FRIEDBERG MERCANTILE GROUP LTD.

Quarterly Report

Q1 2025

FRIEDBERG MERCANTILE GROUP LTD.

2025 **First Quarter Report**

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All Statements made herein, while not guaranteed, are based on information considered reliable and are believed by us to be accurate.
Futures and options trading is speculative and involves risk of loss. Past trading results are not indicative of future profits.

Message to our Investors

FRIEDBERG MERCANTILE GROUP LTD.

We are pleased to report to you the financial results of our two hedge funds for the first quarter ended March 31, 2025.

The Global-Macro Hedge Fund (GMHF) gained 23.45% for the quarter, while the Friedberg Asset Allocation Fund (AAF) gained 14.03%. Both funds handily outperformed the S&P500, which lost 4.58% in the first three months of the year.

The discussion of results is rather straightforward. Gold and gold-related equities represented the vast majority of our exposure over the period and contributed more than the totality of gains. For the GMHF, gold bullion returned 3,239 basis points (bps), with another 10 bps coming from Agnico Eagle Mines Inc. In the AAF, the miners contributed 1,256 bps, while the metal itself added another 440 bps.

Geopolitical, economic, and trade-related events since the advent of the second Trump administration have all strengthened the bull case for the metal. Our substantial level of conviction has been firmly rooted in the belief (supported by evidence) that global central banks have been aggressively building gold reserves, effectively remonetizing the metal. Add to this backdrop a shock-and-awe approach to rewriting the rules of global trade by way of far-reaching and highly disruptive (whatever the end result might prove to be) tariffs, and the impetus to diversify away from US treasuries is even greater for foreign central banks of both allied and adversarial nations. We enter the second quarter with 205% exposure to bullion in the GMHF and 67% exposure to gold and gold miners in the AAF.

A few other themes contributed muted results on both sides of the ledger. Cocoa, a 12.5% exposure, cost the GMHF 292 bps for the quarter. Also weighing on results were some poorly timed options trades betting against the S&P, which cost another 339 bps. Small bets in specific equities brought mixed results, with a short in MicroStrategy costing 87 bps and a long position in IBM adding 98 bps. Finally, a short position in copper and other base metals cost the fund 169 bps.

As we head into the second quarter, we have begun to rebuild a position in US homebuilders. These have suffered a six-month bear market and are poised to lead the equity market out of this pullback. As prime beneficiaries of potentially falling yields, homebuilders tend to bottom early in a recession. At month end, our exposure was 16.25%.



ALBERT D. FRIEDBERG



JAIME A. MACRAE

Letter from the Manager

FRIEDBERG MERCANTILE GROUP LTD.

The extraordinary increase in tariffs decreed by the Trump administration is sure to raise prices, reduce consumer purchasing power, and cause the US economy — and most of the global economy — to contract sharply over the next six months. The 2025 recession will, in our opinion, compare to the recession caused by the pandemic. It will be swift and deep though relatively short-lived. The comparison is sensible since both events were brought about neither by monetary tightening nor fiscal retrenchment nor overstretched balance sheets but rather by an unexpected shock to the system. Having said that, we ought not to discount the possibility that the 2025 contraction might last a bit longer than six months given that the rise in prices will impede a quick adjustment and is also likely to tie the hands of the Fed and other central banks wary of stoking inflation.

What is truly at stake, however, is not the safe odds of the subsequent recovery but the vigour of the bounce. If the tariffs are left in place, medium- and long-term economic growth will be sure to suffer and real personal incomes will fall. In such a scenario, government debt will surely grow and eventually call into question the solvency of the US and most large Western democracies.

Three factors are likely to abort the tariff insanity. First among them, the courts. One lawsuit is already moving through the courts to challenge the use of the 1977 International Emergency Economic Powers Act (IEEPA) as justification to impose a 20% tariff on China imports. As reported this weekend, Simplified, a Florida business, is arguing that "there is no necessary connection between the across the board tariff and the opioid problem" and that "the IEEPA does not authorize a president to impose tariffs."

According to Simplified, and in the words of a *Wall Street Journal* editorial, "tariffs violate the Supreme Court's major question doctrine, which requires executive actions that present a question of 'vast economic and political significance' to be clearly authorized by Congress."

There is little doubt that more such challenges will appear and that at some point, the executive branch will be forced to retract this insane economic policy.

A second reason to be optimistic that the rise in tariffs will not last through the end of the year is political. Republicans, holding a very slim majority in Congress, are likely to panic at the sight of rising unemployment given that mid-term elections are just 18 months away. I expect them to be putting pressure on the executive soon, which could run from growing resistance to support his programs to as much as a challenge to his authority to raise tariffs single-handedly, an effort with which Democrats will gladly go along.

Finally, and perhaps most important, fiscal revenues should very soon fail to meet Trump/Navarro's expectations, especially their prognostication that tariffs will bring in an *extra* $600 billion per year. The fiscal situation facing the present administration is nothing less than catastrophic. Spending for fiscal 2025, reflecting Biden-era measures (the current fiscal year began October 2024) is coming in at an all-time record high. Expressed in 2025 dollars, federal spending for the first five months of the fiscal year is already exceeding COVID-era

numbers, $3,039 trillion versus $3,012 trillion. The data do not include March, where we might see the impact of DOGE cuts. In spite of the many claims, though, no significant impact can yet be seen in the federal spending data. The federal deficit continues to grow as a result of the growth in spending. It is now the second-highest deficit on record. As a result, great expectations are being placed on tariffs to help close the fiscal gap.

We believe, however, that the monthly revenue figures will dash these expectations. Three or four months from now, we should know with some certainty that the extra $600 billion annual revenues will not materialize. We expect that then the long knives will come out.

In sum, I believe that the new tariff era does not have a long life. The equity markets are likely to anticipate the changing scenario much before it happens and will begin to climb just as unemployment numbers rise and production falls. I look forward to participating in the eventual recovery via a number of different, cyclical, themes. Long-term yields, especially real yields, are likely to fall significantly even without the assistance of the Fed and will provide strong support to equities. As the US federal debt rises toward an unserviceable $40 trillion, gold will continue to find strong bids among a great variety of central banks. And it, too, will benefit from falling long-term real rates of interest.

Thanking you for your trust,



ALBERT D. FRIEDBERG

FRIEDBERG MERCANTILE GROUP LTD.

Friedberg Asset Allocation Fund Ltd.
Friedberg Asset Allocation Fund

The Fund is a multi-strategy fund whose investment objective is to seek significant total investment returns, consisting of a combination of interest income, dividend income, currency gains and capital appreciation. Allocations are reviewed periodically.

PERFORMANCE[1] AS OF MARCH 31, 2025

	NAV	Quarterly	One Year	Three Years	Five Years	Ten Years
Friedberg Asset Allocation Fund Ltd.	1,866.64	13.97%	24.54%	6.94%	10.39%	2.57%
Friedberg Asset Allocation Fund	19.92[2]	14.02%	25.36%	7.31%	10.45%	2.67%
CSFB/Tremont Hedge Fund Index[3]		N.A.	8.66%	6.45%	7.11%	4.47%

[1] Net of fees [2] NAV adjusted to reflect distributions reinvested in the fund [3] Compounded annual rate of return as of February 2025.

Capital Allocation of the Friedberg Asset Allocation Fund Ltd.

As of December 31, 2024

INVESTMENT		CURRENT ALLOCATION
EQUITIES		63.03%
International Gold Miners	40.71%	
Computer Services	9.34%	
Oil and Gas Production	5.23%	
Steel Production	5.13%	
U.S. Homebuilders	2.62%	
COMMODITIES		30.55%
Gold Futures and Gold ETF	27.04%	
Cocoa Futures	3.51%	
FIXED INCOME		5.65%
Lebanon Bonds	5.65%	
CASH / MONEY MARKET		0.77%
		100.00%

Quarterly Performance

Based on the Friedberg Asset Allocation Fund

	Q1
EQUITIES	**11.76%**
International Gold Miners	12.56%
Oil and Gas Production	0.44%
Steel Production	0.25%
U.S. Homebuilders	-0.23%
Coal Producers	-0.55%
Computer Services	-0.71%
FIXED INCOME	**-0.97%**
Lebanon Bonds	-0.97%
COMMODITIES	**3.28%**
Gold Futures	4.40%
Cocoa Futures	-1.12%

Friedberg Asset Allocation Funds

FRIEDBERG MERCANTILE GROUP LTD.

Monthly Performance

Based on the Friedberg Asset Allocation Fund Ltd.

(%) Net of Fees

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2025	7.14	0.19	6.17										**13.97**
2024	-0.28	-2.68	10.45	0.13	3.02	-3.25	10.89	1.48	2.66	0.10	0.46	-5.75	**17.13**
2023	7.94	-6.09	-0.45	0.71	-3.10	0.09	2.29	0.49	-3.79	-1.65	5.20	2.32	**3.19**
2022	-9.29	2.32	-1.25	-3.57	-0.51	-10.58	4.85	-4.10	-6.97	2.50	8.61	-0.62	**-18.62**
2021	-1.57	-2.81	5.00	6.74	4.83	-6.42	2.51	-3.29	-4.95	6.09	0.42	6.02	**11.94**
2020	-3.85	-16.37	-21.36	15.06	4.50	3.51	11.99	0.52	-3.31	-4.58	-1.87	3.01	**-17.38**
2019	2.63	2.38	-0.18	1.19	4.04	3.11	1.03	-2.03	-1.29	5.06	-1.62	6.28	**22.19**
2018	3.62	-6.33	0.31	-0.68	-6.06	-2.29	0.24	-3.36	-1.34	-3.33	0.07	2.75	**-15.69**
2017	6.57	2.07	-0.54	-1.54	-1.12	3.55	1.31	1.99	-0.39	1.38	2.60	2.32	**19.48**
2016	-3.94	5.15	3.28	8.82	-4.95	7.51	4.24	-3.87	1.15	-4.46	-5.46	0.90	**7.18**
2015	3.45	0.31	-1.31	-0.74	-1.03	-1.67	0.74	-2.21	-2.67	3.79	0.91	-2.86	**-3.49**
2014	3.55	3.30	-1.58	0.25	0.32	3.29	-2.41	2.93	-5.79	-1.39	2.06	0.78	**4.94**
2013	0.91	-1.21	0.89	1.47	-5.07	-7.09	1.98	-0.95	1.22	1.99	-0.80	-2.20	**-8.94**
2012	5.10	-0.08	-2.83	-0.77	-3.22	1.21	0.40	0.72	1.43	1.24	2.83	-1.16	**4.70**
2011	-4.11	4.18	1.11	5.56	-1.67	-1.98	4.65	5.15	-2.86	3.31	-1.05	-1.58	**10.52**
2010	-0.27	0.99	0.56	3.47	1.10	0.99	-2.23	3.36	3.91	2.57	-0.06	0.83	**16.14**
2009						0.38	2.62	0.09	2.91	0.53	7.15	-3.63	**10.13**

Past performance is not indicative of future results.

Friedberg Global-Macro Hedge Funds

FRIEDBERG MERCANTILE GROUP LTD.

Friedberg Global-Macro Hedge Fund Ltd.
Friedberg Global-Macro Hedge Fund

A multi-strategy fund. Allocations are reviewed periodically.

PERFORMANCE[1] AS OF MARCH 31, 2025

	NAV	Quarterly	One Year	Three Years	Five Years	Ten Years
Friedberg Global-Macro Hedge Fund Ltd.	3,465.10	13.97%	24.54%	6.94%	10.39%	2.57%
Friedberg Global-Macro Hedge Fund	20.55[2]	14.02%	25.36%	7.31%	10.45%	2.67%
CSFB/Tremont Hedge Fund Index[3]		N.A.	8.66%	6.45%	7.11%	4.47%

[1] Net of fees [2] NAV adjusted to reflect distributions reinvested in the fund [3] Compounded annual rate of return as of February 2025.

Sector Performance

Based on the Friedberg Global-Macro Hedge Fund

	Q1
COMMODITIES	**27.85%**
LONG	
Gold Futures and Options	32.39%
Brent Crude Futures and Options	0.07%
Cocoa Futures	-2.92%
SHORT	
Bloomberg Commodities Industrial Metals Index	-0.48%
Copper Futures	-1.21%
FIXED INCOME	**0.76%**
LONG	
U.S. T-Bills	0.81%
Lebanon Bonds	0.00%
SOFR Options	-0.05%

	Q1
EQUITIES	**2.58%**
LONG	
Gold Miners and Producers	1.09%
Computer Services	0.98%
Alphabet Inc.	0.05%
U.S. Homebuilders	-0.49%
SHORT	
Taiwan Semiconductor Manufacturing Co. Ltd.	0.06%
India Equity Index Futures	-0.00%
Bitcoin Miners and ETFs	-0.87%
U.S. Equity Index Options	-3.39%

Friedberg Global-Macro Hedge Funds

FRIEDBERG MERCANTILE GROUP LTD.

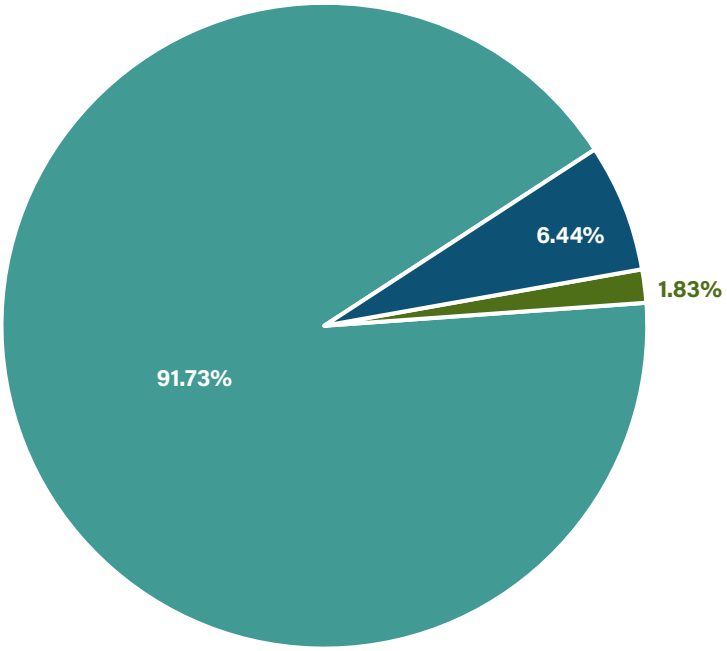
AS OF MARCH 31, 2025

Percentages of Total Assets

Percentages of Total Net Assets

- **Commodities (Long)** **74.56%**
  Gold, Brent Crude, Cocoa
  As a % of Net Assets: 231.52%
- **Equities (Long)** **10.83%,**
  Equities: Homebuilders, Miscellaneous
  As a % of Net Assets: 16.26%
- **Equities (Short)** **9.94%**
  Technology
  As a % of Net Assets: 4.61%

Total Assets to Net Assets: 252.39%



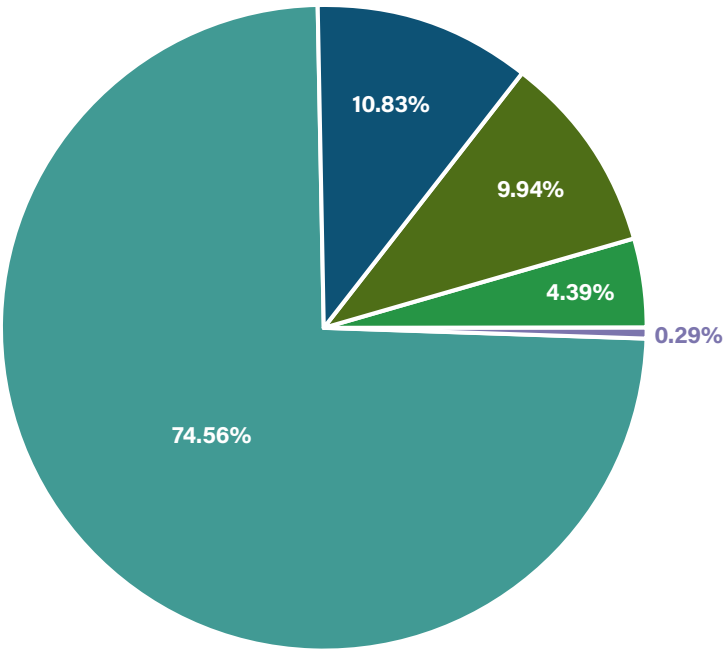
AS OF DECEMBER 31, 2024

Percentages of Total Assets

Percentages of Total Net Assets

- **Commodities (Long)** **74.56%**
  Gold and Cocoa
  As a % of Net Assets: 134.87%
- **Equities (Long)** **10.83%,**
  Equities: Homebuilders, Gold Miners, Miscellaneous
  As a % of Net Assets: 19.60%
- **Equities (Short)** **9.94%**
  SPY Put Options
  As a % of Net Assets: 17.97%
- **Commodities (Short)** **4.39%**
  Base Metals
  As a % of Net Assets: 7.94%
- **Long SOFR** **0.29%**
  Rates via derivatives
  As a % of Net Assets: 0.52%

Total Assets to Net Assets: 180.90%



Friedberg Global-Macro Hedge Funds

FRIEDBERG MERCANTILE GROUP LTD.

Monthly Performance

Based on the Friedberg Global-Macro Hedge Fund Ltd.

(%) Net of Fees

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2025	7.85	-0.50	13.81										**22.12**
2024	-6.27	-5.75	16.95	-0.26	2.16	-5.75	14.48	3.81	9.40	0.34	-1.96	-4.93	**20.65**
2023	-0.97	-6.57	-1.17	0.52	2.26	-16.63	-10.95	0.52	-9.74	2.62	1.83	5.58	**-30.15**
2022	3.22	28.55	1.02	3.35	-0.04	-15.33	0.49	-11.22	-11.60	13.49	9.81	11.60	**28.59**
2021	0.56	7.91	4.43	7.41	9.42	-8.65	3.45	-9.85	1.95	-0.33	0.29	12.09	**29.60**
2020	-8.55	-19.41	-34.68	26.35	6.78	4.88	30.59	4.78	-10.18	-9.35	8.90	7.70	**-10.99**
2019	-10.24	-7.93	1.86	-1.68	4.57	-6.40	-4.54	6.83	-2.08	-3.45	-3.89	4.91	**-21.26**
2018	4.82	-18.57	4.07	-3.39	-13.97	-5.66	0.28	-7.53	0.32	7.40	-4.06	6.31	**-29.03**
2017	0.23	3.14	-0.44	-1.76	1.05	1.22	-2.39	2.14	-0.77	10.58	15.85	4.13	**36.47**
2016	4.54	9.86	-9.79	0.72	-3.39	1.30	3.67	-6.83	-1.93	-10.13	-3.70	0.49	**-15.94**
2015	4.75	-1.16	2.73	-14.00	3.14	0.08	11.12	6.69	-0.21	0.16	5.70	-2.68	**15.09**
2014	17.06	0.30	-17.58	-3.84	-3.35	1.27	-12.07	5.19	-4.38	-1.53	7.09	1.60	**-13.70**
2013	7.65	-3.74	3.04	-1.90	-5.62	-13.17	-14.23	-1.28	-11.27	-4.80	4.84	1.87	**-34.43**
2012	-15.04	-5.20	1.64	8.84	11.22	-2.12	-0.69	1.00	0.84	0.70	-2.43	-5.29	**-8.72**
2011	-10.28	7.67	-0.71	9.53	-5.06	-3.23	15.96	16.22	18.69	-21.76	11.47	4.60	**40.86**
2010	2.99	0.36	-7.34	3.76	13.22	4.75	-13.76	6.95	9.11	1.69	-1.61	-6.16	**11.36**
2009	-5.85	-3.88	3.65	-7.15	14.97	-7.85	9.47	1.97	5.02	-2.21	9.56	-3.34	**12.02**
2008	7.18	9.57	-1.04	-6.48	4.51	8.58	-0.24	-6.85	4.18	-5.96	5.85	19.06	**41.52**
2007	-1.01	1.07	-3.44	-1.28	-0.80	1.57	10.06	2.80	-1.33	5.89	7.91	3.00	**26.27**
2006	1.88	1.06	-1.81	2.07	-0.75	1.27	2.04	-0.09	-0.56	3.10	2.43	0.54	**11.64**
2005	1.04	0.84	-1.13	1.31	1.06	2.47	0.08	0.95	2.75	-1.38	2.56	2.20	**13.41**
2004	4.03	3.44	1.36	-7.84	-0.39	0.27	1.02	1.90	1.45	1.67	2.76	3.24	**13.09**
2003	3.11	3.06	-4.58	-1.15	9.26	-3.77	-8.04	2.91	5.49	1.69	1.49	1.10	**9.76**
2002	-1.46	2.04	-2.22	4.41	5.41	6.16	-2.42	4.45	2.80	-6.70	0.32	7.56	**21.17**
2001											0.00	-0.40	**-0.40**

Past performance is not indicative of future results.

Closed Funds

FRIEDBERG MERCANTILE GROUP LTD.

Fund	Inception Date	Inception NAV	Liquidation Date	Liquidation NAV	Size of Fund at Liquidation	Annual % Rate of Return
Friedberg Diversified Fund	13-Sep-96	10.00	31-Oct-06	48.43	$4,642,228	16.90%
Friedberg Global Opportunities Fund Ltd.	13-May-97	1000.00	28-Feb-05	501.89	$5,700,000	-8.46%
Friedberg Equity Hedge Fund L.P.	15-Feb-98	10.00	31-Oct-06	22.12	$6,784,836	9.50%
Friedberg International Securities Fund	31-Mar-98	10.00	30-Nov-05	11.49	$4,500,000	1.83%
Friedberg Futures Fund	8-May-98	10.00	31-Oct-06	19.59	$1,126,409	8.10%
Friedberg Global-Macro Hedge Fund L.P.	31-May-02	10.00	31-Oct-06	19.00	$30,691,202	15.64%
Friedberg Equity Hedge Fund Ltd.	16-Oct-96	1000.00	30-Apr-07	2951.78	$31,540,284	10.81%
Friedberg Currency Fund II Ltd.	6-Mar-97	1000.00	30-Jun-08	1019.23	$35,599,879	0.17%
Friedberg Total Return Fixed Income Fund Ltd.	2-Oct-96	1000.00	31-Jul-09	2155.93	$94,686,020	6.17%
First Mercantile Currency Fund	7-Sep-85	10.00	30-Dec-09	8.29	$848,443	N.A.
Friedberg Foreign Bond Fund	19-Aug-96	10.00	30-Jul-10	9.84	$13,336,465	6.91%
Friedberg Total Return Fixed Income Fund L.P.	19-Feb-97	100.00	28-Dec-11	325.47	$11,776,462	8.27%
Friedberg Forex L.P.	13-Jun-91	10.00	28-Dec-11	11.78	$2,558,382	2.66%
Friedberg Currency Fund	3-Jan-95	10.00	30-June-13	8.41	$1,932,936	-0.93%

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