

Financial Statements
(Expressed in Canadian dollars)

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Period from January 30, 2025 (date of inception)
to December 31, 2025



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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of JC Clark High Income Opportunities Fund

Opinion

We have audited the financial statements of JC Clark High Income Opportunities Fund (the Fund), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of comprehensive income for the period from January 30, 2025 (date of inception) to December 31, 2025
- the statement of changes in net assets attributable to holders of redeemable units for the period from January 30, 2025 (date of inception) to December 31, 2025
- the statement of cash flows for the period from January 30, 2025 (date of inception) to December 31, 2025
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2025, and its financial performance and its cash flows for the period from January 30, 2025 (date of inception) to December 31, 2025 in accordance with IFRS Accounting Standards.

Basis for Opinion

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

We are independent of the 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. Other information comprises:

- the information included in Annual Management Report of Fund Performance of the Fund

Our opinion on the financial statements does not cover the other information and we do not and will 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 and remain alert for indications that the other information appears to be materially misstated.

We obtained the Annual Management Report of Fund Performance of the Fund as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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, 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 generally accepted auditing standards will always detect a material misstatement when it exists.

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



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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

February 3, 2026

JC Clark High Income Opportunities Fund

Statement of Financial Position

As at December 31, 2025

ASSETS

Current assets

Cash and cash equivalents	\$	32,802,635
Investments owned, at fair value through profit or loss (note 6)		23,356,298
Dividends receivable		112,850
Subscriptions receivable		19,576
Prepaid expenses		2,987
Securities lending receivable (note 11)		937
HST receivable		13
		<hr/>
		56,295,296
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LIABILITIES

Current liabilities

Options sold short		273,666
Unrealized loss on foreign exchange forward contracts		743
Accounts payable and accrued liabilities		93,650
Management fees payable (note 4)		33,684
Performance fees payable (note 4)		23,890
Distributions payable		114,501
Payable for investments purchased		101,568
		<hr/>
		641,702
		<hr/>

Net assets attributable to holders of redeemable units \$ 55,653,594

Net assets attributable to holders of redeemable units per series

Founders Series A	\$	1,187,480
Founders Series F		44,416,152
Series I		10,049,962
		<hr/>
	\$	55,653,594
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Number of redeemable units outstanding (note 5)

Founders Series A		119,493
Founders Series F		4,479,339
Series I		1,000,000

Net assets attributable to holders of redeemable units per unit

Founders Series A	\$	9.94
Founders Series F		9.92
Series I		10.05

Approved on behalf of the Fund and in its capacity as Manager,

Signed "Colin Stewart"

..... JC Clark Ltd., Manager

JC Clark High Income Opportunities Fund

Statement of Comprehensive Income

Period from January 30, 2025 (date of inception) to December 31, 2025

Income

Interest income for distribution purposes	\$	256,992
Dividend income		750,888
Net change in unrealized appreciation in value of investments		194,396
Net change in unrealized gain on derivatives		130,833
Net realized gain on sale of investments		550,267
Net realized gain on derivatives		127,070
Foreign exchange loss		(198,452)
Securities lending income (note 11)		3,920
		<u>1,815,914</u>

Expenses

Management fees (note 4)		194,997
Operating costs		154,165
Commission and other portfolio transaction costs		92,889
Withholding taxes		74,601
Audit fees		68,083
Independent review committee fees		25,978
Performance fees (note 4)		23,890
Legal fees		14,927
Trustee fees		7,345
		<u>656,875</u>

Expenses reimbursed by Manager (note 4)		<u>(116,548)</u>
		<u>540,327</u>

Increase in net assets attributable to holders of redeemable units from operations **\$ 1,275,587**

Increase in net assets attributable to holders of redeemable units per series

Founders Series A	\$	125,009
Founders Series F		984,616
Series I		165,962
	\$	<u>1,275,587</u>

Increase in net assets attributable to holders of redeemable units per unit (note 8)

Founders Series A	\$	0.60
Founders Series F		0.39
Series I		0.17

JC Clark High Income Opportunities Fund

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units Period from January 30, 2025 (date of inception) to December 31, 2025

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued*	Redemption of redeemable units*	Distributions to holders of redeemable units	Reinvestment of distributions	Increase in net assets from operations attributable to holders of redeemable units from operations	Net assets attributable to holders of redeemable units, end of period
December 31, 2025							
Founders Series A	\$ –	\$ 2,885,000	\$ (1,808,832)	\$ (104,941)	\$ 91,244	\$ 125,009	\$ 1,187,480
Founders Series F	–	44,216,163	(524,480)	(1,467,446)	1,207,299	984,616	44,416,152
Series I	–	10,000,000	–	(116,000)	–	165,962	10,049,962
	<u>\$ –</u>	<u>\$ 57,101,163</u>	<u>\$ (2,333,312)</u>	<u>\$ (1,688,387)</u>	<u>\$ 1,298,543</u>	<u>\$ 1,275,587</u>	<u>\$ 55,653,594</u>

* Total proceeds from redeemable units relating to switch-ins and redemptions of redeemable units relating to switch-outs for the year ended December 31, 2025 were \$1,808,832 and \$(1,808,832), respectively.

JC Clark High Income Opportunities Fund

Statement of Cash Flows

Period from January 30, 2025 (date of inception) to December 31, 2025

Cash provided by (used in):

Operating Activities

Increase in net assets attributable to holders of redeemable units from operations	\$	1,275,587
Adjustments for non-cash items		
Net change in unrealized appreciation in value of investments		(194,396)
Net change in unrealized gain on derivatives		(130,833)
Net realized gain on sale of investments		(550,267)
Net realized gain on derivatives		(127,070)
Foreign exchange loss		198,452
Change in non-cash balances		
Increase in dividends receivable		(112,850)
Increase in prepaid expenses		(2,987)
Increase in securities lending receivable		(937)
Increase in HST receivable		(13)
Increase in accounts payable and accrued liabilities		93,650
Increase in management fees payable		33,684
Increase in performance fees payable		23,890
Increase in payable for investments purchased		101,568
Proceeds from sale of investments		12,731,609
Purchase of investments		(34,810,932)
Cash used in operating activities		<u>(21,471,845)</u>

Financing Activities

Proceeds from issuances of redeemable units		55,272,755
Amount paid on redemption of redeemable units		(524,480)
Distribution paid to holders of redeemable units, net of reinvested distributions		(275,343)
Cash provided by financing activities		<u>54,472,932</u>

Increase in cash and cash equivalents during the period		33,001,087
Foreign exchange loss on cash		(198,452)
Cash and cash equivalents, beginning of period		—
Cash and cash equivalents, end of period	\$	<u>32,802,635</u>

Cash and cash equivalents are comprised of:

Cash	\$	5,743,199
Cash equivalents		27,059,436
	\$	<u>32,802,635</u>

Supplemental information*

Interest received	\$	256,992
Dividends received, net of withholding taxes		563,438

*Included as a part of cash flows from operating activities

JC Clark High Income Opportunities Fund

Schedule of Investment Portfolio

As at December 31, 2025

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
Canadian equities				
10,500	Algonquin Power & Utilities Corp.	\$ 71,170	\$ 88,620	0.16
22,000	Atrium Mortgage Investment Corp.	256,182	254,760	0.46
50,400	Automotive Properties Real Estate Investment Trust	539,461	554,904	1.00
3,100	Barrick Mining Corp.	79,843	185,349	0.33
6,700	BCE Inc.	205,040	219,358	0.39
7,500	Brookfield Office Properties Inc. Preferred Shares 4.75%	113,187	142,050	0.26
7,700	Brookfield Renewable Partners LP	275,165	285,593	0.51
1,800	Canadian Apartment Properties REIT	72,324	66,366	0.12
8,100	Canadian Natural Resources Ltd.	341,918	376,569	0.68
16,000	CT Real Estate Investment Trust	253,855	260,320	0.47
39,900	Diversified Royalty Corp.	111,329	148,428	0.27
11,800	Enbridge Inc. Preferred Shares 4.40%	228,099	268,450	0.48
35,500	Freehold Royalties Ltd.	459,827	539,245	0.97
16,500	H&R Real Estate Investment Trust	169,553	168,795	0.30
154,500	Harvest Premium Yield 7-10 Year Treasury ETF	1,639,076	1,645,425	2.96
96,000	Harvest Premium Yield Treasury ETF	814,318	814,080	1.46
6,000	Keyera Corp.	259,836	264,000	0.47
6,700	Northland Power Inc.	131,822	119,595	0.21
2,900	Open Text Corp.	111,854	129,630	0.23
17,600	Premium Income Corp. Preferred Shares 5.75%	273,268	293,920	0.53
3,300	Rogers Communications Inc.	124,015	170,973	0.31
600	The Bank of Nova Scotia	41,548	60,738	0.11
162,500	Timbercreek Financial Corp.	1,114,851	1,111,500	2.00
		<u>7,687,541</u>	<u>8,168,668</u>	<u>14.68</u>
U.S. equities				
15,700	AGNC Investment Corp.	199,516	230,828	0.41
10,700	Alerian MLP ETF	702,530	690,021	1.24
25,000	Amcor PLC	298,999	285,958	0.51
21,000	Americold Realty Trust	356,947	370,387	0.67
4,400	Annaly Capital Management Inc.	112,752	134,934	0.24
5,000	Arbor Realty Trust Inc.	59,397	59,397	0.11
1,000	Ares Capital Corp.	27,934	27,745	0.05
16,000	Blackstone Secured Lending Fund	622,343	577,786	1.04
3,900	Bristol-Myers Squibb Co.	258,703	288,517	0.52
16,900	Civitas Resources Inc.	683,874	627,902	1.13
14,400	Comcast Corp.	633,549	590,316	1.06
3,900	Devon Energy Corp.	177,692	195,928	0.35
2,200	Extra Space Storage Inc.	413,333	392,913	0.71
2,300	Franklin Resources Inc.	64,009	75,360	0.14
6,500	FS KKR Capital Corp.	149,986	132,027	0.24
11,100	Golub Capital BDC Inc.	227,527	206,585	0.37
22,900	Healthpeak Properties Inc.	552,841	505,030	0.91
11,400	Hormel Foods Corp.	361,045	370,552	0.67
26,500	Ishares High Yield Corporate Bond Buywrite Strategy ETF	1,106,008	1,085,254	1.95

JC Clark High Income Opportunities 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
U.S. equities (continued)				
64,200	Ishares Investment Grade Corporate Bond Buywrite Strategy ETF	\$ 2,235,209	\$ 2,162,075	3.88
27,300	Janus Henderson AAA CLO ETF	1,909,031	1,893,814	3.40
29,000	Janus Henderson B-BBB CLO ETF	1,921,679	1,897,196	3.41
8,400	Keurig Dr Pepper Inc.	321,211	322,692	0.58
1,200	LyondellBasell Industries NV	96,618	71,263	0.13
2,000	Merck & Co Inc.	218,321	288,728	0.52
11,700	Morgan Stanley Direct Lending Fund	283,954	265,056	0.48
25,300	Petroleo Brasileiro SA	418,469	411,183	0.74
6,600	Pfizer Inc.	227,532	225,392	0.40
750	Prudential Financial Inc.	107,045	116,111	0.21
27,800	Starwood Property Trust Inc.	733,540	686,680	1.23
		<u>15,481,594</u>	<u>15,187,630</u>	<u>27.30</u>
	Total investments owned	23,169,135	23,356,298	41.98
Number of shares/units	Investments sold short	Proceeds on short sale	Fair value	% of net asset value
Canadian options				
(361)	Algonquin Power & Utilities Corp. Put \$7.75 16JAN26	\$ (2,347)	\$ (1,624)	0.00
(233)	Allied Properties Real Estate Investment Trust Put \$12 16JAN26	(2,447)	(5,825)	(0.01)
(186)	BCE Inc. Put \$30 16JAN26	(3,999)	(1,302)	0.00
(62)	Brookfield Infrastructure Partners LP Put \$45 16JAN26	(2,945)	(992)	0.00
(52)	Brookfield Renewable Partners LP Call \$38 16JAN26	(3,328)	(2,548)	0.00
(73)	Brookfield Renewable Partners LP Put \$37 16JAN26	(3,395)	(5,293)	(0.01)
(73)	Brookfield Renewable Partners LP Put \$38 16JAN26	(5,037)	(9,490)	(0.02)
(120)	Canadian Apartment Properties REIT Put \$35 16JAN26	(3,780)	(840)	0.00
(63)	Canadian Natural Resources Ltd. Put \$44 16JAN26	(3,528)	(630)	0.00
(87)	Cogeco Communications Inc. Put \$64 16JAN26	(7,123)	(6,743)	(0.01)
(43)	Enbridge Inc. Put \$64 16JAN26	(2,537)	(1,161)	0.00
(60)	Keyera Corp. Call \$44 16JAN26	(2,910)	(3,390)	(0.01)
(133)	Keyera Corp. Put \$42 16JAN26	(5,121)	(1,796)	0.00
(262)	Northland Power Inc. Put \$16 16JAN26	(5,109)	(2,096)	0.00
(169)	Northland Power Inc. Put \$16.50 16JAN26	(4,986)	(1,099)	0.00
(85)	Pembina Pipeline Corp. Put \$49 16JAN26	(2,593)	(553)	0.00
(59)	Rogers Communications Inc/Ontario Put \$47 16JAN26	(2,213)	(384)	0.00
(329)	TELUS Corp. Put \$17 16JAN26	(7,074)	(1,316)	0.00
		<u>(70,472)</u>	<u>(47,082)</u>	<u>(0.06)</u>
U.S. options				
(297)	AGNC Investment Corp. Put \$10 16JAN26	(5,136)	(815)	0.00
(64)	Alerian MLP ETF Put \$46 16JAN26	(2,596)	(1,579)	0.00
(93)	Alexandria Real Estate Equities Inc. Put \$42.50 16JAN26	(13,848)	(2,040)	0.00
(503)	Amcor PLC Put \$8 16JAN26	(6,800)	(3,448)	(0.01)

JC Clark High Income Opportunities Fund

Schedule of Investment Portfolio (continued)

As at December 31, 2025

Number of shares/units	Investments sold short	Proceeds on short sale	Fair value	% of net asset value
U.S. options (continued)				
(158)	Americold Realty Trust Inc. Put \$12.50 16JAN26	\$ (12,852)	\$ (5,416)	(0.01)
(94)	Annaly Capital Management Inc. Put \$21 16JAN26	(2,779)	(773)	0.00
(170)	Arbor Realty Trust Inc. Put \$9 16JAN26	(8,321)	(37,532)	(0.07)
(209)	Ares Capital Corp. Put \$19 16JAN26	(4,172)	(1,433)	0.00
(129)	AT&T Inc. Put \$23 16JAN26	(3,818)	(885)	0.00
(46)	Bank OZK Put \$42.50 16JAN26	(3,582)	(1,262)	0.00
(44)	Bank OZK Put \$45 16JAN26	(6,879)	(4,224)	(0.01)
(48)	Best Buy Co Inc. Put \$63 16JAN26	(2,791)	(2,502)	0.00
(111)	Blackstone Mortgage Trust Inc. Put \$18 16JAN26	(1,452)	(761)	0.00
(106)	Blackstone Mortgage Trust Inc. Put \$19 16JAN26	(2,103)	(2,617)	0.00
(99)	Blackstone Mortgage Trust Inc. Put \$20 16JAN26	(4,020)	(11,405)	(0.02)
(141)	Blue Owl Capital Inc. Put \$14 16JAN26	(3,219)	(3,674)	(0.01)
(132)	Blue Owl Capital Inc. Put \$15 16JAN26	(6,301)	(9,957)	(0.02)
(90)	BP PLC Put \$33 16JAN26	(2,809)	(1,605)	0.00
(43)	Bristol-Myers Squibb Co. Put \$46 16JAN26	(1,636)	(295)	0.00
(39)	Brookfield Asset Management Ltd. Put \$50 16JAN26	(3,168)	(2,140)	0.00
(21)	Chevron Corp. Put \$140 16JAN26	(2,993)	(432)	0.00
(84)	Civitas Resources Inc. Call \$30 16JAN26	(3,983)	(1,843)	0.00
(119)	Civitas Resources Inc. Put \$25 16JAN26	(6,465)	(3,754)	(0.01)
(72)	Comcast Corp. Call \$32 16JAN26	(1,930)	(1,185)	0.00
(161)	Comcast Corp. Put \$25 16JAN26	(5,653)	(442)	0.00
(248)	Conagra Brands Inc. Put \$16 16JAN26	(4,977)	(1,020)	0.00
(116)	Conagra Brands Inc. Put \$17 16JAN26	(5,837)	(2,546)	0.00
(48)	Crown Castle Inc. Put \$82.50 16JAN26	(4,250)	(1,975)	0.00
(62)	Devon Energy Corp. Put \$32.50 16JAN26	(1,673)	(595)	0.00
(57)	Devon Energy Corp. Put \$35 16JAN26	(4,653)	(2,267)	0.00
(99)	Dow Inc. Put \$20 16JAN26	(2,657)	(815)	0.00
(31)	Extra Space Storage Inc. Put \$125 16JAN26	(5,902)	(2,764)	0.00
(134)	FS KKR Capital Corp. Put \$15 16JAN26	(4,543)	(6,892)	(0.01)
(90)	General Mills Inc. Put \$42.50 16JAN26	(6,724)	(864)	0.00
(17)	Genuine Parts Co. Put \$115 16JAN26	(1,740)	(676)	0.00
(198)	Healthpeak Properties Inc. Put \$15 16JAN26	(2,602)	(1,901)	0.00
(91)	Hormel Foods Corp. Put \$22 16JAN26	(2,455)	(1,248)	0.00
(91)	Hormel Foods Corp. Put \$23 16JAN26	(5,618)	(2,371)	0.00
(91)	HP Inc. Put \$22 16JAN26	(3,548)	(4,992)	(0.01)
(88)	Innovative Industrial Properties Inc. Put \$45 16JAN26	(7,239)	(6,638)	(0.01)
(39)	Innovative Industrial Properties Inc. Put \$50 16JAN26	(4,214)	(15,298)	(0.03)
(125)	Kenvue Inc. Put \$16 16JAN26	(2,501)	(1,029)	0.00
(42)	Keurig Dr Pepper Inc. Call \$29 16JAN26	(1,414)	(634)	0.00
(73)	Keurig Dr Pepper Inc. Put \$27 16JAN26	(2,460)	(1,802)	0.00
(74)	Lamb Weston Holdings Inc. Put \$40 16JAN26	(3,009)	(2,233)	0.00
(50)	LyondellBasell Industries NV Put \$40 16JAN26	(7,471)	(2,194)	0.00
(20)	Merck & Co Inc. Put \$95 16JAN26	(3,254)	(274)	0.00
(220)	Morgan Stanley Direct Lending Fund Put \$17 16JAN26	(8,948)	(17,187)	(0.03)
(54)	NIKE Inc. Put \$55 16JAN26	(3,610)	(444)	0.00
(29)	ONEOK Inc. Put \$67.50 16JAN26	(1,785)	(716)	0.00

JC Clark High Income Opportunities Fund

Schedule of Investment Portfolio (continued)

As at December 31, 2025

Number of shares/units	Investments sold short	Proceeds on short sale	Fair value	% of net asset value
U.S. options (continued)				
(201)	Park Hotels & Resorts Inc. Put \$10 16JAN26	\$ (5,394)	\$ (1,378)	0.00
(219)	Petroleo Brasileiro SA - Petrobras Put \$11 16JAN26	(2,878)	(901)	0.00
(134)	Petroleo Brasileiro SA - Petrobras Put \$12 16JAN26	(6,953)	(5,146)	(0.01)
(165)	Pfizer Inc. Put \$24 16JAN26	(5,593)	(2,263)	0.00
(18)	Prudential Financial Inc. Put \$105 16JAN26	(1,843)	(494)	0.00
(72)	Realty Income Corp. Put \$55 16JAN26	(3,935)	(1,679)	0.00
(71)	SL Green Realty Corp. Put \$42.50 16JAN26	(3,351)	(4,187)	(0.01)
(32)	Stanley Black & Decker Inc. Put \$62.50 16JAN26	(2,391)	(527)	0.00
(142)	Starwood Property Trust Inc. Put \$17 16JAN26	(2,849)	(974)	0.00
(89)	Starwood Property Trust Inc. Put \$18 16JAN26	(5,479)	(2,441)	0.00
(47)	Target Corp. Put \$85 16JAN26	(6,438)	(774)	0.00
(309)	The AES Corp. Put \$13 16JAN26	(8,336)	(2,119)	0.00
(114)	The Campbell's Company Put \$26 16JAN26	(3,864)	(1,564)	0.00
(20)	The Clorox Co. Put \$95 16JAN26	(2,588)	(1,234)	0.00
(22)	The J M Smucker Co. Put \$90 16JAN26	(1,202)	(392)	0.00
(21)	The J M Smucker Co. Put \$95 16JAN26	(3,719)	(1,584)	0.00
(89)	The Kraft Heinz Co. Put \$22.50 16JAN26	(2,032)	(488)	0.00
(251)	The Wendy's Co. Put \$8 16JAN26	(10,449)	(3,787)	(0.01)
(22)	United Parcel Service Inc. Put \$90 16JAN26	(2,344)	(392)	0.00
(6)	UnitedHealth Group Inc. Put \$310 16JAN26	(2,706)	(1,210)	0.00
(79)	Verizon Communications Inc. Put \$38 16JAN26	(3,771)	(867)	0.00
(144)	VICI Properties Inc. Put \$27.50 16JAN26	(6,832)	(2,567)	0.00
(45)	Whirlpool Corp. Put \$65 16JAN26	(4,607)	(1,852)	0.00
(44)	Whirlpool Corp. Put \$67.50 16JAN26	(7,183)	(3,922)	(0.01)
(119)	ZIM Integrated Shipping Services Ltd. Put \$16.66 16JAN26	(5,648)	(2,448)	0.00
		<u>(334,775)</u>	<u>(226,584)</u>	<u>(0.29)</u>
	Total investments sold short	(405,247)	(273,666)	(0.35)
	Commissions and other portfolio transaction costs	<u>(7,233)</u>	<u>—</u>	<u>—</u>
	Net investments owned	\$ 22,756,655	23,082,632	41.63
	Unrealized loss, foreign exchange forward contracts (Schedule 1)		(743)	0.00
	Other assets, net		<u>32,571,705</u>	<u>58.37</u>
	Net Assets Attributable to Holders of Redeemable Units		\$ 55,653,594	100.00

JC Clark High Income Opportunities Fund

Schedule of Investment Portfolio (continued)

As at December 31, 2025

Schedule 1 - Foreign Exchange Forward Contracts

Settlement Date	Currency Bought / Sold	Currency Bought / Sold	Forward Rates	Contract Price	Fair Value	Foreign Exchange Rate	Unrealized Loss
January 30, 2026	Sold USD	Bought CAD	1.369755	\$ (18,490,950)	\$ (18,491,693)	1.0000	\$ (743)
Total unrealized loss on foreign exchange forward contracts							\$ (743)

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements
(Expressed in Canadian dollars)

Period from January 30, 2025, (date of inception) to December 31, 2025

1. Establishment of Fund:

JC Clark High Income Opportunities Fund (the "Fund") is an alternative mutual fund organized as an open-end unit trust established on January 30, 2025, under the laws of Ontario and is governed by a declaration of trust, as amended, restated or supplemented from time to time (the "Declaration of Trust"). The Fund commenced active operations on March 25, 2025. The Fund is a mutual fund governed by a simplified prospectus and is subject to the requirements of National Instrument 81-102 *Investment Funds* ("NI 81-102").

JC Clark Ltd. (the "Manager"), a corporation incorporated under the laws of Ontario acts as the manager of the Fund (the "Manager") and responsible for the management, supervision, administration and portfolio management of the Fund. The Manager may delegate these powers, if it would be in the best interests of the Fund to do so. TSX Trust Company (the "Trustee") acts as the trustee and National Bank Financial Inc. acts as the custodian (the "Custodian") of the Fund. SGGG Fund Services Inc. acts as the administrator (the "Administrator") of the Fund.

The registered office of the Fund and the Manager is 200 Bay Street, Suite 510, Toronto, ON M5J 2J3.

The investment objective of the Fund is to seek a combination of income and long-term capital appreciation by investing primarily in distribution-paying Canadian and U.S. equity securities, as well as equity and fixed income securities that produce attractive dividend/income yields. To achieve this investment objective, the Fund may invest in equities, convertible debentures, fixed-income securities, preferred shares, special purpose acquisition companies, options, forward contracts, exchange traded funds ("ETF"s) and warrants. The Fund may also implement opportunistic strategies in event-driven situations such as initial public offerings. Further, the Manager, on behalf of the Fund, has entered into a securities lending authorization agreement (the "Securities Lending Agreement") with the Custodian.

The Fund may use alternative investment strategies including borrowing for investment purposes, short selling and the use of derivatives to seek to manage market volatility. The Fund's aggregate exposure to leverage through these strategies will not exceed three times its Net Asset Value ("NAV"), measured on a daily basis. The Fund is subject to certain standard investment restrictions and practices contained in simplified prospectus and securities legislation, including NI 81-102.

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from January 30, 2025 (date of inception) to December 31, 2025

2. Basis of presentation:

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

The policies applied in these financial statements are based on IFRS Accounting Standards and date of approval of financial statements is February 3, 2026, which is the date on which the financial statements were authorized for issue by the Manager. The financial statements have been prepared on the historical cost basis, except for financial assets and financial liabilities that are at FVTPL which are at fair value.

The financial statements of the Fund are expressed in Canadian dollars, which is the Fund's functional currency.

3. Material accounting policy information:

The following is a summary of the material accounting policies applied by the Fund:

(a) Classification and measurement of financial instruments:

The Fund classifies its investments as financial assets and financial liabilities at fair value through profit or loss ("FVTPL").

The Fund classifies its investments at FVTPL based on the Fund's business model for managing those financial assets in accordance with the Fund's documented investment strategy. The portfolio of investments is managed and performance is evaluated on a fair value basis and the portfolio of investments is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

All other financial assets and financial liabilities are classified as subsequently measured at amortized cost and are recorded at amortized cost. Under this method, financial assets and financial liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate, minus any reduction for impairment. A financial asset is classified as subsequently measured at amortized cost only if both of the following criteria are met:

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from January 30, 2025 (date of inception) to December 31, 2025

3. Material accounting policy information (continued):

(a) Classification and measurement of financial instruments (continued):

- (i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows, and
- (ii) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date. The Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount.

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.

(b) Offsetting financial instruments:

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

(c) Recognition/derecognition:

The Fund recognizes financial assets and financial liabilities at FVTPL on the trade date - the date it commits to purchase or sell short the instruments. Other financial assets and liabilities are recognized at fair value, including transaction costs, on the date on which they are originated. From this date, any gains and losses arising from changes in fair value of the assets or liabilities are recognized in the statement of comprehensive income.

Financial assets are derecognized when, and only when, the contractual rights to the cash flows from the asset expire, or the Fund transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Fund derecognizes financial liabilities when, and only when, the Fund's obligations are discharged or cancelled or they expire.

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from January 30, 2025 (date of inception) to December 31, 2025

3. Material accounting policy information (continued):

(d) 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 series of units by the total number of units of that particular series outstanding at the end of the period.

(e) Increase in net assets attributable to holders of redeemable units per unit:

Increase in net assets attributable to holders of redeemable units per unit is based on the increase in net assets attributable to holders of redeemable units attributed to each series of units, divided by the weighted average number of units outstanding of that series during the period. Refer to note 9 for the calculation.

(f) Use of estimates:

The preparation of financial statements in accordance with IFRS Accounting Standards requires management to use accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's material accounting policies. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

(g) Withholding tax expense:

The Fund generally incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the statement of comprehensive income.

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from January 30, 2025 (date of inception) to December 31, 2025

3. Material accounting policy information (continued):

(h) Valuation of investments:

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices. In accordance with the provisions of the Fund's simplified prospectus, investment positions are valued based on the last traded market price for the purpose of determining the net asset per unit for subscriptions and redemptions. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate. When the Fund holds gold or any other precious metals, it uses the active spot price as a basis for establishing the fair value.

The fair value of financial assets and financial liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Valuation techniques used include the use of comparable recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from January 30, 2025 (date of inception) to December 31, 2025

3. Material accounting policy information (continued):

(i) Investment transactions and revenue recognition:

When the Fund purchases an option, an amount equal to fair value which is based on the premium paid is recorded as an asset. When the Fund writes an option, an amount equal to fair value which is based on the premium received by the Fund is recorded as a liability. When options and warrants are closed, the difference between the premium and the amount paid or received, net of brokerage commissions, or the full amount of the premium if the option expires worthless, is recognized as a realized gain or loss and is presented in the statement of comprehensive income within net realized gains on sale of investments and derivatives.

Dividend income is recognized on the ex-dividend date. Realized gain (loss) on sale of investments and unrealized appreciation/depreciation in value of investments and derivatives are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero-coupon bonds.

The interest income for distribution purposes shown on the statement of comprehensive income represents the coupon interest received by the Fund accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the fixed income securities except for zero-coupon bonds, which are amortized on a straight-line basis.

(j) Translation of 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 12:00 pm Eastern Time (the "closing rate") on each Valuation Date (each day that the Toronto Stock Exchange is open for trading, or such other day(s) as the Manager may determine). 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. The fair value of foreign investments and other assets and liabilities shown on statement of financial position, denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing at the statement of financial position date.

Foreign exchange gain (loss) on cash are recognized in the statement of comprehensive income within net "foreign currency gain (loss)". Foreign exchange gains and losses relating to the financial assets and liabilities carried at FVTPL are presented in the statement of comprehensive income (loss) within net realized gains (losses) on financial assets and liabilities at FVTPL and net change in unrealized appreciation (depreciation) on financial assets and liabilities at FVTPL.

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from January 30, 2025 (date of inception) to December 31, 2025

3. Material accounting policy information (continued):

(k) Transaction costs:

Transaction costs related to financial assets and liabilities are expensed as incurred.

(l) Purchase and redemption of redeemable units:

The value at which units are listed or redeemed is determined by dividing the net assets attributable to holders of redeemable units at fair value of the Fund by the total number of units outstanding on the Valuation Date. Units of the Fund are valued daily on the Valuation Date. Amounts received on the issuance of redeemable units and amounts paid on the redemption of redeemable units are added to or deducted from the statement of changes in net assets attributable to holders of redeemable units.

(m) Cash and cash equivalents:

Cash is comprised of cash deposits with banks. Cash equivalents are short-term investment securities with maturity dates of 90 days or less. As at December 31, 2025 cash and cash equivalents were comprised of the following:

	December 31, 2025
Bank	\$ 5,743,199
Treasury Bills	27,059,436

(n) Derivative transactions:

The Fund may use derivative contracts for hedging purpose or investment purpose. The derivatives are classified as FVTPL and, as a result, the contracts are measured at fair value on the Valuation Date and the resulting gains and losses, both realized and unrealized, are recognized in the statement of comprehensive income. The fair value of foreign currency forward contracts is determined using quoted forward exchange rates at the reporting date as obtained from an independent source, if any.

The Fund held short equity options as at December 31, 2025 as disclosed on the schedule of investment portfolio.

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from January 30, 2025 (date of inception) to December 31, 2025

3. Material accounting policy information (continued):

(o) Forward contracts

Forward contracts may be used by the Funds to hedge against currency fluctuations. Upon closing of a forward contract, the gain or loss is included in the "Net realized gain on sale of investments and derivatives" in the statement of comprehensive income. Outstanding settlement amounts on the closing of forward contracts are included in assets or liabilities as "Unrealized loss on foreign exchange forward contracts" in the statement of financial position and unrealized gain or loss on the same is included in "Net change in unrealized appreciation in value of investments and derivatives" in the statement of comprehensive income.

(p) Other assets and liabilities:

Dividends receivable, subscriptions receivable, securities lending receivable and HST receivable are classified as financial assets subsequently measured at amortized cost and recorded at cost or amortized cost. Accounts payable and accrued liabilities, management fees payable, performance fee payable and distributions payable are classified as financial liabilities and reported at amortized cost. Financial liabilities are generally settled within three months of being incurred. Other assets and liabilities are short term in nature, and are carried at amortized cost, which approximates fair value.

(q) Classification of redeemable units issued by the Fund:

The Fund's units do not meet the criteria in IAS 32, Financial Instruments - Presentation, for classification as equity due to the Fund offering multiple series with different rights and, therefore, have been classified as financial liabilities.

(r) Presentation and Disclosure in Financial Statements (IFRS 18):

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* to replace IAS 1, *Presentation of Financial Statement*. IFRS 18 aims to achieve comparability of the financial performance of similar entities and will impact the presentation of primary financial statements and notes, including the statement of earnings where companies will be required to present separate categories of income and expense for operating, investing and financing activities with prescribed subtotals for each new category. IFRS 18 will also require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Fund is currently assessing the impact of the new standard.

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from January 30, 2025 (date of inception) to December 31, 2025

4. Related party transactions:

(a) Management fees:

The Fund pays the Manager a daily management fee for providing its services to the Fund. Redeemable units of the Fund, are charged annual management fees equal to the following percentages of the NAV of each series of the Fund, calculated and accrued on each Valuation Date and payable on the last Valuation Date of each month:

Founders Series A	1.75%
Founders Series F	0.75%

The Fund does not pay a management fee in respect of Series I Units. Instead, Series I unitholders pay a management fee directly to the Manager. This management fee is negotiated with the Manager and set out in an agreement between the Series I unitholder and the Manager. Management fees are subject to applicable taxes, including QST, GST or HST.

From time to time, Manager may waive management fees, and such waiver may be terminated at any time without prior notice to unitholders.

Management fees for the period of January 30, 2025 (date of inception) to December 31, 2025, were \$194,997 and \$33,684 was payable as at December 31, 2025.

The Manager will pay, with respect to the Series A units, and out of its management fee, an annual service fee to participating registered dealers whose clients hold Series A units. The service fee is payable quarterly to a maximum of 1% per annum of the net asset value of the Series A units held by the applicable dealer.

The Manager may reduce the effective management fee payable by unitholders who invest large amounts in the Fund by waiving a portion of the management fee that it would otherwise be entitled to receive from the Fund or a unitholder and directing the Fund to make a management fee distribution in the amount of such waiver.

(b) Performance fees:

The Manager is entitled to receive a performance fee, which is paid by the Fund in respect of Founders Units. The Series I units are not subject to performance fees. Instead, Series I unitholders may pay a performance fee directly to the Manager.

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from January 30, 2025 (date of inception) to December 31, 2025

4. Related party transactions (continued):

(b) Performance fees (continued):

The performance fee is calculated and accrued on each Valuation Date during the relevant performance fee determination period and is payable on the last Valuation Date of such period. Performance fee determination period (“Performance Fee Determination Period”) for each unit of a series means the period starting on the later of (i) the start date of the series of the Fund, and (ii) the first day of the calendar year, and ending on the earlier of (y) the date the unit is redeemed by the unitholder, and (z) the last Valuation Date of the calendar year, in which performance fee becomes payable.

For any Performance Fee Determination Period, the performance fee payable in respect of each unit of a series of the Fund is equal to the applicable performance fee rate multiplied by the amount by which the investment performance of the applicable unit exceeds the aggregate of the high-water mark and the hurdle amount during the Performance Fee Determination Period, plus applicable taxes.

“High Water Mark” for each unit of a series means the higher of (i) the initial series NAV per unit for the series, and (ii) the highest unit value for any unit of that series on the last Valuation Date of any calendar year on which a performance fee was payable in respect of that series.

“Hurdle Amount” for each unit of a series means the product of the Hurdle Rate multiplied by the High-Water Mark for that unit.

“Hurdle Rate” means 5% per annum. For greater certainty, the Hurdle Rate for a Performance Fee Determination Period that is shorter than a calendar year will equal less than 5%.

“Investment Performance” for each unit of a series, on a Valuation Date, means the sum of the unit value, before any accrued performance fee, on that Valuation Date plus all distributions paid or payable per unit on that series during the Performance Fee Determination Period.

“Performance Fee Rate” means 20% for Founders Series Units of the Fund, and a rate that may be negotiated with the Manager for Series I Units.

Performance fees for the period of January 30, 2025 (date of inception) to December 31, 2025, were \$23,890 and \$23,890 was payable as at December 31, 2025.

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from January 30, 2025 (date of inception) to December 31, 2025

4. Related party transactions (continued):

(c) Related party holding:

As of December 31, 2025, the directors and key management personnel of the Manager, directly and indirectly held 14.28% of Series F units.

(d) Expense reimbursed by Manager:

The Manager has elected to absorb certain operating expenses of the Fund. For the period from commencement of operations from January 30, 2025 (date of inception) to December 31, 2025, the Manager absorbed \$116,548 of the Fund's expenses.

(e) Brokerage Commissions:

During the year ended December 31, 2025, total brokerage commissions paid by the Fund were \$92,889. During the year, \$58,409 in commission dollars were paid to the Manager for acting as broker in respect of portfolio transactions for the Fund.

(f) Other fees:

The Manager may earn fees and spreads in connection with various services provided to, or transactions with, the Fund, such as foreign exchange or derivatives transactions.

5. Redeemable units of the Fund:

An investment in the Fund is represented by units. The Fund is authorized to issue an unlimited number of series (each, a "Series"). The Fund is authorized to issue an unlimited number of units within each Series. Holders of the units of a Series are unitholders (the "Unitholders"). The Trustee has the power to determine the terms and conditions of each Series. Each unit of a Series represents an undivided ownership interest in the assets attributable to that Series of units of the Fund. Each whole unit entitles the holder to vote at all meetings of unitholders of the Fund.

The Founders Series A units and Founders Series F units (collectively referred as "Founders Units") and Series I units are currently being offered by the Fund:

Founders Series A Units: Available to all investors who invest during the founders investment period, which is until 4:00 p.m. (Toronto time) on December 31, 2025 ("Founders Investment Period"), or who hold such founders units as at the end of the Founders Investment Period, and who meet the applicable minimum investment amount, other than investors who meet the eligibility criteria for Founders Series F units.

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from January 30, 2025 (date of inception) to December 31, 2025

5. Redeemable units of the Fund (continued):

Founders Series F Units: Available to investors who invest during the Founders Investment Period, or who hold Founders Units as at the end of such period, and who have a fee-based account or an account as per the requirements of the Declaration of Trust.

Series I Units: Available to institutional investors and other permitted investors. Series I units are not sold to the general public.

All units of the same series have equal rights and privileges and are fully paid and non-assessable when issued. There are no pre-emptive rights attaching to units. Units are transferable on the register of the Fund only by a registered unitholder or his or her legal representative, subject to compliance with securities laws and the Declaration of Trust. 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. As of December 31, 2025, Founders Series A, Founders Series F and Series I have been issued.

Units may be purchased on each Valuation Date by sending a purchase order to the recordkeeper before 4:00 pm ("cut-off time"). The net asset per unit applicable would be of that Valuation Date. If any purchase order is received on a Valuation Date after the cut-off time or any day that is not a Valuation Date then the net asset per unit of the following Valuation Date would be applicable. The investors may switch the series subject to a fee of up to 2% of the net asset value of the units being switched.

A Unitholder may redeem units at the applicable Series Net Asset Value per unit on the Valuation Date. A notice of redemption must be delivered to the recordkeeper by 4:00pm on the Valuation Date on which the Unitholder wishes to redeem units. Redemption requests received after that time will be effective for redemption following the next Valuation Date. The redemption proceeds less any short-term trading fee charges are typically paid to a Unitholder within two business days of the applicable Valuation Date. The Manager charges a deduction of up to 1% of the net asset value of the units that are redeemed within 30 days of purchasing them or any other redemption classified as a short-term trading by the Manager.

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from January 30, 2025 (date of inception) to December 31, 2025

5. Redeemable units of the Fund (continued):

The unit activity during the period ended December 31, 2025 is as follows:

	Redeemable Units, beginning of period	Redeemable Units Issued	Redemptions of Redeemable Units	Reinvestments of Units	Redeemable Units, end of period
December 31, 2025					
Founders Series A	–	290,297	(179,899)	9,095	119,493
Founders Series F	–	4,410,307	(52,109)	121,141	4,479,339
Series I	–	1,000,000	–	–	1,000,000

Distributions

For each taxation year, the Fund ensures that its income and net realized capital gains, if any, have been paid or made payable on or before December 31 to Unitholders to such an extent that the Fund will not be liable for ordinary income tax thereon. The Fund will distribute each month an amount equal to 7% per annum of the unit value for each series of units of the Fund. The distribution rate for the Fund's first taxation year is based on an initial issue price of \$10 per unit, and thereafter based on the unit value of each series of the Fund as at December 31 of the prior year. If the monthly amount distributed to unitholders in December is less than the amount that is required to be paid or made payable to unitholders to eliminate the Fund's liability for income tax, the distribution in December will be increased. These distributions are not guaranteed and may change at any time at the Manager's discretion.

Capital disclosure

The capital of the Fund is represented by issued and redeemable units. The units are entitled to distributions, if any, and to payment of a proportionate share based on the Fund's net assets attributable to holders of redeemable units per unit upon redemption. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of units, except for the conditions specified in Note 6. The Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from January 30, 2025 (date of inception) to December 31, 2025

6. Financial instruments:

(a) Management of financial instrument risks:

In the normal course of business, the Fund is exposed to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate risk, other price risk, leverage risk and currency risk). The value of investments within the Fund's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic and market conditions and company news related to specific securities within the Fund. The level of risk depends on the Fund's investment objective and the types of securities in which it invests.

(b) 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.

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 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.

Where the Fund invests in debt instruments and derivatives, this represents the main concentration of credit risk. The fair value of debt instruments and derivatives includes consideration of the creditworthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the Fund.

All of the cash and cash equivalents and investments of the Fund are held by National Bank Financial Inc. Bankruptcy or insolvency of the broker may cause the Fund's rights with respect to cash and cash equivalents held by the brokers to be delayed or limited. The Fund monitors its risk by placing its cash and cash equivalents and investments in custody of Schedule I financial institutions.

The Fund has provided the custodian with a general lien over financial assets held in custody as security for the custodian's exposures relating to the provision of custody services to the Fund.

As at December 31, 2025, the Fund did not invest in debt instruments.

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from January 30, 2025 (date of inception) to December 31, 2025

6. Financial instruments (continued):

(c) 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 liquidity risk is concentrated in the periodic cash redemptions of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed of. In addition, the Fund generally retains sufficient cash and cash equivalent positions to maintain liquidity. As at December 31, 2025, other financial liabilities of the Fund such as accounts payable and accrued liabilities, performance fees payable, management fees payable, distributions payable and due to the Manager are due between one and three months.

(d) Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments.

Interest rate risk arises when the Fund invests in interest-bearing financial instruments. The Fund is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. There is minimal sensitivity to interest rate fluctuations on any cash and cash equivalents invested at short-term market interest rates.

As at December 31, 2025, the Fund did not have significant exposure to interest rate risk.

(e) Other price risk:

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

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 objective and strategy. Possible losses from written options and securities sold short can be unlimited. The Fund's overall market positions are monitored on a regular basis by the 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, a 10% movement in stock prices could result in a \$2,308,263 change in net assets attributable to holders of redeemable units. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from January 30, 2025 (date of inception) to December 31, 2025

6. Financial instruments (continued):

(f) Currency risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar, which represents the functional currency of the Fund. The Fund may enter into foreign exchange forward contracts for hedging purposes to reduce its foreign currency exposure or to establish exposure to foreign currencies.

As at December 31, 2025, the currency risk related to the Fund is shown below:

Currency	Exposure			Impact if CAD strengthened or weakened by 5% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
December 31, 2025						
U.S. Dollar	\$ (15,001,276)	\$ 14,961,046	\$ (40,230)	\$ (750,064)	\$ 748,052	\$ (2,012)
% of Net assets attributable to holders of redeemable units	(27.0)	26.9	(0.1)	(1.4)	1.3	(0.0)

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

(g) Concentration risk:

Concentration risk arises because of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type.

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from January 30, 2025 (date of inception) to December 31, 2025

6. Financial instruments (continued):

(g) Concentration risk (continued):

The following table is a summary of the Fund's concentration risk as a percentage of the Fund's net assets at December 31, 2025:

Market segment	Percentage of net assets attributable to holders of redeemable units December 31, 2025
Investments owned	
Basic Materials	0.5
Communications	2.0
Consumer, Non-cyclical	2.6
Energy	4.8
Financial	30.2
Industrial	0.5
Technology	0.2
Utilities	0.8
Total net investments	41.6
Cash and cash equivalents	58.8
Forward contracts	(0.0)
Other assets and liabilities	(0.4)
	100.0

(h) Leverage risk:

When the Fund makes investments in derivatives, borrows cash for investment purposes, or uses physical short sales on equities, fixed income securities or other portfolio assets, leverage may be introduced into the Fund. Leverage occurs when the Fund's aggregate gross exposure to underlying assets is greater than the amount invested. Leverage may increase volatility, may impair the Fund's liquidity and may cause the Fund to liquidate positions at unfavorable times.

As prescribed by NI 81-102, the aggregate gross exposure of the Fund, to be calculated as the sum of the following, must not exceed three times the Fund's net asset value: (i) the amount of cash borrowed for investment purposes; (ii) the aggregate market value of physical short sales on equities, fixed income securities or other portfolio assets; and (iii) the aggregate notional value of the Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes. Notwithstanding this limit, the Fund intends to maintain a typical range of aggregate gross exposure between 1.0 to 1.5 times its NAV.

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from January 30, 2025 (date of inception) to December 31, 2025

6. Financial instruments (continued):

(h) Leverage risk (continued):

The Fund has entered into a margin agreement with the Custodian in which cash is borrowed against collateral in the Fund's account. All cash borrowing is repayable on demand and interest is calculated based on the custodian's interest rate as agreed with the Manager. As of December 31, 2025, the total cash borrowed was \$nil representing nil% of the Fund's net assets value.

During the period ended December 31, 2025, the Fund's lowest and highest aggregate gross exposure was 26.41% and 66.36% of the Fund's NAV respectively. During 2025, the primary source of leverage was derivative options.

The Manager monitors, on a daily basis, that the Fund's aggregate gross exposure is less than three times the Fund's net asset value.

(i) Fair values of financial instruments:

Investments measured at fair value are classified into one of three fair value hierarchy levels, based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The three fair value hierarchy levels are as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from January 30, 2025 (date of inception) to December 31, 2025

6. Financial instruments (continued):

(i) Fair values of financial instruments (continued):

The following table summarizes the levels within the fair value hierarchy in which the fair value measurements of the Fund's investments fall as of December 31, 2025:

	Level 1	Level 2	Level 3	Total
Assets				
Equities	\$ 23,356,298	\$ –	\$ –	\$ 23,356,298
	\$ 23,356,298	\$ –	\$ –	\$ 23,356,298
Liabilities				
Options	\$ 273,666	\$ –	\$ –	\$ 273,666
Forward contracts	–	743	–	743
	\$ 273,666	\$ 743	\$ –	\$ 274,409

There were no transfers between levels during the period from January 30, 2025 (date of inception) to December 31, 2025.

(j) Offsetting financial instruments

The disclosures set out in the tables below include financial assets and liabilities that are subject to offsetting, master netting arrangements or similar agreement (including derivative clearing agreements) that covers similar financial instruments as at December 31, 2025:

December 31, 2025

Description	Gross amount of assets (liabilities)	Amount available for offset	Net
Unrealized losses on forward contracts	\$ (743)	\$ –	\$ (743)
Total	\$ (743)	\$ –	\$ (743)

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from January 30, 2025 (date of inception) to December 31, 2025

7. Expenses:

The Fund pays all of its operating expenses including, without limitation, expenses relating to, accounting, clearing and settlement charges, audit and legal fees, bank and interest charges, insurance, safekeeping and custodial fees, operating and administrative costs, costs of financial reports to investors, costs relating to investor meetings, costs of the prospectus relating to the sale of units of the Fund, costs of the independent review committee, regulatory filing and other fees and brokerage commissions and other portfolio transaction costs. The Fund is generally required to pay HST (and other applicable taxes, if any) at the applicable rate on most expenses that it pays.

Each Series is responsible for the operating expenses that relate to that particular Series and for its proportionate share of the operating expenses that are applicable to all the Series of the applicable Fund. These specific expenses, unique to each Series, are payable from the assets attributed to that Series of the Fund. If the Fund cannot pay the expenses of one series using that series' share of assets, the Fund will have to pay the additional expenses out of other series' share of assets.

The members of the independent review committee may from time to time pay for reasonable expenses incurred in the performance of their duties and be reimbursed for such expenses by the Fund. These expenses may include insurance premiums, travel expenses and reasonable out-of-pocket expenses.

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from January 30, 2025 (date of inception) to December 31, 2025

8. Increase in net assets attributable to holders of redeemable units per unit:

The increase in net assets attributable to holders of redeemable units per unit for the period from January 30, 2025 (date of inception) to December 31, 2025, is calculated as follows:

	Increase in net assets attributable to holders of redeemable units per series	Weighted Average of Redeemable Units Outstanding During the Period	Increase in net assets attributable to holders of redeemable units per unit
December 31, 2025			
Founders Series A	\$ 125,009	206,880	\$ 0.60
Founders Series F	984,616	2,497,819	0.39
Series I	165,962	1,000,000	0.17

9. Income taxes:

The Fund qualifies as a Mutual Fund trust under the provisions of the Income Tax Act (Canada), and accordingly, is not subject to tax on its net taxable income, including net realized capital gains, that is paid or payable to its Unitholders as at the end of the taxation 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. Income tax on net realized capital gains not paid or payable is generally recoverable by virtue of refunding provisions contained in tax legislation, as redemptions occur. 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 under Part I of the Income Tax Act (Canada). As a result, the Fund does not record income taxes.

The Fund is subject to withholding taxes on foreign income at the applicable foreign tax rates on investment income and capital gains.

Non-capital losses are available to be carried forward for twenty years and applied against future taxable income. Capital losses for income tax purposes may be carried forward indefinitely and applied against future capital gains and regular income.

For the tax year ended December 31, 2025, the Fund had non-capital losses of \$nil available for carryforward and capital losses of \$nil available for carryforward.

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from January 30, 2025 (date of inception) to December 31, 2025

10. Investment in unconsolidated structured entities:

The Fund may invest in units of other funds or exchange traded funds as part of its investment strategies ("Investee Fund(s)"). The nature and purpose of these Investee Funds generally, is to manage assets on behalf of third-party investors in accordance with their investment objectives, and are financed through the issue of units to investors.

In determining whether the Fund has control or significant influence over an Investee Fund, the Fund assesses voting rights, the exposure to variable returns, and its ability to use the voting rights to affect the amount of the returns. In instances where the Fund has control over an Investee Fund, the Fund qualifies as an investment entity under IFRS 10 - Consolidated Financial Statements and, therefore, accounts for investments it controls at fair value through profit or loss. The Fund's primary purpose is defined by its investment objectives and uses the investment strategies available to it as defined in the Fund's prospectus to meet those objectives. The Fund also measures and evaluates the performance of any Investee Funds on a fair value basis. Investee Funds over which the Fund has control or significant influence are categorized as subsidiaries and associates, respectively. All other Investee Funds are categorized as unconsolidated structured entities. Investee Funds may be managed by the Manager, its affiliates, or by third-party managers. Investments in Investee Funds are susceptible to market price risk arising from uncertainty about future values of those Investee Funds. The maximum exposure to loss from interests in Investee Funds is equal to the total fair value of the investment in those respective Investee Funds at any given point in time.

The exposure to investments in underlying funds is disclosed in the following table as at December 31, 2025:

Investee Funds	Type	Net Asset Value of Investee Fund*	Investment fair value*	% ownership of investee Fund
Alerian MLP ETF	Exchange traded Fund	\$ 14,126,450,000	\$ 690,021	0.00%
Automotive Properties Real Estate Investment Trust	Real Estate Investment Trust	687,044,000	554,904	0.08%
Canadian Apartment Properties REIT	Real Estate Investment Trust	8,891,311,000	66,366	0.00%
CT Real Estate Investment Trust	Real Estate Investment Trust	4,271,820,000	260,320	0.01%
H&R Real Estate Investment Trust	Real Estate Investment Trust	4,967,284,000	168,795	0.00%
Harvest Premium Yield 7-10 Year Treasury ETF	Exchange traded Fund	240,045,320	1,645,425	0.69%
Harvest Premium Yield Treasury ETF	Exchange traded Fund	546,332,747	814,080	0.15%
Buywrite Strategy ETF	Exchange traded Fund	331,850,211	1,085,254	0.33%
Bond Buywrite Strategy ETF	Exchange traded Fund	393,142,060	2,162,075	0.55%
Janus Henderson AAA CLO ETF	Exchange traded Fund	34,571,400,500	1,893,814	0.01%
Janus Henderson B-BBB CLO ETF	Exchange traded Fund	1,759,634,500	1,897,196	0.11%
		\$ 70,786,314,338	\$ 11,238,250	1.92%

*Amounts in CAD

JC CLARK HIGH INCOME OPPORTUNITIES FUND

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from January 30, 2025 (date of inception) to December 31, 2025

11. Securities lending:

The Fund has participated in a securities lending program with National Bank Independent Network (a division of National Bank Financial Inc.). As at December 31, 2025, the total fair value of the securities lent was \$1,364,421 and the total fair value of collateral received was \$1,480,000. Collateral held is generally comprised of securities of, or guaranteed by, the Government of Canada, a province or crown corporations thereof. The Manager was not entitled and did not receive any securities lending income.

For the period ended December 31, 2025, the following table present a breakdown of the gross and net income earned from securities lending transactions:

	December 31, 2025	
	Amount	Percentage
Gross securities lending income	\$ 6,533	100
Securities lending charges	2,613	40
Net securities lending income	<u>\$ 3,920</u>	<u>60</u>

The difference between the gross and net income earned was paid to NBIN – lending agent.

12. Fees paid to Auditors:

For the period from January 30, 2025 (date of inception) to December 31, 2025, fees incurred to KPMG LLP for the audit of the financial statements of the Canadian Reporting Issuer funds managed by JC Clark Ltd. were \$77,550.