

Interim Financial Statements

For the period ended June 30, 2026

Quadravest Preferred Split Share ETF

Interim Financial Statements

Statements of Financial Position (Unaudited) (in Canadian dollars, except per unit amounts)

	Note	As at June 30, 2026	As at December 31, 2025
		\$	\$
Assets			
Current assets			
Investments	5	44,731,731	40,800,895
Cash		2,851,364	2,764,416
Dividends receivable		299,279	271,798
Total assets		47,882,374	43,837,109
Liabilities			
Current liabilities			
Distributions payable		262,485	239,736
Redeemed units payable		1,480,598	-
Accrued expenses		29,195	27,208
Total liabilities (excluding net assets attributable to holders of redeemable units)		1,772,278	266,944
Net assets attributable to holders of redeemable units	2	46,110,096	43,570,165
Net assets attributable to holders of redeemable units per unit	2	10.58	10.60

Approved on behalf of the board of directors of Quadravest Capital Management Inc.

Wayne Finch
Director
Peter Cruickshank
Director

Statements of Comprehensive Income for the Periods Ended June 30 (Unaudited) (in Canadian dollars, except per unit amounts)

	Note	2026	2025
		\$	\$
Income	2		
Interest income for distribution purposes		3,188	4,052
Dividend income		1,423,422	872,347
Net realized gains (losses) on sale of investments		111,537	(735)
Change in net unrealized appreciation/depreciation on investments		114,557	(39,296)
Total income		1,652,704	836,368
Expenses	7		
Management fees		126,721	73,263
Independent review committee fees		1,070	683
Transaction costs on purchase and sale of investments	7	-	1
Total expenses		127,791	73,947
Increase (decrease) in net assets attributable to holders of redeemable units	2	1,524,913	762,421
Weighted average number of units	2	4,391,657	2,453,094
Increase (decrease) in net assets attributable to holders of redeemable units per unit	2	0.35	0.31

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

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units
for the Periods Ended June 30 (Unaudited)
(in Canadian dollars, except per unit amounts)

	Note	2026	2025
		\$	\$
Net assets attributable to holders of redeemable units, beginning of the period		43,570,165	21,003,726
Increase (decrease) in net assets attributable to holders of redeemable units		1,524,913	762,421
Redeemable units transactions	6		
Proceeds from redeemable units issued		8,837,240	8,368,978
Redemption of redeemable units		(6,277,644)	(1,560,124)
Total redeemable units transactions		2,559,596	6,808,854
Distributions to investors	2		
Distributions paid to holders of redeemable units		1,544,578	877,867
Total distributions to investors		1,544,578	877,867
Net increase (decrease) in net assets attributable to holders of redeemable units		2,539,931	6,693,408
Net assets attributable to holders of redeemable units, end of the period		46,110,096	27,697,134
Redeemable unit transactions			
Redeemable units outstanding, beginning of the period		4,110,000	1,980,000
Redeemable units issued		840,000	780,000
Redeemable units redeemed		(590,000)	(150,000)
Redeemable units outstanding, end of the period		4,360,000	2,610,000

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

Statements of Cash Flows
for the Periods Ended June 30 (Unaudited)
(in Canadian dollars)

	Note	2026	2025
		\$	\$
Cash flows from (used in) operating activities			
Increase (decrease) in net assets attributable to holders of redeemable units	2	1,524,913	762,421
Adjustments for:			
Net realized (gains) losses on sale of investments		(111,537)	735
Change in net unrealized appreciation/depreciation on investments		(114,557)	39,296
Purchases of investments ¹		-	-
Proceeds from sale and maturity of investments ¹		-	-
Dividends receivable		(27,481)	(43,644)
Accrued expenses		1,987	3,760
Net cash from (used in) operating activities		1,273,325	762,568
Cash flows from (used in) financing activities	2		
Distributions paid to holders of redeemable units, net of reinvested distributions ¹		(1,521,829)	(841,119)
Proceeds from issuances of redeemable units ¹		531,540	464,161
Amounts paid on redemption of redeemable units ¹		(196,088)	(77,679)
Net cash from (used in) financing activities		(1,186,377)	(454,637)
Net increase (decrease) for the period		86,948	307,931
Cash, beginning of the period		2,764,416	1,068,745
Cash, end of the period		2,851,364	1,376,676
Included in cash flows from operating activities			
Interest received		3,188	4,052
Dividends received		1,395,941	828,703

¹ Excludes in-kind transactions.
In-kind subscriptions of \$8,305,700 (\$7,904,817 in 2025)
In-kind redemptions of \$6,020,575 (\$1,482,445 in 2025)

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

Schedule of Investments as at June 30, 2026 (Unaudited)
(in Canadian dollars)

	Number of shares	Average Cost \$	Fair Value \$
Preferred Shares (97.0%)			
Brompton Split Banc Corp. Preferred shares	301,969	3,201,653	3,128,399
Canadian Banc Corp. Preferred shares*	636,103	6,610,788	6,577,305
Dividend 15 Split Corp. II Preferred shares*	358,393	3,760,770	3,927,987
Dividend 15 Split Corp. Preferred shares*	451,512	4,713,910	4,889,875
Dividend Growth Split Corp. Preferred shares	451,789	4,729,355	4,892,875
E Split Corp. Preferred shares	166,625	1,822,087	1,839,540
Financial 15 Split Corp. Preferred shares*	446,498	4,750,158	4,786,459
Global Dividend Growth Split Corp. Preferred shares	183,926	1,900,234	1,940,419
Life & Banc Split Corp. Preferred shares	387,698	4,159,555	4,144,492
North American Financial 15 Split Corp. Preferred shares*	352,852	3,759,714	3,800,216
Premium Income Corporation Preferred shares	294,734	4,616,918	4,804,164
		<u>44,025,142</u>	<u>44,731,731</u>
Total Investments (97.0%)		<u>44,025,142</u>	<u>44,731,731</u>
Cash and Other Net Assets (3.0%)			<u>1,378,365</u>
Net Assets (100%)			<u>46,110,096</u>

*Split share corporation managed by the Manager

Notes to Financial Statements (Unaudited)

NOTE 1: GENERAL INFORMATION

Quadravest Preferred Split Share ETF (the "Preferred ETF") is an exchange-traded mutual fund trust established under the laws of the province of Ontario on June 7, 2024. Quadravest Capital Management Inc. (the "Manager") is the manager, trustee, portfolio manager and promoter of the Preferred ETF.

The Statements of Financial Position are presented as at June 30, 2026 and December 31, 2025, and the Statements of Comprehensive Income, Statements of Changes in Net Assets Attributable to Holders of Redeemable Units and Statements of Cash Flows are presented for six-month periods ended June 30, 2026 and June 30, 2025, and were approved and authorized for issue by the Board of Directors of the Manager on August 20, 2026.

The ticker symbol for the Preferred ETF is PREF. The investment objectives of the Preferred ETF are to provide unitholders of the Preferred ETF with: (a) monthly distributions and (b) the opportunity for capital preservation primarily through investment in a portfolio of preferred shares of split share corporations ("Split Corp. Preferred Shares"). The Preferred ETF's registered office is located at 200 Front Street West, Suite 2510, Toronto, Ontario M5V 3K2.

NOTE 2: BASIS OF PRESENTATION AND SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), as applicable to the preparation of interim financial statements, consistent with International Accounting Standard ("IAS") 34, Interim Financial Reporting. These financial statements should be read in conjunction with the annual financial statements for the period ended December 31, 2025, which were prepared in accordance with IFRS Accounting Standards. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss ("FVTPL").

2.2 Material Accounting Policy Information

2.2.1 Financial Instruments

The Preferred ETF's portfolio of investments is managed and performance is evaluated on a fair value basis. The Preferred ETF primarily focuses on fair value information and uses that information to assess the performance of assets and make decisions. The Preferred ETF has not taken the option to irrevocably designate any equity securities as fair value in other comprehensive income ("FVOCI"). Consequently, all investments, including derivatives, are measured at FVTPL.

The Preferred ETF's obligation for net assets attributable to holders of redeemable units is measured assuming the redemption of units at the net asset value (the "NAV") on the valuation date. All other financial assets and liabilities are recognized initially at fair value and subsequently measured at amortized cost, which approximates fair value. The carrying values of the Preferred ETF's financial assets and liabilities that are not carried at FVTPL approximate their fair values due to their short-term nature.

2.2.2 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (including Split Corp. Preferred Shares) is based on the last traded prices at the close of trading on the reporting date. The Preferred ETF 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.

The Preferred ETF recognizes transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer. The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Preferred ETF uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, and others commonly used by market participants and which make the maximum use of observable inputs.

2.2.3 Investment Transactions

Investment transactions are accounted for on the trade date. Transaction costs, such as brokerage commissions, incurred at the time of purchase and sale of investments by the Preferred ETF are recognized as "Transaction costs on purchase and sale of investments" in the Statements of Comprehensive Income.

Realized gains and losses arising from investment transactions and unrealized appreciation or depreciation on investments are determined using the average cost basis.

A financial asset is derecognized when the rights to receive cash flows from the investment have expired or have been transferred and when the Preferred ETF has transferred substantially all the risks and rewards of ownership of the asset.

2.2.4 Income and expenses

Income and expenses are recorded using the accrual basis of accounting.

Interest income for distribution purposes

The interest income for distribution purposes presented in the Statements of Comprehensive Income is recognized as it is earned.

Dividend income

Dividend income from investment trusts (including from underlying funds) is recognized on the ex-dividend date.

2.3 Cash

Cash includes cash deposits with financial institutions.

2.4 Redeemable units

2.4.1 Classification of units

The outstanding redeemable units of the Preferred ETF may be redeemed for cash less than the closing price of the units on the Toronto Stock Exchange (the "TSX"). This reduced redemption price results in cash flow from redemptions not being significantly based on NAV. Consequently, the Preferred ETF's outstanding redeemable units are classified as financial liabilities in accordance with the requirements of IAS 32, Financial Instruments: Presentation.

2.4.2 Valuation of units

The NAV of the Preferred ETF is determined in accordance with requirements of law, including National Instrument 81-106, Investment Fund Continuous Disclosure, and is used to process unitholder transactions. For financial reporting purposes under IFRS Accounting Standards, net assets attributable to holders of redeemable units of the Preferred ETF is determined as the difference between the aggregate amount of the Preferred ETF's assets and the aggregate amount of its liabilities ("net assets attributable to holders of redeemable units").

2.4.3 Increase or decrease in net assets attributable to holders of redeemable units per unit

"Increase (decrease) in net assets attributable to holders of redeemable units per unit" presented in the Statements of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable units for the period, divided by the weighted average number of units outstanding during the period.

2.4.4 Distributions to unitholders

The net income of the Preferred ETF is distributed to unitholders monthly.

To the extent that the Preferred ETF has not otherwise distributed a sufficient amount of its net income or net realized capital gains, a distribution will be paid to unitholders at the end of the year and that distribution will be automatically reinvested in additional units. Immediately following such reinvestment, the number of units outstanding will be consolidated so that the NAV per unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid.

Unrealized gains and losses are included in the net assets attributable to unitholders. However, they will only be distributed to the Preferred ETF unitholders once the gain or loss is realized. Capital losses are not distributed to the Preferred ETF unitholders but are retained by the Preferred ETF to be applied against future capital gains.

2.5 Functional currency and foreign currency translation

The Preferred ETF's purchases and redemptions are denominated in Canadian dollars. The Canadian dollar is considered the functional and presentation currency of the Preferred ETF.

The fair value of investments, other assets and liabilities denominated in foreign currencies is translated into the functional currency at the exchange rate in effect as at the date of the Statements of Financial Position.

Foreign currency transactions are converted into the functional currency of the Preferred ETF using the exchange rates prevailing at the dates of the transactions (closing rate).

2.6 Taxes

The Preferred ETF qualifies as a mutual fund trust under the Income Tax Act (Canada) (the "Tax Act"). The Preferred ETF distributes to its unitholders its net income for tax purposes and a sufficient portion of the net capital gains realized in any taxation year such that no income tax is payable by the Preferred ETF. Therefore, the Preferred ETF does not recognize any income tax and the tax benefits of capital and non-capital losses have not been recorded as a deferred income tax asset in the Statements of Financial Position.

2.7 Interest in structured entities

A structured entity is designed in such a way that voting rights or similar rights are not the determining factor in who controls the entity; this is particularly the case when the voting rights concern only administrative tasks and the relevant activities are directed by a contractual agreement.

The Preferred ETF invests in underlying funds through its investment in Split Corp. Preferred Shares. The Preferred ETF considers its investment in underlying funds as investments in unconsolidated structured entities. The Preferred ETF does not provide and has not committed to providing any other support to these unconsolidated structured entities. The objectives of the underlying funds enable the Preferred ETF to achieve its main objectives. The underlying funds finance their operations by issuing securities that are redeemable at the option of the holder, entitling the holder to receive a proportionate share in the net assets of the underlying funds. The Preferred ETF holds redeemable securities of the underlying funds.

Therefore, the Preferred ETF, as an investment entity, accounts for its investments in unconsolidated structured entities at fair value. The change in fair value of these investments is presented in the Statements of Comprehensive Income under "Change in net unrealized appreciation/depreciation on investments."

2.8 Offsetting financial assets and financial liabilities

Financial instruments are recognized on a net or gross basis in the Statements of Financial Position based on the intention or legal obligation to offset opposite positions on instruments held with the same counterparties. Amounts offset in the Statements of Financial Position arise from transactions where the Preferred ETF has a legally enforceable right to offset and intends to settle the positions on a net basis. Amounts not offset in the Statements of Financial Position arise from

transactions where a master netting arrangement is in place with a right to offset only in the event of default, insolvency or bankruptcy, or where the Preferred ETF has no intention of settling on a net basis.

As at June 30, 2026 and December 31, 2025, no financial instruments are offset in the Statements of Financial Position.

NOTE 3: CRITICAL JUDGMENTS AND ACCOUNTING ESTIMATES

When preparing the financial statements, the Manager of the Preferred ETF may make estimates and judgments that affect the reported amounts of assets, liabilities, income and expenses for the reporting period. Actual results may differ from those estimates. The Preferred ETF's most significant estimates relate to the measurement of investments at fair value in circumstances where the last traded price is not within the bid-ask spread.

NOTE 4: CHANGES IN ACCOUNTING STANDARDS

4.1 Accounting standards adopted during the period

Effective January 1, 2026, the Preferred ETF adopted the amendments to IFRS 9, "Financial Instruments", and IFRS 7, "Financial Instruments: Disclosures". The amendments clarify the requirements for the recognition and derecognition of financial assets and financial liabilities, including a new exception for certain financial liabilities settled through electronic payment systems. They also provide additional guidance on assessing the contractual cash flow characteristics of financial assets with contingent features and introduce new disclosure requirements for financial instruments with contractual terms that may change cash flows. The adoption of these amendments had no effect on the Preferred ETF's financial statements.

4.2 Accounting standards issued not yet effective

In April 2024, the International Accounting Standards Board issued IFRS 18, "Presentation and Disclosure in Financial Statements", which replaces IAS 1, "Presentation of Financial Statements", and aims to improve the quality of financial reporting. IFRS 18 introduces requirements to present new categorization of performance activities by operating, financing and investing, and subtotals in the statement of comprehensive income (loss), adopt a structured approach to summarizing expenses (such as by nature or by function), and include a dedicated note disclosing management-defined performance measures used outside the financial statements. It also provides enhanced guidance on the aggregation and disaggregation of information within both the primary financial statements and the notes. This standard is effective for annual periods beginning on or after January 1, 2027, with early adoption permitted. The Manager is currently assessing the impact of these new requirements.

NOTE 5: FINANCIAL INSTRUMENT DISCLOSURES

5.1 Financial risks

The Preferred ETF is exposed to financial risk through its investment activities. The main types of risk to which the Preferred ETF is exposed are credit risk, liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and concentration risk. The Manager seeks to maximize returns for any given level of risk while minimizing these risks by employing a professional, experienced portfolio manager; by regularly monitoring the Preferred ETF's positions and market events; and by diversifying the investment portfolio within the constraints of the investment objectives of the Preferred ETF.

5.2 Credit risk

Credit risk is the risk that a commitment to the Preferred ETF will not be upheld by the counterparty to a financial instrument.

The Preferred ETF is exposed to credit risk directly through its investments in Split Corp. Preferred Shares. The carrying amount of investments, as presented on the Schedule of Investments, represents the maximum credit risk exposure as at June 30, 2026 and December 31, 2025. The portfolio manager evaluates the credit quality of the securities prior to purchasing and regularly monitors their credit quality. In accordance with the Preferred ETF's investment restrictions, investments in any individual Split Corp. Preferred Share at the time of purchase will be restricted to a maximum of 20% of its NAV. The table below provides a breakdown of the Preferred ETF's portfolio based on the DBRS Morningstar preferred share credit rating.

Credit Quality Risk (Note 5)

Split Corp. Preferred Shares by Rating Category	% of Net Assets as at	
	June 30, 2026	December 31, 2025
As at		
Pfd-3 (High)	10.8	8.0
Pfd-3	42.7	35.4
Pfd-3 (Low)	33.1	39.9
Non-rated	10.4	10.3
Total	97.0	93.6

Quality Ratings: The DBRS Morningstar preferred share rating scale reflects an opinion on the risk that an issuer will not fulfil its obligations with respect to both dividend and principal commitments in respect of preferred shares issued in the Canadian securities market in accordance with the terms under which the relevant preferred shares have been issued. Each rating category may be denoted by the subcategories "high" and "low". The absence of either a "high" or "low" designation indicates the rating is in the middle of the category. The DBRS Morningstar rating scale ranges from Pfd-1: the highest, to D: the lowest.

5.3 Liquidity risk

Liquidity risk is the risk that the Preferred ETF may not be able to settle or meet its obligations on time or at a reasonable price. The Preferred ETF is exposed to daily redemptions of units. In most cases, redemptions will primarily be in-kind, allowing the delivery of securities to fulfill the redemption obligations. For cash redemptions, the Preferred ETF invests in securities traded on active markets and anticipates that these securities can be readily disposed to raise liquidity. However, there may not be sufficient time to dispose of the securities at a reasonable price. As at June 30, 2026, and December 31, 2025, the Preferred ETF did not have any financial liabilities with maturities greater than three months.

5.4 Market risk

The Preferred ETF's investments are subject to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The market risk can be broken down into the following three risk components: currency risk, interest rate risk and price risk.

5.4.1 Currency risk

Currency risk is the risk that the value of financial instruments denominated in a currency other than the Canadian dollar, which is the Preferred ETF's functional and reporting currency, will fluctuate due to changes in foreign exchange rates. All financial instruments of the Preferred ETF are denominated in Canadian dollars and therefore there is no currency risk as at June 30, 2026 and December 31, 2025.

5.4.2 Interest rate risk

Interest rate risk is the risk that the fair value of the Preferred ETF's interest-bearing investments will fluctuate due to changes in market interest rates. In general, the value of interest-bearing financial instruments with fixed interest rates will rise as interest rates fall, and conversely, will generally fall if interest rates rise. The Preferred ETF is exposed to interest rate risk directly through its investments in Split Corp. Preferred Shares. The table below summarizes the Preferred ETF's exposure to interest rate risk by remaining term to maturity.

Interest Rate Risk (Note 5)

Split Corp. Preferred Shares by Maturity Date	As at June 30 2026	As at December 31 2025
	\$	\$
From 1 year to 3 years	15,689,736	14,419,488
From 3 years to 5 years	24,237,831	20,092,095
From 5 years to 10 years	4,804,164	6,289,312
	44,731,731	40,800,895

As at June 30, 2026, had the prevailing interest rates increased/decreased by 1%, with all other variables held constant, the net assets attributable to holders of redeemable units would have decreased/increased by \$1,275,206 (December 31, 2025 - \$1,321,279).

The Preferred ETF's sensitivity to interest rate changes is estimated assuming a parallel shift in the yield curve and using the weighted average duration of the Split Corp. Preferred Shares portfolio.

5.4.3 Other price risk

Price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices caused by factors specific to a security, its issuer or any other factor affecting a market or a segment of the market (other than those arising from currency risk and interest rate risk).

The Preferred ETF is exposed to price risk directly through its investments in Split Corp. Preferred Shares. The maximum risk resulting from financial instruments is equivalent to their fair value. The Preferred ETF's policy is to manage price risk through diversification and selection of investments within specified limits established by the investment guidelines set out in the Preferred ETF prospectus.

As at June 30, 2026, had the quoted prices of the Split Corp. Preferred Shares increased/decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased/decreased by \$4,473,173 (December 31, 2025 - \$4,080,090).

5.5 Concentration risk

Concentration risk arises from the net exposure of financial instruments to the same investment category, notably based on a region, a type of asset, industry or market segment. Financial instruments of the same category have similar characteristics and are affected similarly by changes in economic or other conditions. The Preferred ETF is exposed to concentration risk directly through its investments in Split Corp. Preferred Shares, which comprise 97.0% of the Preferred ETF's net assets as at June 30, 2026 (December 31, 2025 - 93.6%).

5.6 Fair value measurement

The Preferred ETF classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Preferred ETF can access on the valuation date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs relating to the asset or liability.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is ranked at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. When, at the financial position date, the observable inputs used for a financial instrument are different from those used at the opening date, it is the policy of the Preferred ETF to establish that on the date of the event or change in circumstances, a transfer between levels of the fair value hierarchy is deemed to have occurred.

The following tables categorize the Preferred ETF's financial instruments within the fair value hierarchy as at the periods shown.

Fair Value of Financial Instruments Table (Note 5)

As at June 30, 2026	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Preferred shares	44,731,731	-	-	44,731,731

During the period ended June 30, 2026, there were no significant transfers of investments between Level 1, Level 2 and Level 3.

As at December 31, 2025	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Preferred shares	40,800,895	-	-	40,800,895

During the period ended December 31, 2025, there were no significant transfers of investments between Level 1, Level 2 and Level 3.

NOTE 6: REDEEMABLE UNITS

The capital of the Preferred ETF is represented by the net assets attributable to holders of redeemable units. The Preferred ETF is authorized to issue an unlimited number of redeemable and transferable units, each of which represents an equal, undivided interest in the NAV of the Preferred ETF. Each unit entitles the holder to one vote and equal participation with respect to all distributions made by the Preferred ETF. The Preferred ETF's units are listed on the TSX, and unitholders can buy or sell such units on the TSX through registered brokers and dealers.

On any trading day, a dealer (who may also be the designated broker) may place an order for a prescribed number of units ("PNU") of the Preferred ETF or any additional multiple thereof. If the subscription is accepted, the Preferred ETF will issue units to the dealer based on the NAV per unit on the applicable trading day.

For each PNU issued, a dealer must deliver payment consisting of:

- (i) cash in an amount equal to the aggregate NAV per unit of the PNU;
- (ii) a basket of securities and cash in an amount sufficient so that the value of the securities and the cash is equal to the aggregate NAV per unit of the PNU; or
- (iii) a combination of securities and cash in an amount sufficient so that the value of the securities and the cash is equal to the aggregate NAV per unit of the PNU.

Unitholders may exchange units of the Preferred ETF on any trading day for a basket of securities and cash, subject to the requirement that a minimum of one PNU be exchanged. On any trading day, unitholders may redeem:

- (i) units of the Preferred ETF for cash at a redemption price per unit equal to 95% of the closing price of the units on the TSX on the effective day of the redemption subject to a maximum redemption price per unit equal to the NAV per unit on the effective day of redemption, less any applicable redemption fee determined by the Manager; or
- (ii) a PNU or a multiple PNU for cash equal to the NAV of that number of units less any applicable redemption fee determined by the Manager.

In accordance with IAS 7, the Preferred ETF excludes non-cash transactions from its operating and financing activities within the Statements of Cash Flows. The primary differences between the amounts issued and redeemed, as presented in the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units, and the Statements of Cash Flows relate to in-kind transactions.

The number of outstanding units and the number of units issued, reinvested and redeemed during the period are presented following the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units of the Preferred ETF. The closing price of the units on the TSX as at June 30, 2026 was \$10.59 (December 31, 2025 - \$10.61).

NOTE 7: TRANSACTIONS WITH RELATED PARTIES**7.1 Management fees**

Pursuant to a management agreement, the Preferred ETF pays an annual management fee to the Manager equal to 0.5% of the NAV of the Preferred ETF, calculated and payable monthly in arrears, plus applicable taxes. The management fee is payable to the Manager in consideration of the services that the Manager provides to the Preferred ETF in its capacity as the manager such as managing the day-to-day business and affairs of the Preferred ETF.

The Preferred ETF invests in underlying funds through its investment in Split Corp. Preferred Shares. There will be no duplication of fees payable by the Preferred ETF and underlying funds for the same service. Split Corp. Preferred Shares generally do not bear any management fees or operating expenses when the NAV of the split share corporation is in excess of the redemption value.

7.2 Operating Expenses

In addition to the payment of the management fee, the Preferred ETF is responsible for the costs and expenses incurred in complying with National Instrument 81-107 (including any expenses related to the implementation and on-going operation of the independent review committee), brokerage expenses and commissions, income and withholding taxes as well as all other applicable taxes, including HST, the costs of complying with any new governmental or regulatory requirement introduced after the Preferred ETF is established and extraordinary expenses. The Manager is responsible for all other costs and expenses of the Preferred ETF, including the fees payable to the custodian, registrar and transfer agent, fund administrator and fees payable to other service providers.

7.3 Related Party Holdings

The Preferred ETF may invest in other underlying funds managed by the Manager, in accordance with its investment objectives and strategies. Disclosures of such investments held are disclosed in the Schedule of Investments.

As at June 30, 2026, 398,591 units (December 31, 2025 – 392,500 units) of the Preferred ETF were held by a related party of the Manager.

NOTE 8: INCOME TAXES

Capital losses for income tax purposes can be carried forward indefinitely to be applied against capital gains realized in future years. Non-capital losses can be carried forward for up to 20 years to be applied against future taxable income in those years. As of June 30, 2026 and December 31, 2025, the Preferred ETF had no capital and non-capital loss carryforwards.

NOTE 9: BROKERAGE COMMISSIONS

Total brokerage commissions paid by the Preferred ETF during the period ended June 30, 2026 were \$NIL (June 30, 2025 - \$1). Brokerage commissions paid to certain brokers may, in addition to paying for the cost of brokerage services in respect of portfolio transactions, also provide for the cost of investment research services provided to the portfolio manager. The value of such research services included in commissions paid to brokers for the period ended June 30, 2026 amounted to \$NIL (June 30, 2025 - \$NIL).

NOTE 10: STRUCTURED ENTITIES

The Preferred ETF's maximum exposure to loss from its interest in unconsolidated structured entities is equal to the carrying value of its investments. The tables below summarize the Preferred ETF's investment in unconsolidated structured entities as at the periods shown.

As at	Country of Establishment and Principal Place of Business	% of Net Assets June 30, 2026	% of Ownership Interest ¹ June 30, 2026
Canadian Banc Corp.	Canada	14.3	0.39
Dividend 15 Split Corp. II	Canada	8.5	0.68
Dividend 15 Split Corp.	Canada	10.6	0.14
E Split Corp.	Canada	4.0	0.26
North American Financial 15 Split Corp.	Canada	8.2	0.25
Financial 15 Split Corp.	Canada	10.4	0.24
Global Dividend Growth Split Corp.	Canada	4.2	0.39
Life & Banc Split Corp.	Canada	9.0	0.25
Premium Income Corporation	Canada	10.4	0.71
Brompton Split Banc Corp.	Canada	6.8	0.38
Dividend Growth Split Corp.	Canada	10.6	0.41

As at	Country of Establishment and Principal Place of Business	% of Net Assets December 31, 2025	% of Ownership Interest ¹ December 31, 2025
Canadian Banc Corp.	Canada	13.9	0.51
Dividend 15 Split Corp. II	Canada	8.0	0.71
Dividend 15 Split Corp.	Canada	10.0	0.16
E Split Corp.	Canada	3.9	0.26
North American Financial 15 Split Corp.	Canada	8.0	0.26
Financial 15 Split Corp.	Canada	10.0	0.28
Global Dividend Growth Split Corp.	Canada	4.1	0.46
Life & Banc Split Corp.	Canada	8.7	0.29
Premium Income Corporation	Canada	10.4	0.91
Brompton Split Banc Corp.	Canada	6.6	0.43
Dividend Growth Split Corp.	Canada	10.0	0.42

(1) Ownership is calculated as the net asset value of the Split Corp. Preferred Share held as a percentage of the total net asset value of the underlying fund.

QUADRAVEST CAPITAL MANAGEMENT INC.

Founded in 1997, Quadravest Capital Management Inc. ("Quadravest") has established itself as a leading investment firm specializing in creating and managing enhanced yield products. Guided by its core principles of innovation, discipline, strong results, and exceptional client service, Quadravest boasts a seasoned management team led by its founding partners. Today, the firm manages approximately \$9.4 billion in assets and a diverse portfolio of 14 publicly traded investment products, including split share corporations, an investment trust and an exchange-traded fund.

Independent Review Committee

Gordon Currie,
Former Executive Vice President
and Chief Legal Officer,
George Weston Limited

John Steep,
President, S Factor Consulting
Inc.

Michael W. Sharp,
Retired Partner,
Blake, Cassels & Graydon LLP

Board of Directors of the Manager

Wayne Finch,
Director, President, Chief Executive
and Chief Investment Officer,
Quadravest Capital Management
Inc.

Laura Johnson,
Chief Investment Strategist,
Director and Portfolio Manager,
Quadravest Capital Management
Inc.

Peter Cruickshank,
Director,
Quadravest Capital Management
Inc.

CORPORATE DETAILS

Auditor

PricewaterhouseCoopers LLP
18 York Street, Suite 2500
Toronto, Ontario M5J 0B2

Legal Counsel

Blake, Cassels & Graydon LLP
Commerce Court West, Suite 4000
Toronto, Ontario M5L 1A9

Transfer Agent

TSX Trust Company
100 Adelaide St W # 301, Toronto,
Ontario M5H 1S3

Custodian

Natcan Trust Company
800 Saint-Jacques Street, Montreal,
Quebec H3C 1A3



QUADRAVEST
PREFERRED SPLIT SHARE
ETF