

## SUMMARY STATEMENT OF FINANCIAL POSITION

### Friedberg Mercantile Group Ltd.

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February 28, 2018

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#### REPORT ON SUMMARY STATEMENT OF FINANCIAL POSITION

##### Management's Responsibility for the Summary Statement of Financial Position

Management is responsible for the preparation of the summary statement of financial position to clients of the Dealer Member in accordance with Dealer Member Rule 1400 (Rule 1400) of the Investment Industry Regulatory Organization of Canada (IIROC).

##### Excerpt from Rule 1400

"1400.1. Each *Dealer Member* shall make available to its clients, on request, a summary statement of its financial position as of the close of its latest financial year and based on the latest annual audited financial statements, provided that in order to prepare such statement, the *Dealer Member* shall have 75 days from the close of such financial year. The term "client", as used in this Rule 1400, shall mean any person who has executed a transaction with a *Dealer Member* within one year of the day on which a request for a summary statement of financial position is made."

##### Basis of Accounting and Restriction on Use

The summary statement of financial position of the Dealer Member is based on financial information from the latest annual IIROC Form 1 of the Dealer Member. IIROC Form 1 is a special purpose report that includes non-consolidated (or consolidated, as indicated by the wholly owned and "related" firm names on the cover page) financial statements and schedules, and is prepared in accordance with International Financial Reporting Standards (IFRS), except as prescribed by IIROC in the General Notes and Definitions to IIROC Form 1. IIROC Form 1 of the Dealer Member is prepared by the Dealer Member and filed with IIROC and the Canadian Investor Protection Fund (CIPF) on the Securities Industry Regulatory Financial Filing System (SIRFF) in order to assist the Dealer Member in demonstrating its solvency to IIROC and CIPF.

The summary statement of financial position is intended solely for the clients of the Dealer Member for the purposes of Rule 1400 and should not be used by parties other than the clients of the Dealer Member for any other purpose. The summary statement of financial position fairly summarizes the non-consolidated (or consolidated, as indicated by the wholly owned and "related" firm names on the cover page) financial position of the Dealer Member as at the date of its last IIROC Form 1.

## Friedberg Mercantile Group Ltd.

### SUMMARY STATEMENT OF FINANCIAL POSITION

February 28, 2018

[stated in thousands of Canadian dollars]

#### ASSETS

##### Liquid assets (note 1)

Cash	89,846
Funds deposited in trust	2,053
Loans receivable, securities borrowed and resales	0
Securities owned	78,469
Due from clients	4,862
Due from brokers and dealers	16,648
Other liquid assets	19
<b>Total liquid assets</b>	<b>191,897</b>

##### Other assets

Investments in and advances to subsidiaries and affiliates	62
Other assets	5,003
<b>Total other assets</b>	<b>5,065</b>

<b>Total Assets</b>	<b>196,962</b>
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#### LIABILITIES AND FINANCIAL STATEMENT CAPITAL

##### Current liabilities

Overdrafts, loans, securities loaned and repurchases	0
Securities sold short	52
Due to clients	146,175
Due to brokers and dealers	1,190
Other liabilities	6,511
<b>Total current liabilities</b>	<b>153,928</b>

##### Non-current liabilities

Subordinated loans (note 2)	0
Other non-current liabilities	0
<b>Total non-current liabilities</b>	<b>0</b>

<b>Total liabilities</b>	<b>153,928</b>
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<b>Financial statement capital</b>	
Issued capital, reserves and retained earnings (note 2)	43,034
<b>Total financial statement capital</b>	<u>43,034</u>
<b>Total liabilities and financial statement capital</b>	<u>196,962</u>

**Notes:**

- 1 Liquid assets is a regulatory asset category specific to IIROC and assets under this category are considered to be most liquid for regulatory purposes
- 2 Subordinated loans, issued capital, reserves and retained earnings are treated as regulatory capital invested in the business

**Chief Financial Officer's Certification of the Summary Statement**

I certify that this summary statement of financial position of

Friedberg Mercantile Group Ltd.

is based on and printed from the Dealer Member's sourced last IIROC Form 1 filing to IIROC and CIPF on SIRFF.

  
 (Signature of Chief Financial Officer)

5/24/18  
 (date)

RICHARD KNIGHT  
 (Printed name of Chief Financial Officer)