures	February 25, 2026	4,341.10	USD	33,092
1	Comex Gold 100 Oz Futures	February 25, 2026	4,341.10	USD	7,288
58	Cbot 2Yr Us T-Note Futures	March 31, 2026	104.39	USD	622
Total long futures contracts gain					307,085
1	US Long Bond (Cbt)	March 20, 2026	115.59	USD	(1,647)
4	Cbot 10 Yr T-Note Futures	March 20, 2026	112.44	USD	(3,817)
30	Us Long Bond (Cbt)	March 20, 2026	115.59	USD	(49,395)
72	Us Long Bond (Cbt)	March 20, 2026	115.59	USD	(98,824)
103	Cbot 10 Yr T-Note Futures	March 20, 2026	112.44	USD	(112,656)
Total long futures contracts loss					(266,339)

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

Mageska Fund

Notes to Financial Statements

Years ended December 31, 2025 and 2024

1. Establishment of the Fund

Mageska Fund (the “Fund”) is an open-ended investment trust established on January 3, 2023, under the laws of the Province of Quebec pursuant to a Trust Agreement dated October 7, 2022 and amended on October 5, 2025. The Fund commenced operations on January 4, 2023. The address of the Fund’s registered office is 600 rue Lucien-Paiement, Laval, Quebec, H7N 0H7, Canada.

Mageska Capital Inc. is the investment manager (the “Manager”) and distributor of units of the Fund. Effective December 19, 2024, the Manager has appointed Nymbus Capital Inc. as a sub-portfolio manager to the Fund. RBC Investor & Treasury Services is the custodian, transfer agent, administrator and registrar of the Fund, and, as such, performs certain valuation and other services for the Fund. These financial statements are authorized for issuance by the Manager on March 31, 2026.

2. Investment objective of the Fund

The fundamental investment objective of the Fund is to achieve better risk-adjusted returns by investing primarily in exchange traded funds (ETF) and Futures contracts that seeks exposure to Canadian, U.S. and International fixed income, equity securities and commodities.

The Fund issues on a continuous basis, under the terms of an Offering Memorandum, the following series of units:

Series A units: this series of units is offered to accredited investors who are not eligible to purchase Series F Units, Series I units and Series J units.

Series F units: this series of units is offered to accredited investors who purchase such units through a dealer sponsored fee-for-service or wrap program and who pay an asset-based fee to their dealer.

Series I units: this series of units is offered to institutional investors, at the discretion of the Manager. The Manager will negotiate the terms of purchase of the Series I units with each investor, including the management fee and the performance fee that will be paid by the Fund in respect of such investor’s Series I units. No sales commission is payable when an investor buys or redeems Series I units. An investor buying Series I units must enter into a Series I unit agreement with the Manager before the investor can buy Series I units.

Series J units: this series of units is exclusively available to Mageska Capital shareholders and family members.

The Fund may establish other series of units from time to time without notice to, or consent from, the unitholders.

3. Basis of presentation

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

These financial statements have been prepared on a historical cost basis, except for investments and derivatives, that have been measured at fair value.

4. Material accounting policy information

The Fund has consistently applied the following accounting policies to all periods presented in these financial statements.

Margin Accounts

Margin accounts represent cash deposits with brokers, transferred as collateral against open derivative contracts.

Mageska Fund

Notes to Financial Statements

Years ended December 31, 2025 and 2024

4. Material accounting policy information (continued)

Financial instruments

Financial instruments may include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives, cash and other trade receivables and payables. All financial assets and liabilities are recognized in the Statement of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership.

Classification and Measurement

The investments and derivatives are classified at fair value through profit or loss, with changes in fair value recognized in the statements of comprehensive income. The Fund classifies its investments in debt and equity securities and open-ended investment funds based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

These financial assets are managed, and their performance is evaluated, on a fair value basis. The Fund also manages these financial assets with the objective of realizing cash flows through sales.

Financial assets and financial liabilities at amortized cost

The financial assets and liabilities measured at amortized cost include cash, margin account, dividends receivable and accrued expenses.

IFRS 9 Financial Instruments ("IFRS 9")

Financial assets carried at amortized cost are subject to the expected credit loss model ("ECL") as required by IFRS 9. The Fund's financial assets measured at amortized cost consist of dividends receivable with no financing component and with maturities of less than 12 months. As such, it has chosen to apply the simplified ECL approach, whereby any loss allowance is recognized based on lifetime ECLs. Given the short-term nature and high credit quality of the dividends receivable, they are not considered impaired.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts.

Securities Lending

The Fund engages in securities lending through its custodian as lending agent. Loaned securities are not derecognized and continue to be reported within Financial assets at fair value in the Statements of Financial Position, as the Fund retains substantial risks and rewards and economic benefits related to the loaned securities.

Transaction costs

Transaction costs are expensed and are included in "transaction costs" in the Statement of Comprehensive Income. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commission paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. The cost of investments for each security is determined on an average cost basis.

Capital Disclosures

The Fund's objectives, policies and processes for managing capital are described in Note 2. Information on the Fund's capital structure is described in Note 5. The redeemable units issued by the Fund represent its capital. The Fund is not subject to any internally or externally imposed restrictions on its capital, other than certain minimum subscription requirements. The Fund's objectives in managing the redeemable units are to ensure a stable base to maximize returns to all investors, and to manage liquidity risk arising from redemptions.

Mageska Fund

Notes to Financial Statements

Years ended December 31, 2025 and 2024

4. Material accounting policy information (continued)

Valuation of Investments

Investments are recorded in the financial statements at their fair value which is determined as follows:

All exchange traded equities (and other securities) are valued using the last traded or closing price available from the primary exchange. If a current closing price is not available, the average of bid price and ask price (mid-price) is used. If no current pricing is available, the price from the previous business day is applied.

Bonds are valued at the mean of bid and ask prices provided by recognized investment dealers. Mutual fund units are priced using the net asset value ("NAV") per unit, which represents fair value as of the valuation date for the particular fund, for both the reporting of Net Assets Attributable to Holders of Redeemable Units and daily NAV.

Futures contracts are valued at fair value using publicly quoted prices in an active market. The unrealized gains or losses and the margin balances are included in the Statements of Financial Position.

Cash

Cash consists of deposits held with banks.

Investment Transactions

Investment transactions are recorded on trade date. Interest income from investments in bonds and short-term investments are accrued daily. Realized gains and losses from investment transactions are calculated on a weighted average cost basis.

Income Recognition

Interest income for distribution purposes resulting from investments in bonds is recognized on an accrual basis, based on the bond coupon rate.

Dividend income is recognized on the ex-dividend date.

Financial Instruments - Disclosures

The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Manager has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, including inputs from markets that are not considered active.
- Level 3 Inputs that are unobservable.

All fair value measurements above are recurring. The carrying values of cash, dividends receivable, accrued expenses and the Fund's obligation for net assets attributable to holders of redeemable units approximate their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is actively traded and a 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 fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

Please see Note 10 for these disclosures.

Mageska Fund

Notes to Financial Statements

Years ended December 31, 2025 and 2024

4. Material accounting policy information (continued)

Currency

- a) Functional and presentation currency

Items included in the financial statements of the Fund are measured in the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements of the Fund are presented in Canadian Dollar (“CAD”), which is the Fund’s functional currency.

- b) Foreign currency translation

Transactions in currencies other than the functional currency are recorded at the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year end exchange rates of monetary and non-monetary assets and liabilities denominated in foreign currencies, are recognized in profit or loss in the period in which they arise. Foreign exchange gains and losses on financial assets and financial liabilities measured at fair value through profit or loss are recognized together with other changes in fair value.

Critical accounting estimates and judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

- a) Fair value measurement of derivatives and securities not quoted in active market

The Fund holds financial instruments that are not quoted in active markets. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes obtained from the pricing sources may be indicative and not executable or binding.

The Fund 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. Refer to Note 10 – Financial Instruments – Fair Value Disclosure for further information about the fair value measurement of the Fund’s financial instruments.

- b) Classification and measurement of investments and derivatives and application of the fair value option

In classifying and measuring financial instruments held by the Fund, the Manager is required to exercise significant judgment in determining whether the business of the Fund is to manage its portfolio of investments and evaluate performance on a fair value basis. This assessment includes concluding that the portfolio is neither held solely to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The most significant judgments involve assessing and determining the appropriate business model that supports the classification of the Fund’s investments as fair value through profit or loss (“FVTPL”).

5. Redeemable Units

Each unitholder of the Fund acquires redeemable units, which represent an undivided interest in the net assets of the Fund. The Fund offers multiple series of units (Series A, F, I and J). Within each series, all redeemable units carry equal rights and privileges. Each redeemable unit is entitled to one vote at any meeting of unitholders and to equal participation in any distributions made by the Fund. Fractional units are not entitled to voting privileges. Each redeemable unit is redeemable at the option of the unitholder in accordance with the Trust Agreement and the number of redeemable units which may be issued is unlimited. The units of the Fund are fully paid when issued and are generally not transferable except with the consent of the Manager.

Mageska Fund

Notes to Financial Statements

Years ended December 31, 2025 and 2024

5. Redeemable Units (continued)

The table below summarizes redeemable unit transactions for the years ended December 31, 2025 and December 31, 2024:

	2025		
	Class A	Class F	Class J
Units outstanding, beginning of year	4	35,317	2,249,937
Units issued for cash	-	17,810	-
Units redeemed	-	(13,678)	-
Reinvestment of distribution	1	3,011	189,051
Units outstanding, end of year	5	42,460	2,438,988

	2024		
	Class A	Class F	Class J
Units outstanding, beginning of year	4	32,817	2,077,017
Units issued for cash	-	-	-
Units redeemed	-	-	-
Reinvestment of distribution	-	2,500	172,920
Units outstanding, end of year	4	35,317	2,249,937

6. Related party transactions

At December 31, 2025 and 2024, all Series A and J units were held by either the Manager, the ultimate controlling shareholders of the Manager (the "Shareholders") and/or companies controlled by the Shareholders, and/or immediate family members (spouses and dependents) of the Shareholders.

In consideration for its services, the Manager is entitled to receive from the Fund a management fee (the "Management Fee"), payable monthly, in respect of each Series of units offered. Each Series is responsible for the Management Fee attributable to it, calculated as a percentage of the Series' net asset value (as defined below), as follows:

- Series A units – 2.0% of the Series' net asset value per annum
- Series F Units – 1.00% of the Series' net asset value per annum
- Series I Units – Management Fees are negotiated with each investor and calculated at the unit level
- Series J Units – 0.425% of the Series' net asset value per annum

The Management Fee is calculated and accrued on each Valuation Day and paid at the beginning of the month for the current month. Valuation Day means 4:00 p.m. (Montreal Time) on the last business day of each month, on December 31 of each year, and on any such other business day or days as determined by the Manager.

In addition to the Management Fee, the Manager is entitled to receive from the Fund a performance fee (the "Performance Fee"), calculated and accrued monthly, payable annually and on redemption of Units, in respect of each Series of units offered. Each Series is responsible for the Performance Fee attributable to it, calculated at the Unit level, as follows:

- Series A, F and J Units – 20% of the positive difference, if any, by which the Series Net Asset Value per Unit exceeds the applicable high-water mark and hurdle rate for that Unit on the date of payment; where such difference is negative, no Performance Fee is payable
- Series I Units – Performance Fees, if any, are negotiated individually with each investor

Mageska Fund

Notes to Financial Statements

Years ended December 31, 2025 and 2024

6. Related party transactions (continued)

The hurdle rate is equal to the year-to-date performance of a benchmark composed of 60% global equities and 40% U.S. bonds, denominated in U.S. dollars and converted to Canadian dollars using the daily New York closing exchange rate.

The high-water mark is set initially at the unit's subscription price and is adjusted upward following each Performance Fee payment. It does not reset downward, ensuring that any decline in net asset value per unit must be fully recovered before Performance Fees are charged in any subsequent period. For the year ended December 31, 2025, the performance fee paid was \$174,173 (2024 – nil).

On December 19, 2024, the Manager entered into a discretionary management agreement with Nymbus Capital Inc. (“Nymbus”) to manage a dedicated portfolio of the Fund. Pursuant to the agreement, Nymbus is entitled to receive a performance fee equal to 20% of the net trading gains of the dedicated portfolio (as defined in the agreement), subject to a high-water mark. For the year ended December 31, 2025, the amount allocated to the dedicated portfolio was \$17.8 millions (2024 – nil), and the related performance fee paid was \$743,440 (2024 – nil).

7. Distributions

The Fund intends to distribute sufficient net income (including net realized capital gains, if any) to Unitholders in each calendar year to ensure that the Fund is not liable for income tax under Part I of the Tax Act.

Unless a Unitholder of the Fund directs otherwise, all distributions will be reinvested in additional Units of the same Series at the Series' Net Asset Value Per Unit calculated as of the date of distribution or, if such date is not a Valuation Day, on the next Valuation Day.

The Manager may, in its discretion, make such designations, determinations and allocations for tax purposes in respect of amounts (or portions thereof) that the Fund has received, paid, declared payable or allocated to Unitholders as distributions or redemption proceeds. This also applies to expenses incurred by the Fund and to tax deductions to which the Fund may be entitled.

8. Income taxes

The Fund is an open-ended unit fund trust and is not subject to income taxes on the portion of its investment income that is distributed to unitholders, as such income is taxable in the hands of the unitholders.

In addition, income taxes payable on undistributed net realized capital gains are refundable on a formula basis when units of the Fund are redeemed. Sufficient net income and realized capital gains of the Fund have been, or will be, distributed to the unitholders such that no tax is payable by the Fund. Accordingly, no provision for income taxes has been made in the financial statements. The Fund has a taxation year-end of December 31.

However, some dividends and interest income received by the Fund are subject to withholding taxes imposed in certain countries of origin. Income subject to such taxes is recognized gross of withholding taxes, and the corresponding amounts withheld are recognized as tax expense.

9. Financial instruments and risk management

The Fund's activities expose it to various types of risks that are associated with its investment strategies, financial instruments and markets in which it invests. The risks include market risk (including price risk, currency risk and interest rate risk), credit risk, liquidity risk and concentration risk. The Manager has established and maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment objective and guidelines. These risks and related risk management practices employed by the Fund are discussed below.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will affect the Fund's future cash flows or the fair values of its interest-bearing financial instruments. The Fund is exposed to this risk as the value of such financial instruments may fluctuate due to changes in the prevailing interest rate levels.

Mageska Fund

Notes to Financial Statements

Years ended December 31, 2025 and 2024

9. Financial instruments and risk management (continued)

Interest Rate Risk (continued)

The majority of the Fund's financial assets and liabilities are non-interest bearing as at December 31, 2025 and December 31, 2024. As a result, the Fund is not subject to significant direct interest rate risk from fluctuations in prevailing market interest rates.

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled or paid for upon delivery using approved brokers. The credit risk related to the associated receivables is considered limited, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

Cash is held with banks and financial institution counterparties that are rated AA by DBRS.

As at December 31, 2025 and December 31, 2024, the Fund has no significant investments in debt instruments or derivatives and, therefore, does not have significant exposure to credit risk.

Currency Risk

Currency risk is the risk that the value of financial instruments denominated in currencies other than the functional currency of the Fund will fluctuate due to changes in foreign exchange rates. Equities in foreign markets are exposed to this risk as their prices, denominated in other currencies, are converted to the Fund's functional currency in determining fair value.

The table below summarizes the Fund's exposure to currency risks as of December 31, 2025 and December 31, 2024:

December 31, 2025		
Currency type	Currency Exposure \$	% of Total Net Assets %
United States Dollar	275,248,346	99.68
	275,248,346	99.68

December 31, 2024		
Currency type	Currency Exposure \$	% of Total Net Assets %
United States Dollar	249,643,844	99.95
	249,643,844	99.95

As at December 31, 2025, if the exchange rate between the Canadian Dollar and the foreign currencies had increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$2,752,483 (December 31, 2024 - \$2,496,438).

In accordance with the Fund's policy, the Manager monitors currency positions as part of the overall portfolio construction and may enter into currency hedges.

Mageska Fund

Notes to Financial Statements

Years ended December 31, 2025 and 2024

9. Financial instruments and risk management (continued)

Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations related to its daily cash redemption of units. Liquidity risk is managed by investing the majority of the Fund's assets in securities traded in active markets, which can be readily disposed of, and by maintaining sufficient cash and cash equivalent positions. The tables below present an analysis of the Fund's financial liabilities as at December 31, 2025 and December 31, 2024.

	Financial Liabilities As of December 31, 2025		
	On Demand	< 3 Months	Total
	\$	\$	\$
Accrued expenses	-	68,604	68,604
Futures contracts	-	266,339	266,339
	-	334,943	334,943

	Financial Liabilities As of December 31, 2024		
	On Demand	< 3 Months	Total
	\$	\$	\$
Accrued expenses	-	106,114	106,114
Option contracts written	1,237,751	-	1,237,751
	1,237,751	106,114	1,343,865

Price risk

Price risk is the risk that the fair value of a Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or by factors affecting a market or a market segment as a whole. Exposure to price risk is primarily through equities, underlying funds, derivatives and commodities. The maximum risk resulting from these financial instruments is equivalent to their fair value, except for written options, short sales and short futures contracts, where possible losses can be unlimited.

As at December 31, 2025, approximately 99% (December 31, 2024 – 99%) of the Fund's net assets were directly exposed to price risk. If the prices of these instruments had fluctuated by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased by approximately \$27.4 millions (December 31, 2024 – \$24.7 millions). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Manager selects investments in line with the Fund's investment objective, and in some cases the Fund may be exposed to the risk of holding a concentrated position in a particular security or asset class.

10. Financial Instruments

Fair Value Disclosure

The Fund's financial assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy described in Note 4. The following fair value hierarchy table presents information about the Fund's assets measured at fair value on a recurring basis as of December 31, 2025 and 2024.

Mageska Fund

Notes to Financial Statements

Years ended December 31, 2025 and 2024

10. Financial Instruments (continued)

Fair Value Disclosure (Continued)

Financial assets and (liabilities) at fair value				
As of December 31, 2025				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Exchange Traded Funds	234,473,188	-	-	234,473,188
Futures contracts gain	307,085	-	-	307,085
Futures contracts loss	(266,339)	-	-	(266,339)
	234,513,934	-	-	234,513,934

Financial assets and (liabilities) at fair value				
As of December 31, 2024				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Exchange Traded Funds	245,332,797	-	-	245,332,797
Option contracts written	-	(1,237,751)	-	(1,237,751)
	245,332,797	(1,237,751)	-	244,095,046

There were no securities transferred between levels as a result of changes in the availability of quoted market prices or observable market inputs during the years ended December 31, 2025 and December 31, 2024.

11. Securities Lending Transactions

The Fund has entered into a securities lending agreement with its custodian. The aggregate market value of all securities loaned by a Fund cannot exceed 100% of the Fund's assets and is secured by a collateral of at least 100% of the fair value of securities on loan, which is marked to market daily. Collateral consists primarily of fixed income securities.

The outstanding value of the securities on loan and the collateral received by the Fund are as follows:

	2025	2024
	\$	\$
Securities on loan	121,792,695	148,162,455
Total collateral	124,228,922	151,126,204

The following table presents a reconciliation between the gross income earned from securities lending transactions and the securities lending revenue disclosed in the Statements of Comprehensive Income.

Mageska Fund

Notes to Financial Statements

Years ended December 31, 2025 and 2024

11. Securities Lending Transactions (continued)

	2025	2024
	\$	\$
Gross securities lending income	420,113	276,951
Securities lending fees	(152,597)	(110,781)
Net securities lending income	267,516	166,170
Withholding taxes on securities lending income	(40,380)	(17,737)
Net securities lending income	227,136	148,433
Securities lending fees as a percentage of gross securities lending income	36%	40%

12. Exemption from Regulatory Filing

Section 2.11 of National Instrument 81-106, Investment Fund Continuous Disclosure provides an exemption to Investment Funds categorized as non-reporting issuers from the requirement to file annual and interim financial statements with the relevant regulatory authority. The Fund, as non-reporting issuer, is relying on this exemption not to file their financial statements.

13. Accounting standards issued but not yet effective

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after January 1st, 2025 and earlier application is permitted; however, the Fund has not early adopted the new or amended accounting standards in preparing these financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after January 1st, 2027. The new accounting standard introduces the following key requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change as a result of applying IFRS 18.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Fund is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Fund's statement of profit or loss, the statement of cash flows and the additional disclosures required for the MPMs. The Fund is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

Other accounting standards

Management is currently evaluating the impact of the following new and amended accounting standards on the Fund's financial statements:

- *Lack of Exchangeability (Amendments to IAS 21)*
- *Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)*