
**FORMULA
GROWTH**
L I M I T E D

Formula Growth Fund

Financial statements

December 31, 2025 and 2024

New York
1 Rockefeller Plaza, Suite 1421

Montreal
1010 Sherbrooke W. Suite 2300

Independent Auditor's Report

To the Unitholders of
Formula Growth Fund (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of profit or loss and other comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance (the "MRFP").

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The MRFP is expected to be made available to us after the date of this auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, 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 Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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 GAAS 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 these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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.

Deloitte LLP

March 2, 2026

¹ CPA auditor, public accountancy permit No. A121501

Formula Growth Fund

Statements of financial position
As at December 31, 2025 and December 31, 2024
In Canadian dollars

	Note	2025	2024
Assets			
Cash and cash equivalents		\$ 21,292,375	\$ 4,076,389
Securities at fair value through profit or loss	6	162,288,200	178,754,347
FX contracts and other derivatives	5,6	2,065	500
Dividends receivable		33,917	49,959
Total assets		\$ 183,616,557	\$ 182,881,195
Liabilities			
FX contracts and other derivatives	5,6	\$ 200	\$ 69,191
Management fees payable	8	230,599	233,331
Other Payables		92,829	86,858
Total liabilities (excluding net assets attributable to holders of redeemable units)		\$ 323,628	\$ 389,380
Net assets attributable to holders of redeemable units		\$ 183,292,929	\$ 182,491,815
Net assets attributable to holders of redeemable units per class and series			
General Class		\$ 183,168,637	\$ 180,342,207
Institutional Class (CAD Hedged)		124,292	2,149,608
Total net assets attributable to holders of redeemable units		\$ 183,292,929	\$ 182,491,815
Net assets attributable to holders of redeemable units per unit			
General Class		\$ 120.09	\$ 109.94
Institutional Class (CAD Hedged)		123.40	109.62

Approved on behalf of Formula Growth Limited, Manager of Formula Growth Fund

(Signed) Randall Kelly, Chief Executive Officer

(Signed) Ari Kiriazidis, Chief Operating Officer & Chief Compliance Officer

Formula Growth Fund

*Statements of profit or loss and other comprehensive income
for the period ended December 31, 2025 and December 31, 2024
In Canadian dollars*

	Note	2025	2024
Investment income:			
Dividends		\$ 798,045	\$ 841,724
Interest income		262,370	226,226
Other income		10	300,696
Net foreign currency (losses) gains		(142,864)	268,343
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss			
Net realized gains on securities	4	17,957,194	24,674,319
Net realized gains (losses) on FX contracts and other derivatives	4	20,775	(142,167)
Net change in unrealized appreciation on securities	4	243,855	3,580,422
Net change in unrealized appreciation (depreciation) on FX contracts and other derivatives	4	70,556	(109,713)
Total investment income		\$ 19,209,941	\$ 29,639,850
Operating expenses:			
Management fees	8	\$ 2,598,776	\$ 2,768,881
Tax expense		408,381	431,522
Transaction costs		271,298	280,066
Administrative costs		166,161	175,896
Audit fees		50,937	25,020
Custodian fees and bank charges		38,127	66,538
Other operating expenses		23,814	21,179
Interest expense		367	3,317
Total operating expenses		\$ 3,557,861	\$ 3,772,419
Increase in net assets attributable to holders of redeemable units before taxes		\$ 15,652,080	\$ 25,867,431
Dividend withholding taxes		87,877	95,158
Increase in net assets attributable to holders of redeemable units		\$ 15,564,203	\$ 25,772,273
Increase (decrease) in net assets attributable to holders of redeemable units per class and series			
General Class		\$ 15,742,618	\$ 25,669,421
Institutional Class (CAD Hedged)		(178,415)	102,852
Total increase in net assets attributable to holders of redeemable units		\$ 15,564,203	\$ 25,772,273
Increase (decrease) in net assets attributable to holders of redeemable units per unit			
General Class		10.03	\$ 14.25
Institutional Class (CAD Hedged)		(31.89)	5.25

Formula Growth Fund

*Statements of changes in net assets attributable to holders of redeemable units
for the period ended December 31, 2025 and December 31, 2024*

In Canadian dollars

	2025	2024
Net assets attributable to holders of redeemable units at beginning of year	\$ 182,491,815	\$ 191,027,675
Increase in net assets attributable to holders of redeemable units	15,564,203	25,772,273
Redeemable unit transactions:		
Proceeds on issuance of redeemable units	816,825	766,677
Amounts paid on redemption of redeemable units	(15,579,914)	(35,074,810)
Net redeemable unit transactions	(14,763,089)	(34,308,133)
Increase (decrease) in net assets attributable to holders of redeemable units	801,114	(8,535,860)
Net assets attributable to holders of redeemable units at end of year	\$ 183,292,929	\$ 182,491,815
Redeemable units issued and outstanding:		
Balance, beginning of year	1,659,977	2,008,636
Sale of units	8,227	7,803
Redemption of units	(141,922)	(356,462)
Balance, end of year	1,526,282	1,659,977

Formula Growth Fund

*Statements of cash flows
for the years ended December 31, 2025 and December 31, 2024
In Canadian dollars*

	2025	2024
Cash flows from operating activities		
Increase in net assets attributable to holders of redeemable units	\$ 15,564,203	\$ 25,772,273
Adjustments for:		
Net realized gains on securities	(17,957,194)	(24,674,319)
Net realized (gains) losses on FX contracts and other derivatives	(20,775)	142,167
Net change in unrealized appreciation on securities	(243,855)	(3,580,422)
Net change in unrealized (appreciation) depreciation on FX contracts and other derivatives	(70,556)	109,713
Net foreign currency losses (gains)	142,864	(268,343)
Purchase of securities	(65,725,931)	(85,721,375)
Proceeds from sale of securities	100,393,127	123,178,770
Net realized losses (gains) on forward contracts and other derivatives settled	20,775	(142,167)
Decrease (increase) in dividends receivable	16,042	(10,949)
Decrease in receivable for securities sold	-	975,382
Decrease in management fees payable	(2,732)	(40,259)
Increase in other payables	5,971	34,380
Net cash provided by operating activities	\$ 32,121,939	\$ 35,774,851
Cash flows from financing activities		
Proceeds on issuance of redeemable units	\$ 816,825	\$ 766,677
Amounts paid on redemption of redeemable units	(15,579,914)	(35,074,810)
Net cash used in financing activities	\$ (14,763,089)	\$ (34,308,133)
Net increase in cash and cash equivalents	\$ 17,358,850	\$ 1,466,718
Cash and cash equivalents, beginning of year	4,076,389	2,341,328
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(142,864)	268,343
Cash and cash equivalents, end of year	\$ 21,292,375	\$ 4,076,389
Non-cash item		
Interest paid	\$ 367	\$ 3,317
Interest received	262,370	226,226
Dividends received, net of withholding taxes	726,210	738,197

Formula Growth Fund

Schedule of investments
As at December 31, 2025
In Canadian dollars

Number of shares/units	Security	Average cost	Fair value	% of net assets
INVESTMENTS LONG				
UNITED STATES EQUITIES				
8,663	AAR Corp	\$ 994,738	984,299	0.5 %
10,884	Adtalem Global Education Inc.	1,382,318	1,545,552	0.8 %
5,000	Airbnb Inc	855,560	931,311	0.5 %
107,989	Alignment Healthcare Inc.	2,368,633	2,927,031	1.6 %
1,666	Argan Inc	585,281	716,381	0.4 %
48,129	Arlo Technologies Inc	981,191	924,071	0.5 %
59,428	Asana Inc., Class A	1,126,497	1,118,174	0.6 %
80,000	AudioEye Inc.	1,426,013	1,096,822	0.6 %
30,624	Axos Financial Inc.	715,906	3,621,165	2.0 %
27,000	BILL Holdings Inc.	1,886,375	2,020,969	1.1 %
40,321	BrightSpring Health Services Inc	1,388,090	2,072,353	1.1 %
17,580	Build-A-Bear Workshop Inc.	707,876	1,478,249	0.8 %
4,000	Builders FirstSource Inc.	73,340	564,825	0.3 %
10,000	Calix Inc.	446,670	726,411	0.4 %
17,053	Casella Waste Systems Inc.	985,540	2,292,142	1.3 %
35,899	CECO Environmental Corp.	844,723	2,948,677	1.6 %
11,300	Cimpres NV	494,623	1,032,686	0.6 %
87,883	Clearwater Analytics Holdings Inc	2,433,992	2,909,128	1.6 %
128,605	Compass Inc	1,449,572	1,865,579	1.0 %
15,500	Copa Holdings SA, Class A	915,696	2,565,640	1.4 %
34,000	CoStar Group Inc.	554,323	3,137,526	1.7 %
190,000	CS Disco Inc.	1,256,252	2,023,467	1.1 %
15,900	Dolby Laboratories Inc., Class A	1,310,915	1,401,355	0.8 %
13,000	Euronet Worldwide Inc.	215,264	1,357,894	0.7 %
6,400	Fabrinet Co., Ltd.	351,516	3,998,888	2.2 %
3,810	First Solar Inc	1,311,030	1,365,931	0.8 %
10,000	FirstCash Inc.	148,073	2,187,331	1.2 %
5,502	GeneDx Holdings Corp	973,861	982,076	0.5 %
129,033	Genius Sports Ltd.	1,501,307	1,951,475	1.1 %
149,760	Grid Dynamics Holdings Inc	1,802,794	1,855,942	1.0 %
34,000	GXO Logistics Inc.	321,598	2,456,267	1.3 %
5,000	HCA Holdings Inc.	102,044	3,203,593	1.8 %
16,788	HealthEquity Inc.	2,110,256	2,110,681	1.2 %
51,912	Home BancShares Inc.	302,853	1,979,159	1.1 %
5,186	Insulet Corp.	779,252	2,023,012	1.1 %
59,899	James Hardie Industries PLC	1,543,061	1,705,762	0.9 %
7,000	JB Hunt Transport Services Inc.	172,474	1,866,986	1.0 %
11,745	Kirby Corp.	765,778	1,775,974	1.0 %
235,637	Latham Group Inc.	1,052,249	2,053,515	1.1 %
43,713	Laureate Education Inc	1,427,138	2,019,921	1.1 %
142,702	Liberty Global PLC, Class C	879,993	2,162,120	1.2 %
156,189	Lindblad Expeditions Holdings Inc.	1,660,003	3,090,982	1.7 %
42,300	LKQ Corp.	366,147	1,753,186	1.0 %
40,000	Mayville Engineering Co Inc	951,951	1,027,653	0.6 %
500	Meta Platforms Inc., Class A	19,663	452,954	0.3 %
32,000	Micron Technology Inc.	410,610	12,534,293	6.6 %
6,535	Natera Inc.	521,078	2,054,624	1.1 %
132,758	Orion Group Holdings Inc.	990,331	1,811,039	1.0 %
47,834	Owlet Inc	478,613	1,062,831	0.6 %
10,946	Palo Alto Networks Inc.	338,244	2,767,106	1.5 %

Formula Growth Fund

Schedule of investments (continued)

As at December 31, 2025

In Canadian dollars

Number of shares/units	Security	Average cost	Fair value	% of net assets
FOREIGN EQUITIES (CONTINUED)				
7,203	Parsons Corp	\$ 656,163	610,918	0.3 %
1,689	Penumbra Inc	734,382	720,684	0.4 %
127,345	Profound Medical Corp.	1,352,117	1,375,426	0.8 %
17,176	RadNet Inc.	755,134	1,681,887	0.9 %
250,000	Ranpak Holdings Corp	1,784,354	1,856,171	1.0 %
14,006	RB Global Inc.	1,849,728	1,977,350	1.1 %
23,000	Ringcentral Inc., Class A	606,641	911,603	0.5 %
45,000	RXO Inc.	649,110	780,621	0.4 %
28,846	RxSight Inc	481,591	412,510	0.2 %
62,387	Ryanair Holdings PLC	703,606	6,180,902	3.3 %
35,800	Sonic Automotive Inc., Class A	706,136	3,039,301	1.7 %
34,725	SS&C Technologies Inc.	272,244	4,166,139	2.2 %
100,000	Stratasys Ltd.	1,366,338	1,191,243	0.7 %
30,801	Tat Technologies Ltd.	1,100,255	1,887,836	1.0 %
39,050	Tetra Tech Inc.	448,384	1,797,483	1.0 %
67,985	TIC Solutions Inc	367,129	943,289	0.5 %
13,394	Tutor Perini Corp.	429,314	1,231,957	0.7 %
10,688	Twilio Inc., Class A	879,865	2,086,406	1.1 %
26,500	Uber Technologies Inc.	883,982	2,971,678	1.6 %
2,371	United Therapeutics Corp.	1,236,614	1,585,492	0.9 %
38,331	Unity Software Inc.	1,222,864	2,323,583	1.3 %
27,000	Veracyte Inc.	435,645	1,560,007	0.9 %
25,824	Vericep Corp.	1,366,185	1,276,225	0.7 %
30,743	VF Corp.	912,730	762,826	0.4 %
17,901	Victory Capital Holdings, Inc.	1,760,916	1,549,953	0.9 %
216,170	Vuzix Corp	700,296	1,121,419	0.6 %
8,200	WEX Inc.	1,045,820	1,676,573	0.9 %
23,000	XPO Inc.	302,660	4,290,026	2.3 %
Total United States Equities		\$ 71,691,508	156,484,516	85.3 %
CANADIAN EQUITIES				
21,159	Aritzia Inc.	\$ 1,168,069	2,483,009	1.4 %
11,000	Kinaxis Inc.	666,858	1,903,880	1.0 %
53,183	MDA Space Ltd.	728,908	1,416,795	0.8 %
Total Canadian Equities		\$ 2,563,835	5,803,684	3.2 %
TOTAL LONG EQUITIES		\$ 74,255,343	162,288,200	88.5 %
FOREIGN EXCHANGE FORWARD CONTRACTS			2,065	0.0 %
TOTAL INVESTMENTS LONG		\$ 74,255,343	162,290,265	88.5 %
FOREIGN EXCHANGE FORWARD CONTRACTS			(200)	0.0 %
TOTAL INVESTMENT PORTFOLIO		\$ 74,255,343	162,290,065	88.5 %
OTHER NET ASSETS			21,002,864	11.5 %
NET ASSETS			183,292,929	100.0 %

Formula Growth Fund

Notes to the financial statement
Year ended December 31, 2025 and December 31, 2024

1. The Fund

Formula Growth Fund (the "Fund") is a mutual fund founded in 1960, the units of which are traded in accordance with the terms of a syndicate agreement, as revised on March 5, 2015. The manager of the Fund is Formula Growth Limited (the "Manager"). The address of the Fund's principal office, as well as of the Manager, is Suite 2300, 1010 Sherbrooke Street West, Montreal, Québec H3A 2R7.

The Manager of the Fund was incorporated in 1962 and is subject to the provisions of the Canada Business Corporations Act, and is responsible for the day-to-day business of the Fund. The Fund is considered for income tax purposes to be a mutual fund trust. Accordingly, income taxes may be payable by the unitholders when taxable income is allocated to them.

The unit fair value is determined twice monthly, at mid-month and at month-end.

The Fund is available to two classes of units, the "General" Class and, at the Manager's discretion, the "Institutional" Class. The Institutional Class is hedged for fluctuations in the Canadian Dollar ("CAD")/United States Dollar ("USD") Exchange Rate and is available exclusively to Institutional or Accredited Investors.

2. Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

Basis of presentation

These financial statements have been prepared in compliance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB"). The Fund uses this basis of accounting as required by Canadian securities legislation and the Canadian Accounting Standards Board.

These financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities at fair value through profit or loss ("FVTPL") which are presented at fair value.

Approval of the financial statements

The financial statements were approved by the Manager and authorized for issue on March 2, 2026.

Functional currency and foreign currency translation

The measurement and functional currency of the Fund is the Canadian Dollar ("CAD") and the financial statements are presented in CAD. Security transactions and income and expenses in foreign currencies have been translated to CAD at the rate of exchange prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated into the functional currency using the rate of exchange prevailing at the statement of financial position date.

Foreign exchange gains and losses are presented in the statement of profit or loss and other comprehensive income within net foreign currency (losses) gains. Non-monetary assets and liabilities are translated into the functional currency at historical rates.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at FVTPL are presented in the statement of profit or loss and other comprehensive income within net changes in unrealized appreciation (depreciation) on securities and FX contracts and other derivatives.

Financial assets and financial liabilities at FVTPL

Classification

The Fund applies IFRS 9 Financial Instruments which requires financial assets to be carried at amortized cost or fair value, with changes in fair value recognized in fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI") based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Assessment and decision on the business model approach used is an accounting judgement.

The Fund's financial assets and financial liabilities continue to be classified at FVTPL under IFRS 9. The Manager evaluates the information about these financial assets and liabilities on a fair value basis together with other related financial information.

Recognition, derecognition and measurement

Financial assets and financial liabilities at FVTPL are initially recognized on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

Financial assets and financial liabilities at FVTPL are initially recognized at fair value, with transaction costs recognized in the statement of profit or loss and other comprehensive income. Financial assets or financial liabilities not at FVTPL are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Financial assets are derecognized when the rights to receive cash flows from the securities have expired or the Fund has transferred substantially all risks and rewards of ownership.

2. Summary of material accounting policies (continued)

Subsequent to initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value. Net changes in unrealized gains and losses arising from changes in the fair value of the financial assets or financial liabilities at FVTPL category are presented in the statement of profit or loss and other comprehensive income within net change in unrealized appreciation on securities in the year in which they arise.

Dividend income from financial assets at FVTPL is recognized in the statement of profit or loss and other comprehensive income within dividends gross of withholding taxes, when the Fund's right to receive payments is established on the ex-dividend date. Amounts not yet received are included in the statement of financial position in dividends receivable. Interest on debt securities at FVTPL, if any, is recognized in the statement of profit or loss and other comprehensive income within interest income for distribution purposes.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs. Refer to note 6 for further information about the Fund's fair value measurement.

Loans and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method, less impairment.

The fair value used for financial reporting is consistent with the fair value used for unitholder and related transactions.

Impairment of financial assets

IFRS 9 includes the expected credit loss ("ECL") model for impairment of financial assets measured at amortized cost and debt instruments measured at fair value through other comprehensive income.

Cost of securities

The cost of securities represents the amount paid for each security and is determined on an average cost basis excluding commissions and other transaction costs.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Fund currently has a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Payable for securities purchased/receivable for securities sold

Amounts receivable for securities sold and amounts payable for securities purchased that have been contracted are recorded on the statement of financial position at the amount to be received or delivered.

Redeemable units and net assets attributable to holders of redeemable units

The Fund issues redeemable units, which are redeemable at the holder's option. For each Fund unit sold, the Fund receives an amount equal to the net asset value per unit at the date of sale, which amount is included in net assets attributable to holders of redeemable units. For each unit redeemed, net assets attributable to holders of redeemable units is reduced by the net asset value of the unit at the date of redemption. The redeemable units are measured at the current value of the Fund's net assets and are considered a residual amount of the net assets attributable to holders of redeemable units.

The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units by the weighted average number of units outstanding during the year for each class/series respectively. Refer to note 7 for further detail.

Redeemable units are measured at the present value of the redemption amount and are considered a residual.

2. Summary of material accounting policies (continued)

Recognition of expenses

In accordance with the terms of the syndicate agreement, the administration expenses will be capped at 15 basis points annually based on the annual average net assets of the Fund. All other normal expenses of the Fund, including but not limited to, telephone, stationery, travel and salaries, shall be borne by the Manager. All expenses are recognized on the statement of profit or loss and other comprehensive income on an accrual basis.

Commissions and other portfolio transaction costs

Commissions and other portfolio transaction costs are costs incurred to acquire financial assets or liabilities at FVTPL. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognized in profit or loss as an expense. Refer to note 9 for further detail on soft dollar commissions.

Taxation and distributions

The Fund qualifies as a mutual fund trust under the provisions of the *Income Tax Act* (Canada) (the "Tax Act") and, accordingly, would not be subject to tax on its net taxable income for the year which ends on December 31, including net realized capital gains, which is paid or payable to its unitholders as the end of the tax year. However, such part of the Fund's net income and net realized capital gains that is not so paid or payable, is subject to income tax. Income tax on net realized capital gains not paid or payable is recoverable by virtue of refunding provisions contained in tax legislation, as redemptions.

The Fund intends to distribute sufficient net income and 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, after taking into account any loss carry forwards and capital gains refunds. All distributions will be made on a pro rata basis within each series to each registered unitholder determined as of the close of business on the date of the distribution.

The Fund is subject to withholding taxes on foreign dividend income. The Fund treats withholding tax as a charge against income for tax purposes.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and investments in money market instruments that mature within three months of being purchased.

New Accounting Policies Applied to Financial Statements beginning on or after January 1, 2025

The Effects of Changes in Foreign Exchange Rates:

On August 15, 2023, the IASB published an amendment to IAS 21 *The Effects of Changes in Foreign Exchange Rates*. The amendment *Lack of Exchangeability* specifies when a currency is exchangeable and when it is not, how to determine the exchange rate when a currency is not exchangeable, and the additional information required to be disclosed when a currency is not exchangeable. The provisions of this amendment apply on a modified retrospective basis.

Impact: No impact on the Fund's financial statements.

Future Changes in Accounting Policies

Presentation and Disclosure in Financial Statements:

In April 2024, the IASB issued the new standard IFRS Accounting Standards 18 - *Presentation and Disclosure in Financial Statements* that will replace IAS 1 - *Presentation of Financial Statements*. The new standard introduces newly defined subtotals on the income statement, requirements for aggregation and disaggregation of information, and disclosure of Management Performance Measures ("MPMs") in the financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Fund is assessing the impacts to the financial statements.

Classification and Measurement of Financial Instruments:

In May 2024, the IASB issued amendments to IFRS Accounting Standards 9 - *Financial Instruments* and IFRS Accounting Standards 7 - *Financial Instruments: Disclosures*. The amendments relate to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with Environmental, Social, and Governance ("ESG")-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income ("FVOCI") and added disclosure requirements for financial instruments with contingent features. The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Fund is assessing the impacts to the financial statements.

3. Critical accounting estimates and judgments

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 these financial statements. Actual results may differ from these estimates.

Functional currency

The Manager considers the CAD the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The Canadian dollar is the currency in which the Fund measures its performance and reports its results, as well as the currency in which it receives subscriptions from its investors. This determination also considers the competitive environment in which the Fund is compared to other Canadian investment products.

Fair value of derivative financial instruments

The Fund may, from time to time, hold financial instruments that are not quoted in active markets, such as over-the-counter derivatives. Fair values of such instruments are determined by using valuation techniques. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Manager.

Fair value of securities not quoted in an active market

The fair value of such securities not quoted in an active market may be determined by the Fund using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. The Fund would exercise judgment and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to note 6 for further information about the fair value measurement of the Fund's financial instruments.

4. Financial assets and liabilities at FVTPL

The Fund's classification of financial assets and liabilities at FVTPL is described in note 2. The following table presents the net gains (losses) on financial assets and liabilities at FVTPL for the years ended December 31, 2025 and 2024:

2025	Derivatives	Securities
	\$	\$
Financial assets at FVTPL		
Net realized gains (losses)	(8,385)	17,957,194
Net change in unrealized gains	7,559	243,855
	(826)	18,201,049
Financial liabilities at FVTPL		
Net realized gains	29,160	-
Net change in unrealized gains	62,997	-
	92,157	-
Net Assets at FVTPL		
Net realized gains	20,775	17,957,194
Net change in unrealized gains	70,556	243,855
Total	91,331	18,201,049

2024	Derivatives	Securities
	\$	\$
Financial assets at FVTPL		
Net realized gains	60,622	24,653,976
Net change in unrealized gains	795,105	3,580,422
	855,727	28,234,398
Financial liabilities at FVTPL		
Net realized gains (losses)	(202,789)	20,343
Net change in unrealized losses	(904,818)	-
	(1,107,607)	20,343
Net Assets at FVTPL		
Net realized gains (losses)	(142,167)	24,674,319
Net change in unrealized gains (losses)	(109,713)	3,580,422
Total	(251,880)	28,254,741

5. Derivative financial instruments

The Fund holds the following derivative instruments:

Foreign exchange forward contracts

The Fund can also enter into foreign exchange forward contracts. The gains or losses on these foreign exchange forward contracts are reported on the statement of profit or loss and comprehensive income under "Net realized gains (losses) on FX contracts and other derivatives". The foreign exchange forward contracts' fair value corresponds to the (losses) gains that would be realized if they were liquidated at the valuation date. Realized and unrealized foreign exchange gains and losses are presented in "Net realized gains (losses) on FX contracts and other derivatives" and "Net change in unrealized appreciation (depreciation) on FX contracts and other derivatives" in the statement of profit or loss and comprehensive income.

Formula Growth Fund

Notes to the financial statement
Year ended December 31, 2025 and December 31, 2024

5. Derivative financial instruments (continued)

As at December 31, 2025 and 2024, the Fund's holdings in outstanding foreign exchange forward contracts were as follows:

December 31, 2025					
Settlement date	Currency to be delivered		Currency to be received		Fair value in financial assets
	\$		\$		\$
January 2, 2026 (1)	87,405	USD	122,000	CAD	2,045 CAD
January 2, 2026 (2)	122,000	CAD	88,910	USD	20 CAD
					2,065 CAD

December 31, 2024					
Settlement date	Currency to be delivered		Currency to be received		Fair value in financial liabilities
	\$		\$		\$
January 2, 2026 (3)	728,778	USD	1,000,000	CAD	(175) CAD
February 2, 2026 (4)	91,162	USD	124,910	CAD	(26) CAD
					(200) CAD

(1) Forward rate = 1.3958 Spot rate = 1.3724
(2) Forward rate = 0.7288 Spot rate = 0.7286
(3) Forward rate = 1.3722 Spot rate = 1.3724
(4) Forward rate = 1.3702 Spot rate = 1.3705

December 31, 2024					
Settlement date	Currency to be delivered		Currency to be received		Fair value in financial assets
	\$		\$		\$
February 3, 2025 (2)	1,501,672	USD	2,158,000	CAD	500 CAD
					500 CAD

December 31, 2024					
Settlement date	Currency to be delivered		Currency to be received		Fair value in financial liabilities
	\$		\$		\$
January 2, 2025 (1)	1,671,712	USD	2,336,000	CAD	(68,574) CAD
January 2, 2025 (3)	2,336,000	CAD	1,623,598	USD	(617) CAD
					(69,191) CAD

The Fund's Institutional Class may enter into a USD foreign exchange forward contract to hedge against United States Dollar exposure. The foreign exchange gain or loss on CAD hedging will be fully chargeable to the "Institutional" Class. The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognized on the statement of financial position, but they do not necessarily indicate the amount of future cash flows involved or the current fair value of the instruments and do not therefore indicate the Fund's maximum exposure to credit or market price risks. The derivative instruments become favourable (asset) or unfavourable (liabilities) as a result of fluctuations in market prices or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

6. Financial risk management

Financial risk factors

The Fund's investment activities expose it to a variety of financial risks: credit risk, concentration risk, liquidity risk, and market risk (including price risk, foreign exchange risk, interest rate risk).

The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that reduces the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Fund to transfer securities might be temporarily impaired.

The Fund aims to maximize returns over the long-term through investments in listed and publicly traded stocks.

The Manager uses a disciplined and fundamental approach in its investment selection, which consists of an intensive and ongoing research process of investment opportunities across a broad range of investment vehicles in various industries and geographic regions. The Manager purchases and holds securities for the Fund for the medium to long term.

The Manager also determines the timing to rotate the Fund's portfolio into various stocks within the different segments to enhance the Fund's portfolio performance and/or limit risk.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

(i) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The carrying amount of the Fund's assets represents the maximum credit risk exposure.

As at December 31, 2025 and 2024, the Fund had no significant investments in debt instruments and related derivatives. However, the Fund is exposed to counterparty credit risk on forward contracts. The maximum credit risk exposure is the positive value (profit) of all contracts. The Fund manages this risk by dealing with approved brokers and a chartered bank. The Fund used Royal bank of Canada as counterparty during the year which has a credit rating of AA- (2024 – AA-).

All transactions executed by the Fund in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is

6. Financial risk management (continued)

made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

(ii) Concentration risk

The following table is a summary of the Fund's concentration risk of its equity investments by industry sector:

Industry Sector	December 31, 2025	December 31, 2024
INVESTMENTS LONG		
Communications	3.6 %	6.1 %
Consumer Discretionary	10.3 %	17.4 %
Consumer Staples	- %	0.6 %
Energy	0.8 %	0.0 %
Financials	5.6 %	8.2 %
Health Care	12.1 %	16.3 %
Industrials	22.9 %	24.7 %
Materials	1.9 %	- %
Real Estate	2.7 %	1.9 %
Technology	28.7 %	22.8 %
TOTAL INVESTMENTS LONG	88.5 %	98.0 %
FOREIGN EXCHANGE FORWARD CONTRACTS		
Foreign Exchange Forward Contracts	0.0 %	0.0 %
	0.0 %	0.0 %
OTHER NET ASSETS	11.5 %	2.1 %
	100.0 %	100.0 %

As at December 31, 2025, the Fund does not hold any individual investment position greater than 6.74% (2024 – 3.10%) of the total assets attributable to the holders of redeemable units.

As summarized in the schedule of investment portfolio and by the above table, the Fund has a diversified investment portfolio and invests in accordance with its investment objectives. As a result, the Fund is not subject to significant concentration risk.

(iii) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

The Fund could be exposed to semi-monthly cash redemptions of redeemable units. The Fund manages its liquidity risk by primarily investing in marketable securities and other financial instruments which are traded in active markets and can be readily disposed of under normal market conditions. In addition, the Fund generally retains sufficient cash and cash equivalent positions to maintain liquidity.

It is the Fund's policy that the Manager monitors the Fund's liquidity position on a daily basis. The Fund's liabilities are generally expected to be due and paid within 90 days, with the exception of net assets

attributable to holders of redeemable units. Redeemable units are redeemable on demand at the holder's option, however does not represent significant liquidity risk as holders of these instruments typically retain them for the medium to long term. As such, the Fund is not exposed to significant liquidity risk.

(iv) Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and market prices. The following include sensitivity analyses that show how the net assets attributable to holders of redeemable units would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

a) Price risk

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 (other than those arising from interest rate risk or currency risk). The Fund is primarily exposed to price risk through its investments in equity securities.

All investments represent a risk of loss of capital. The Manager aims to moderate this risk through careful selection and diversification of securities and other financial instruments in accordance with the Fund's investment objectives and strategy. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Fund's overall market positions are monitored on a regular basis by the Manager.

As of December 31, 2025 and 2024, had the prices of securities held in the portfolio increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$16,228,820 (2024 - \$17,875,435), which represents approximately 8.9% of total net assets (2024 – 9.8%).

The Fund is also exposed to price risk through the concentration of its investment portfolio, and manages this risk through daily monitoring of the portfolio.

b) Foreign exchange risk

The Fund holds monetary assets denominated or traded in currencies other than the CAD, the Fund's functional currency. Foreign currency risk arises as the value of future transactions, assets and liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

6. Financial risk management (continued)

The table below summarizes the foreign currencies to which the Fund had significant exposure at December 31, 2025 and 2024 in CAD terms. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if CAD had strengthened or weakened by 5% in relation to the listed currencies, with all other variables held constant.

December 31, 2025		
United States dollar	Exposure	Impact on net assets attributable to holders of redeemable units of a 5% change
	\$	\$
Cash and other receivables	21,154,368	1,057,718
Securities at FVTPL	156,484,516	7,824,226
Foreign currency forward contracts	(1,124,910)	(56,246)
Total	176,513,974	8,825,698
% of net assets attributable to holders of redeemable units	96.3 %	4.8 %

December 31, 2024		
United States dollar	Exposure	Impact on net assets attributable to holders of redeemable units of a 5% change
	\$	\$
Cash and other receivables	2,814,031	140,702
Securities at FVTPL	171,772,053	8,588,603
Other derivatives	-	-
Foreign currency forward contracts	(2,158,000)	(107,900)
% of net assets attributable to	94.5 %	4.7 %

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates.

The majority of the Fund's securities are non-interest bearing and, as such, are not subject to a significant amount of risk arising from fluctuations in interest rates.

Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units. The units are entitled to distributions, if any, and to payment of a proportionate share based on the Fund's NAV per unit upon redemption. The relevant movements are shown on the statement of changes in net assets attributable to holders of redeemable units. The Fund does not have any externally imposed regulatory capital requirements.

Fair value measurement

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If a significant movement in fair value occurs subsequent to the close of trading up to midnight on the reporting date, valuation techniques will be applied to determine the fair value.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used for non-standardized financial instruments such as options and warrants, include the use of comparable recent arm's length transactions, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Fund has categorized its securities 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 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. All securities other than ones described as Level 2 are classified as Level 1;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

If an asset or liability classified as Level 1 subsequently ceases to be actively traded, it is transferred into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is reclassified to Level 3. All transfers are recorded at fair value at the beginning of the year of the transfer.

Formula Growth Fund

Notes to the financial statement
Year ended December 31, 2025 and December 31, 2024

6. Financial risk management (continued)

The following table analyses within the fair value hierarchy the Fund's assets and liabilities measured at fair value as at the reporting dates:

December 31, 2025				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<i>Financial assets designated at FVTPL:</i>				
Securities	162,288,200	-	-	162,288,200
Foreign exchange forward contracts	-	2,065	-	2,065
	162,288,200	2,065	-	162,290,265
<i>Financial liabilities designated at FVTPL:</i>				
Foreign exchange forward contracts	-	(200)	-	(200)
	-	(200)	-	(200)
Total	162,288,200	1,865	-	162,290,065

December 31, 2024				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<i>Financial assets designated at FVTPL:</i>				
Securities	178,754,347	-	-	178,754,347
Foreign exchange forward contracts	-	500	-	500
	178,754,347	500	-	178,754,847
<i>Financial liabilities designated at FVTPL:</i>				
Foreign exchange forward contracts	-	(69,191)	-	(69,191)
	-	(69,191)	-	(69,191)
Total	178,754,347	(68,691)	-	178,685,656

There were no transfers between Levels 1, 2, and 3 in the year presented.

7. Net assets attributable to redeemable units

The Fund is authorized to issue an unlimited number of units. All units are fully paid and non-assessable when issued. There are no pre-emptive rights attached to the units. Fractional units carry the same rights and are subject to the same conditions as whole units (other than with respect to voting rights) in the proportion which they bear to a whole unit.

With proper notice, subscriptions are accepted on a semi-monthly basis, subject to applicable law and the Manager's discretion to refuse a subscription in whole or in part. If a fully completed subscription agreement and subscription proceeds in cleared funds are delivered by the 15th day or last business day of a month (a "Valuation Date"), and such subscription is accepted, the units subscribed for will be issued on the first business day following the Valuation Date.

Units may be redeemed semi-monthly at the close of the 15th and on the last business day of each month (a "Redemption Date"), except in extraordinary circumstances where the Manager reserves the right to limit redemptions. A request must be received by the Manager at least 10 business days prior to the Redemption Date on which the unitholder wishes to redeem the units. Redemption requests received after

that time will be processed as of the next Redemption Date. Units will be redeemed at the class NAV per unit calculated at the applicable Redemption Date. The redemption proceeds will typically be paid to the unitholder on or before the third business day following the Redemption Date.

As per the syndicate agreement, the Institutional Class of units may enter into a USD foreign exchange forward contract to hedge against USD exposure. The Institutional Class is available exclusively to Institutional or Accredited Investors.

8. Related party transactions

Management fees

As consideration for the services provided by the Manager, the Fund pays the Manager a management fee, twice a month in arrears, calculated as:

- 1/24 of 1.5% of the aggregate of the net asset value of the units

For the year ended December 31, 2025, management fees of \$2,598,776 (2024 - \$2,768,881) were incurred and charged. As at December 31, 2025, the management fees payable was \$230,599 (2024 - \$233,331).

9. Soft dollar commissions

In allocating brokerage commission, payment may be allocated by the Manager of the Fund to broker dealers to furnish research, statistical and other services to the Manager through soft dollar arrangements (the amount ascertained to have been paid for goods and services other than order execution). The total brokerage commission paid to dealers in connection with investment portfolio transactions and amounts of soft dollar commission for the year ended December 31, 2025 is \$22,882 (2024 - \$28,409).