

Financial Statements of

**RAELIPSKIE PARTNERS  
FOREIGN EQUITY FUND**

And Independent Auditor's Report thereon

Year ended December 31, 2025



## Independent auditor's report

To the Unitholders and Trustee of RaeLipskie Partners Foreign Equity Fund (the Fund)

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### Our opinion

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

### What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at December 31, 2025;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to holders of redeemable units for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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### 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 report.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

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

### **Independence**

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

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### **Other matter**

The financial statements of the Fund for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on March 31, 2025.

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### **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 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.

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

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## **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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

March 31, 2026

# RAELIPSKIE PARTNERS FOREIGN EQUITY FUND

## Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,377,079	\$ 4,421,354
Financial assets at fair value through profit or loss (note 6)	122,463,443	101,062,669
Interest and dividends receivable	42,493	68,231
	<u>123,883,015</u>	<u>105,552,254</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	393,055	265,415
Distributions payable	331,958	—
	<u>725,013</u>	<u>265,415</u>
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 123,158,002</b>	<b>\$ 105,286,839</b>
<b>Number of redeemable units outstanding (note 5)</b>	<b>5,787,799</b>	<b>5,485,430</b>
<b>Net assets attributable to holders of redeemable units, per unit</b>	<b>\$ 21.28</b>	<b>\$ 19.19</b>

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

Approved on behalf of the Fund:

  
Trustee  
Rae & Lipskie Investment Counsel Inc.

# RAELIPSKIE PARTNERS FOREIGN EQUITY FUND

## Statement of Comprehensive Income

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
<b>Income</b>		
Dividends	\$ 2,025,724	\$ 1,545,977
Interest income for distribution purposes	52,959	30,307
Net realized gain on sale of investments	4,691,800	5,266,787
Net change in unrealized appreciation in value of investments	9,628,590	12,490,228
	<u>16,399,073</u>	<u>19,333,299</u>
<b>Expenses</b>		
Withholding tax	483,087	222,708
Operating costs	261,500	246,194
Custodian fees	1,433	–
Commissions and other portfolio transaction costs	1,351	1,656
	<u>747,371</u>	<u>470,558</u>
<b>Net increase in net assets attributable to holders of redeemable units</b>	<u>\$ 15,651,702</u>	<u>\$ 18,862,741</u>
<b>Net increase in net assets attributable to holders of redeemable units, per unit (note 8)</b>	\$ 2.78	\$ 3.74

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

# RAELIPSKIE PARTNERS FOREIGN EQUITY FUND

## Statement of Changes in Net Assets Attributable to Holders of Redeemable Units Year ended December 31, 2025, with comparative information for 2024

	Net assets attributable to holders of redeemable units, beginning of year	Proceeds from redeemable units issued	Redemption of redeemable units	Net increase in net assets from operations attributable to holders of redeemable units	Distributions to holders of redeemable units*	Reinvestment of distributions to holders of redeemable units	Net assets attributable to holders of redeemable units, end of year
<b>2025</b>	\$ 105,286,839	\$ 10,278,257	\$ (7,638,251)	\$ 15,651,702	\$ (3,858,546)	\$ 3,438,001	\$ 123,158,002

\*Distributions from net investment income are \$1,564,902 and capital gains are \$2,293,644.

	Net assets attributable to holders of redeemable units, beginning of year	Proceeds from redeemable units issued	Redemption of redeemable units	Net increase in net assets from operations attributable to holders of redeemable units	Distributions to holders of redeemable units**	Reinvestment of distributions to holders of redeemable units	Net assets attributable to holders of redeemable units, end of year
<b>2024</b>	\$ 79,654,433	\$ 17,714,544	\$ (10,941,099)	\$ 18,862,741	\$ (3,179,048)	\$ 3,175,268	\$ 105,286,839

\*\*Distributions from net investment income are \$1,111,642 and capital gains are \$2,067,406.

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

# RAELIPSKIE PARTNERS FOREIGN EQUITY FUND

## Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
<b>Cash provided by (used in):</b>		
<b>Operating Activities</b>		
Net increase in net assets attributable to holders of redeemable units	\$ 15,651,702	\$ 18,862,741
Adjustments for non-cash items		
Net realized gain on sale of investments	(4,691,800)	(5,266,787)
Net change in unrealized appreciation in value of investments	(9,628,590)	(12,490,228)
Change in non-cash balances		
Decrease (increase) in interest and dividends receivable	25,738	(53,083)
Increase in accounts payable and accrued liabilities	127,640	83,911
Proceeds from sale of investments	19,899,515	22,824,777
Purchase of investments	<u>(26,979,899)</u>	<u>(28,319,819)</u>
Cash used in operating activities	<u>(5,595,694)</u>	<u>(4,358,488)</u>
<b>Financing Activities</b>		
Proceeds from issuances of redeemable units	10,278,257	17,714,544
Amount paid on redemption of redeemable units	(7,638,251)	(10,941,099)
Distributions to holders of redeemable units, net of reinvestments	<u>(88,587)</u>	<u>(3,780)</u>
Cash provided by financing activities	<u>2,551,419</u>	<u>6,769,665</u>
(Decrease) increase in cash and cash equivalents during the year	(3,044,275)	2,411,177
Cash and cash equivalents, beginning of year	<u>4,421,354</u>	<u>2,010,177</u>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 1,377,079</u></b>	<b><u>\$ 4,421,354</u></b>
<b>Supplemental information*</b>		
Interest paid	\$ 870	\$ 1,121
Interest received	52,041	37,114
Dividends received, net of withholding taxes	1,569,292	1,263,379

\*Included as a part of cash flows from operating activities

# RAELIPSKIE PARTNERS FOREIGN EQUITY FUND

## Schedule of Investment Portfolio

As at December 31, 2025

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
<b>Canadian equity</b>				
56,690	iShares Core S&P 500 Index ETF (CAD- Hedged)	\$ 2,174,166	\$ 3,946,191	3.20
<b>U.S. equities</b>				
2,080	AbbVie Inc.	432,791	652,223	0.53
17,900	AIA Group Ltd.	782,693	1,007,905	0.82
9,500	Air Liquide SA	530,284	489,682	0.40
14,300	Airbus SE	507,985	1,136,657	0.92
19,655	Allianz SE	618,939	1,240,783	1.01
4,400	Alphabet Inc.	583,124	1,890,000	1.53
4,025	Amazon.com Inc.	644,111	1,274,982	1.04
6,980	Apple Inc.	1,505,018	2,604,148	2.11
1,020	ASML Holding NV	983,755	1,497,587	1.22
6,965	AstraZeneca PLC	716,176	878,705	0.71
84,000	Banco Santander SA	818,329	1,352,204	1.10
9,470	Bank of America Corp.	416,914	714,788	0.58
1,510	Berkshire Hathaway Inc.	524,828	1,041,616	0.85
8,050	BHP Group Ltd.	584,880	666,933	0.54
9,470	BP PLC	355,153	451,356	0.37
3,250	Broadcom Inc.	233,344	1,543,654	1.25
1,125	Caterpillar Inc.	496,051	884,450	0.72
11,000	Cisco Systems Inc.	1,082,316	1,162,833	0.94
6,865	Commonwealth Bank of Australia	530,830	1,003,450	0.81
990	Eli Lilly & Co.	823,978	1,460,089	1.19
49,305	Enel SpA	495,039	702,349	0.57
6,980	Exxon Mobil Corp.	807,927	1,152,737	0.94
1,850	General Electric Co.	405,429	782,041	0.63
24,000	Hitachi Ltd.	558,428	1,027,616	0.83
15,455	HSBC Holdings PLC	671,123	1,668,565	1.35
12,800	Invesco QQQ Trust Series 1	4,435,722	10,791,019	8.76
42,501	Invesco S&P 500 Equal Weight ETF	9,579,619	11,172,976	9.07
70,500	iShares MSCI Emerging Markets ex China ETF	5,239,240	7,031,839	5.71
13,085	iShares Russell 2000 ETF	2,900,589	4,420,344	3.59
2,465	Johnson & Johnson	478,507	700,079	0.57
3,385	JPMorgan Chase & Co.	515,425	1,496,842	1.22
1,180	Linde PLC	611,464	690,484	0.56
4,210	L'Oreal SA	430,168	494,851	0.40
2,770	LVMH Moet Hennessy Louis Vuitton SA	427,485	573,291	0.47
1,410	McDonald's Corp.	456,162	591,398	0.48
1,015	Meta Platforms Inc.	369,611	919,463	0.75
3,565	Microsoft Corp.	1,466,021	2,366,076	1.92
27,000	Mitsubishi UFJ Financial Group Inc.	567,108	587,668	0.48
13,180	Mitsui Fudosan Co., Ltd.	403,402	615,701	0.50
5,635	Nestle SA	750,028	763,885	0.62
5,150	Netflix Inc.	465,761	662,658	0.54
8,655	NextEra Energy Inc.	714,916	953,541	0.77
28,375	Nintendo Co., Ltd.	406,654	656,536	0.53
6,300	Novartis AG	730,539	1,191,997	0.97

# RAELIPSKIE PARTNERS FOREIGN EQUITY FUND

## Schedule of Investment Portfolio (continued)

As at December 31, 2025

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
<b>U.S. equities (continued)</b>				
7,100	Novo Nordisk A/S	\$ 504,655	\$ 495,759	0.40
10,200	NVIDIA Corp.	799,025	2,610,621	2.12
2,800	Oracle Corp.	1,074,463	748,957	0.61
2,845	PepsiCo Inc.	526,373	560,350	0.45
3,100	Prologis Inc.	518,612	543,102	0.44
4,330	Rio Tinto PLC	380,808	475,560	0.39
14,200	Roche Holding AG	660,281	1,004,964	0.82
2,500	Salesforce Inc.	771,734	908,873	0.74
1,470	SAP SE	244,585	490,036	0.40
12,665	Schneider Electric SE	434,415	954,806	0.78
5,165	Shell PLC	363,099	520,840	0.42
8,205	Siemens AG	935,540	1,575,855	1.28
26,725	Sony Group Corp.	585,354	938,907	0.76
35,000	SPDR Portfolio S&P 600 Small Cap ETF	2,270,368	2,250,791	1.83
670	Spotify Technology SA	541,238	533,948	0.43
1,290	Tesla Inc.	426,808	796,153	0.65
1,085	The Home Depot Inc.	405,853	512,365	0.42
2,598	The Procter & Gamble Co.	477,052	510,953	0.41
4,000	Tokyo Electron Ltd.	543,486	609,872	0.50
3,880	Toyota Motor Corp.	785,705	1,139,809	0.93
5,000	Uber Technologies Inc.	556,847	560,674	0.46
8,266	Unilever PLC	738,571	741,887	0.60
1,930	Union Pacific Corp.	525,144	612,682	0.50
1,205	UnitedHealth Group Inc.	547,265	545,897	0.44
89,300	Vanguard FTSE Emerging Markets ETF	5,045,593	6,588,334	5.35
18,750	Vanguard Health Care ETF	6,952,815	7,406,830	6.01
45,480	Vanguard S&P Mid-Cap 400 ETF	4,643,072	6,977,939	5.67
2,630	Visa Inc.	886,973	1,265,811	1.03
4,360	Walmart Inc.	219,398	666,676	0.54
		80,422,998	118,517,252	96.25
	<b>Total investments owned</b>	82,597,164	122,463,443	99.45
	Commissions and other portfolio transaction costs	(2,493)	-	-
	<b>Net investments owned</b>	<b>\$ 82,594,671</b>	122,463,443	99.45
	<b>Other assets, net</b>		694,559	0.55
	<b>Net Assets Attributable to Holders of Redeemable Units</b>		<b>\$ 123,158,002</b>	<b>100.00</b>

# RAELIPSKIE PARTNERS FOREIGN EQUITY FUND

Notes to Financial Statements

Year ended December 31, 2025

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## 1. Establishment of the investment trusts and nature of operations:

RaeLipskie Partners Foreign Equity Fund (the "Fund") is an investment trust which was created under the laws of the Province of Ontario pursuant to a Master Declaration of Trust dated April 15, 2011 (the "Master Declaration of Trust") and a fund declaration dated January 1, 2017 (the "Fund Declaration"). The Master Declaration of Trust and the Fund Declaration collectively are referred to as the "Trust Declaration" of the Fund. The Fund commenced active operations on January 7, 2017.

Rae & Lipskie Investment Counsel Inc. (the "Trustee" or "Manager" or "RaeLipskie") is the trustee, manager, investment manager and principal distributor of the Fund. As Trustee, RaeLipskie is responsible for the day-to-day administrative activities of the Fund. As Manager, RaeLipskie is responsible for formulating the investment strategies of the Fund and managing the Fund's investment portfolio.

Guardian Capital Group Limited ("Guardian") holds a majority interest in RaeLipskie.

Guardian announced on March 23, 2026, the completion of the previously announced acquisition of Guardian by Desjardins Global Asset Management Inc. ("Desjardins"), an affiliate of Desjardins Group (the "Transaction"). The Transaction was completed by way of a statutory plan of arrangement under the Business Corporations Act (Ontario), pursuant to which Desjardins purchased all of the issued and outstanding Common Shares and Class A Shares of Guardian. The completion of the Transaction resulted in an indirect change of control of the Manager.

The Manager does not anticipate that the Transaction will result in any material change to the business, operations, or affairs of the Fund, or to the management of the Fund. No immediate material changes to the Fund's investment objectives, strategies, fees, or to the Manager's role as investment fund manager are expected.

The investment objective of the Fund is to achieve long-term capital appreciation and dividend income by investing primarily in a diversified portfolio of foreign common stocks and foreign exchange-traded funds in the USA, international and emerging markets.

The custodian for the Fund is National Bank Independent Network (NBIN).

The Fund's registered office is located in 20 Erb Street West, Suite 201, Waterloo, Ontario N2L 1T2.

# RAELIPSKIE PARTNERS FOREIGN EQUITY FUND

Notes to Financial Statements (continued)

Year ended December 31, 2025

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## 2. Basis of presentation:

### (a) Statement of compliance:

These financial statements have been prepared in accordance with IFRS Accounting Standards.

The financial statements were authorized for issue by the Manager on March 31, 2026.

### (b) Basis of measurement:

The financial statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss ("FVTPL") which are presented at fair value. The methods used to measure fair values are described in note 3(a).

### (c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Fund's functional currency.

### (d) Use of estimates and judgments:

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in note 3(a), related to the determination of fair value of investments at FVTPL.

# RAELIPSKIE PARTNERS FOREIGN EQUITY FUND

Notes to Financial Statements (continued)

Year ended December 31, 2025

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## 2. Basis of presentation (continued):

### (e) Future accounting policy changes

Presentation and disclosure in financial statements (IFRS 18)

IFRS 18 will replace IAS 1 *Presentation and disclosure in financial statements* and applies for annual reporting periods beginning on or after January 1, 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of income (loss) and comprehensive income (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.
- 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 standard, particularly with respect to the structure of the Fund's statement of income (loss) and comprehensive income (loss), the statement of cash flows and the additional disclosures required for MPM. The Fund is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

The IASB has issued amendments to IFRS 9 and IFRS 7 in May 2024. These amendments relate to classification of financial assets and accounting for settlement by electronic payments in the context of the classification and measurement requirements in IFRS 9. The potential impact may include, but is not limited to, a change in timing of recognition and derecognition of financial instruments in certain situations in which settlement of a financial instruments with another takes more than a day. Similarly, a change may be required for entities that derecognize both trade payable and cash on the payment initiation date even if the creditor has not yet received the cash. However, an accounting policy choice is available for derecognizing certain financial liabilities that are settled using an electronic payment system subject to certain criteria being met.

The amendments will be effective from January 1, 2026. Management is currently assessing the impact of the new standard, but it is not expected to have a significant impact on the Fund's financial statements.

# RAELIPSKIE PARTNERS FOREIGN EQUITY FUND

Notes to Financial Statements (continued)

Year ended December 31, 2025

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### 3. Material accounting policy information:

The material accounting policy information used in the preparation of these financial statements are summarized below. The Fund has consistently applied the following accounting policies to all periods presented in these financial statements.

(a) Financial assets:

(i) Classification:

The fund classify financial assets in the following measurement categories: those to be measured subsequently at fair value through profit and loss (FVTPL) and those to be measured at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as FVTPL:

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

The Fund classified financial assets into the following categories:

- Financial assets held at FVTPL: investments at fair value;
- Financial assets at amortized cost: cash and cash equivalents and interest and dividends receivable.

(ii) Recognition and derecognition

Financial assets 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 are recognised on the date on which they are originated.

# RAELIPSKIE PARTNERS FOREIGN EQUITY FUND

Notes to Financial Statements (continued)

Year ended December 31, 2025

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### 3. Material accounting policy information (continued):

(iii) Measurement:

Financial assets at FVTPL are initially recognized at fair value, with transaction costs recognized in profit or loss. Financial assets not at FVTPL are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue.

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. When available, the Fund measure the fair value of an instrument using the quoted market price in an active market for the instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis. The Fund measures instruments quoted in an active market at the last traded market price where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Fund's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its net asset value (Trading NAV) for transactions with unitholders.

The Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount.

# RAELIPSKIE PARTNERS FOREIGN EQUITY FUND

Notes to Financial Statements (continued)

Year ended December 31, 2025

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### 3. Material accounting policy information (continued):

#### (b) Financial liabilities:

Financial liabilities are recognised on the date on which they are originated and are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue.

The Fund derecognizes financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or they expire.

Financial liabilities comprise distributions payable and accounts payable and accrued liabilities. Due to the short-term nature of payables, carrying value is considered to approximate fair value.

#### (c) Dividend income, interest income, and capital gains:

Dividend and interest income is recognized in the profit or loss on the date on which the right to receive payment is established. Interest income is accrued daily and dividend income is recognized on the ex-dividend date.

Distributions from income funds and limited partnerships are recognized on the ex-distribution date and is shown on the Statement of Comprehensive Income.

Realized gains or losses on sale of investments and unrealized appreciation/depreciation on investments are determined on an average cost basis.

#### (d) Foreign currency:

The functional and presentation currency of the Fund is the Canadian dollar. The fair value of foreign investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing at 4:00pm Eastern Standard Time (the "closing rate") on each valuation day. Purchases and sales of foreign securities denominated in foreign currencies and the related income are translated into Canadian dollars at rates of exchange prevailing on the respective dates of such transactions.

# RAELIPSKIE PARTNERS FOREIGN EQUITY FUND

Notes to Financial Statements (continued)

Year ended December 31, 2025

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### 3. Material accounting policy information (continued):

(e) Net assets attributable to holders of redeemable units per unit:

The net assets attributable to holders of redeemable units per unit is calculated by dividing the net assets attributable to holders of redeemable units of a particular class of redeemable units by the total number of redeemable units of that particular class outstanding at the end of the year.

(f) Net increase in net assets from operations attributable to holders of redeemable units per unit:

The net increase in net assets from operations attributable to holders of redeemable units per unit is based on the net increase in net assets to holders of redeemable units attributable to each class of redeemable units divided by the weighted average number of redeemable units outstanding of that class during the year. Refer to note 8 for the calculation.

(g) Income tax:

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

### 4. Related party transactions:

Management fees:

As compensation for its services as Manager of the Fund, the Manager shall be entitled to receive a management fee. This fee is agreed to by the Manager and the Fund's unitholder and are calculated and charged outside of the Fund.

Administrative fees:

The Fund is responsible for payment of all operating and administrative expenses of the Fund to a maximum of 25 bps of the NAV. As the Fund has more than one class, the unitholders of each class bear their pro rata share of those expenses which are common of all classes, as well as those expenses which are attributed solely to that class.

# RAELIPSKIE PARTNERS FOREIGN EQUITY FUND

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 5. Redeemable units of the Fund:

The Fund is authorized to issue an unlimited number of redeemable units, issuable in one or more classes, each of which represents an equal, undivided, beneficial interest in the net assets attributable to holders of redeemable units of the Fund. The units of the Fund have the following attributes:

- (i) each Unit is without nominal or par value and is issued as fully paid and non-assessable in accordance with the provisions hereof;
- (ii) each whole Unit entitles the holder thereof to one vote at all meetings of holders of redeemable units of the Fund;
- (iii) each Unit represents an undivided beneficial interest in the net assets of the Fund;
- (iv) each Unit entitles the holder thereof to participate equally, in accordance with the provisions hereof, in the crediting of cumulative net income and cumulative net capital gains and, on liquidation, to participate equally in the net assets of the Fund remaining after satisfaction of outstanding liabilities and;
- (v) each redeemable Unit of a class may be re-designated by the Manager.

A unitholder of the Fund may redeem all or a portion of their redeemable units of the Fund on the last business day of each week on which the Toronto Stock Exchange is open for business or such other business day as RaeLipskie may determine (each a "Valuation Date") upon providing a written request to RaeLipskie prior to 12:00pm on that Valuation Date. The redemption proceeds will equal the net asset value per unit of the Fund on that Valuation Date.

The unit transactions for the Fund were as follows:

	Redeemable units, beginning of year	Redeemable units issued	Redeemable units redeemed	Reinvestment of units	Redeemable units, end of year
2025	5,485,430	514,684	(375,566)	163,251	5,787,799
2024	4,964,215	964,415	(608,630)	165,430	5,485,430

# RAELIPSKIE PARTNERS FOREIGN EQUITY FUND

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 6. Determination of fair values and fair value hierarchy:

The Fund measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1 – inputs that are quoted market prices (unadjusted) in active markets for identical instruments;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable either directly (as prices) or indirectly (derived from prices); and,
- Level 3 – inputs that are unobservable.

The table below sets out fair value measurements using the fair value hierarchy:

<b>2025</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Equity investments	\$ 122,463,443	\$ –	\$ –	\$ 122,463,443
	\$ 122,463,443	\$ –	\$ –	\$ 122,463,443

<b>2024</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Equity investments	\$ 101,062,669	\$ –	\$ –	\$ 101,062,669
	\$ 101,062,669	\$ –	\$ –	\$ 101,062,669

During the years ended December 31, 2025 and 2024, there were no change in levels of securities.

## 7. Financial instruments and associated risks:

In the normal course of business, the Fund is exposed to a variety of financial risks, including liquidity risk and market risk (currency risk and other price risk). The Fund is not exposed to significant credit risk or interest rate risk. The value of the Fund investments can fluctuate on a daily basis as a result of changes in economic conditions and market or company news related to specific securities within the Fund.

### (a) Risk management:

Material market disruptions, such as those caused by war, natural or environmental disaster, a widespread health crisis or pandemic, trade restrictions and protectionism, including the imposition of or increase in tariffs, terrorism, and related geopolitical risks may lead to increased market volatility in the short term and may have adverse long-term effects on local and world economies and markets, including U.S., Canadian and other economies and securities markets.

# RAELIPSKIE PARTNERS FOREIGN EQUITY FUND

Notes to Financial Statements (continued)

Year ended December 31, 2025

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## 7. Financial instruments and associated risks (continued):

### (a) Risk management (continued):

The Manager seeks to minimize potential adverse effects of risk on the Funds' performance by employing professional, experienced portfolio advisors; by daily monitoring of the Funds' positions and market events; by diversifying the investment portfolio within the constraints of the investment objectives; and by periodically using derivatives to economically hedge certain risk exposures.

The Fund employs active investment strategies whereby investments in the Fund is based on target weightings for market capitalization, industry and/or issuer weightings. These target weightings are based on several factors, including impact to the Fund's volatility and asset diversification.

Significant changes to the selection of the target asset weightings attributed to the Fund require notification of the holders of redeemable units. To assist with managing risk, the Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations.

### (b) Liquidity risk:

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligation on time or at a reasonable price. The Fund's exposure to the liquidity risk is concentrated in the weekly cash redemptions of redeemable units. All investments in the Fund are redeemable upon demand. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, the Fund retains sufficient cash and cash equivalent positions to maintain liquidity. All financial liabilities are due between one and three months.

### (c) Currency risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund may invest in financial instruments denominated in currencies other than its functional currency and the Fund is exposed to fluctuations in those currencies. The Fund may enter into foreign exchange contracts for hedging purposes to reduce its foreign currency exposure, or to establish exposure to foreign currencies.

The Fund is indirectly exposed to the risk of underlying funds due to its investments in exchange traded funds.

As at December 31, 2025, the Fund's financial assets designated at FVTPL include \$118,517,252 in U.S. Equities holdings which is denominated in Canadian dollars (2024 - \$91,331,160). A 5% appreciation or depreciation in the relative strength of the Canadian dollar, with all other variables held constant, would decrease or increase net assets attributable to holders of redeemable units by \$5,925,863 (2024 - \$4,566,558), respectively. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

# RAELIPSKIE PARTNERS FOREIGN EQUITY FUND

Notes to Financial Statements (continued)

Year ended December 31, 2025

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## 7. Financial instruments and associated risks (continued):

### (d) Other price risk:

Other price risk is the risk that the market value or future cash flows of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in a market or market segment.

All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Manager moderates this risk through a careful selection and diversification of securities and other financial instruments within the parameters of the Fund's investment objectives and strategy. The Fund's overall market positions are monitored on a regular basis by the portfolio Manager. Financial instruments held by the Fund are susceptible to market price risk arising from uncertainties about future prices of the instruments.

As at December 31, 2025, 99% (2024 - 96%) of the Fund's net assets attributable to holders of redeemable units were invested in securities traded on North American stock exchanges.

As of December 31, 2025 and 2024, had the prices on the respective stock exchanges for the securities increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased, respectively, \$12,246,000 (2024 - \$10,106,000).

The Fund is indirectly exposed to the risk of underlying funds due to its investments in exchange traded funds.

In practice, the actual trading results may differ and the difference could be material.

# RAELIPSKIE PARTNERS FOREIGN EQUITY FUND

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 7. Financial instruments and associated risks (continued):

### (e) Concentration risk:

Concentration risk arises as a result of the concentration of exposure within the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the Fund's concentration risk by market segment over the total investments market value:

Market segment	Percentage of net assets attributable to holders of redeemable units	
	December 31, 2025	December 31, 2024
<b>Investments owned</b>		
Basic Materials	1.89	1.88
Communications	5.69	3.88
Consumer, Cyclical	4.77	5.02
Consumer, Non-cyclical	8.12	7.34
Energy	1.73	1.50
Exchange traded funds	40.43	45.37
Financial	10.18	7.68
Funds	8.76	8.48
Industrial	5.66	4.90
Technology	10.86	8.56
Utilities	1.34	1.37
Total net investments	99.43	95.98
Other assets and liabilities	0.57	4.02
	100.00	100.00

# RAELIPSKIE PARTNERS FOREIGN EQUITY FUND

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 8. Net increase in net assets from operations attributable to holders of redeemable units per unit:

The net increase in net assets from operations attributable to holders of redeemable units per unit for the years ended December 31, 2025 and 2024 is calculated as follows:

	Net increase in net assets attributable to holders of redeemable units	Weighted Average of Redeemable Units Outstanding During the Year	Net increase in net assets attributable to holders of redeemable units, per unit
2025	\$ 15,651,702	5,623,337	\$ 2.78
2024	\$ 18,862,741	5,049,970	\$ 3.74

## 9. Involvement with unconsolidated structured entities:

The Fund's investments in Investee Funds are subject to the terms and conditions of the respective Investee Fund's offering documentation and are susceptible to market price risk arising from uncertainties about future values of those Investee Funds. The investment manager makes investment decisions after extensive due diligence of the Investee Funds, its strategy and the overall quality of the Investee Funds manager. All of the Investee Funds in the investment portfolio are managed by portfolio managers who are compensated by the respective Investee Funds for their services. Such compensation generally consists of an asset-based fee and a performance-based incentive fee and is reflected in the valuation of the Fund's investment in each of the Investee Funds.

The right of the Fund to request redemption of its investments in Investee Funds ranges in frequency from weekly to semi-annually.

The exposure to investments in Investee Funds at fair value, by strategy employed, is disclosed in the following table. These investments are included in financial assets at fair value through profit or loss in the statement of financial position.

# RAELIPSKIE PARTNERS FOREIGN EQUITY FUND

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 9. Involvement with unconsolidated structured entities (continued):

2025

	Net Asset Value of investee funds	Investment fair value	% of net assets attributable to holders of redeemable units
Invesco S&P 500 Equal Weight ETF	\$ 103,846,897,136	\$ 11,172,976	9.1
iShares Core S&P 500 Index ETF (CAD- Hedged)	13,706,239,540	3,946,191	3.2
iShares MSCI Emerging Markets ex China ETF	18,721,116,638	7,031,839	5.7
iShares Russell 2000 ETF	101,085,089,106	4,420,344	3.6
SPDR Portfolio S&P 600 Small Cap ETF	17,931,390,672	2,250,791	1.8
Vanguard FTSE Emerging Markets ETF	195,443,643,118	6,588,334	5.3
Vanguard Health Care ETF	27,261,622,011	7,406,830	6.0
Vanguard S&P Mid-Cap 400 ETF	6,524,515,269	6,977,939	5.7
		\$ 49,795,244	40.4

2024

Strategy	Net Asset Value of investee funds	Investment fair value	% of net assets attributable to holders of redeemable units
Invesco S&P 500 Equal Weight ETF	\$ 103,318,780,812	\$ 10,153,310	9.6
iShares Core S&P 500 Index ETF (CAD- Hedged)	11,307,842,560	9,731,509	9.2
iShares MSCI Emerging Markets ex China ETF	21,910,931,429	5,620,488	5.3
iShares Nasdaq Biotechnology ETF	9,295,729,399	5,150,351	4.9
iShares Russell 2000 ETF	103,815,741,546	5,618,263	5.3
Vanguard FTSE Emerging Markets ETF	156,712,110,192	5,654,343	5.4
Vanguard S&P Mid-Cap 400 ETF	5,710,693,465	5,836,747	5.5
		\$ 47,765,011	45.2

## 10. Income taxes:

The Fund qualify as a unit trust under the provisions of the Income Tax Act (Canada), and accordingly, is not subject to tax on its net taxable income for the tax year which ends in December, including net realized capital gains, which is paid or payable to its unitholders as at the end of the tax year. However, such part of the Fund's net income and net realized capital gains as is not so paid or payable, is subject to income tax. It is the intention of the Fund to distribute all of its income and sufficient net realized capital gains so that the Fund will not be subject to income tax. The Fund may be subject to alternative minimum tax, potentially recoverable.

# RAELIPSKIE PARTNERS FOREIGN EQUITY FUND

Notes to Financial Statements (continued)

Year ended December 31, 2025

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## **11. Capital disclosure:**

The capital of the Fund is represented by issued and redeemable units. The redeemable units are entitled to distributions, if any, and to payment of a proportionate share based on the Fund's net asset value per unit upon redemption. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of redeemable units. The relevant movements are shown on the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units. In accordance with its investment objectives and strategies, and the risk management practices outlined in Note 7, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

## **12. Indemnification of the Manager/Trustee:**

The Fund, according to the terms of the Trust Indenture, indemnify the Manager, its principals and their respective affiliates from all claims that may arise for (i) mistakes of judgment or for action or inaction or for losses due to such mistakes, action or inaction so long as they acted honestly and not in bad faith and reasonably believed that their conduct was in the best interests of the Fund and (ii) losses due to mistakes of judgment or the action or omission of any broker or agent of the Manager, selected, engaged or retained by the Manager, its principals or their respective affiliates.

## **13. Filing exemption:**

The Fund is relying on the exemption pursuant to Section 2.11 of National Instrument 81-106.