

2025

M SPLIT CORP.

ANNUAL REPORT



This report may contain forward-looking statements about the Company. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Company action, is also forward-looking. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Company. Any number of important factors could contribute to any divergence between what is anticipated and what actually occurs, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technology change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

The above-mentioned list of important factors is not exhaustive. You should consider these and other factors carefully before making any investment decisions and you should avoid placing undue reliance on forward-looking statements. While the Company currently anticipates that subsequent events and developments may cause the Company’s views to change, the Company does not undertake to update any forward-looking statements.

This is the annual Management Report of Fund Performance (MRFP) for the year ended November 30, 2025. This MRFP contains financial highlights but does not contain the complete financial statements of the Company. The annual financial statements and accompanying notes are attached to this report.

Investors may also obtain a copy of the Company's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure by visiting our website at www.m-split.com or by writing to the Company at Investor Relations, 200 Front Street West, Suite 2510, Toronto, Ontario M5V 3K2.

These reports are available to view and download at www.m-split.com or www.sedarplus.com.

INVESTMENT OBJECTIVES AND STRATEGIES

As a result of the corporate reorganization that was approved at a special meeting of shareholders on February 3, 2010 and subsequently implemented on March 23, 2010 (the reorganization date), the Priority Equity shares and Class A shares outstanding on the reorganization date were each exchanged for a new class of shares as outlined further below.

The primary purpose of the reorganization was to provide holders of Priority Equity shares and Class A shares with an opportunity to have those shares reorganized into a new series of shares that would provide greater distribution and capital growth potential, if the common shares of Manulife Financial Corporation ("Manulife") increase over the remaining term of the Company. The Priority Equity share portfolio protection plan was eliminated at the reorganization date and the fixed income securities held by the Company pursuant to the plan were sold in order for the newly reorganized Company to re-establish a much more fully invested position in common shares of Manulife. A covered call writing strategy is also used by the Company to provide supplemental income in addition to the dividend income from Manulife common shares.

The following is a summary of some of the principal provisions of the Class I Preferred shares, Class II Preferred shares and Capital shares:

Class I Preferred shares (XMF.PR.B)

Each Class I Preferred Share pays fixed cumulative preferential monthly cash dividends in the amount of \$0.03125 per share to yield 7.50% annually on the repayment amount of \$5.00; and has a repayment objective on or about the termination date of December 1, 2029 (subject to further 5 year extensions thereafter), to pay the holders of the Class I Preferred Shares \$5.00 per Class I Preferred Share.

Class II Preferred shares (XMF.PR.C)

Each Class II Preferred share pays fixed cumulative preferential monthly cash dividends in the amount of \$0.03125 per share to yield 7.50% per annum on the repayment amount of \$5.00, when the net asset value per unit exceeds \$10.00 and has a repayment objective on or about the termination date of December 1, 2029 (subject to further 5 year extensions thereafter), to pay the holders of the Class II Preferred shares \$5.00 per Class II Preferred share.

Capital shares (XMF.A)

Capital shares (Symbol: XMF.A) will participate in any net asset value growth over \$10.00 per unit and dividends will be paid when the net asset value per unit exceeds \$15.00. The dividend rate on the Capital shares will be set by the Board of Directors of the Company at its discretion, based on market conditions. No dividend payments will be made on the Capital shares unless all dividends on the Class I Preferred shares and, if applicable, Class II Preferred shares have been declared and paid.

RISK

The risks of investing in the Company remain as discussed in the Annual Information Form dated February 23, 2026. In addition, note 6 of the financial statements (“Management of Risk of Financial Instruments”) contains disclosure on specific types of risks related to the financial investments held by the Company.

RESULTS OF OPERATIONS

North American equity markets delivered positive performance during the year ended November 30, 2025, with Canadian equities demonstrating relative resilience amid ongoing macroeconomic and policy uncertainty. In Canada, equity markets were supported in part by strength in select sectors including materials, energy and financials, contributing to generally favourable returns despite intermittent volatility related to global trade policy developments and economic data releases. Investor sentiment improved over the course of the year as inflation moderated and financial conditions became more supportive, though confidence remained sensitive to evolving macroeconomic conditions.

Canada’s economy showed some resilience despite external pressures, avoiding a technical recession as growth rebounded modestly in the third quarter. This rebound reflected increased public-sector capital spending and government program outlays, including infrastructure projects and public services, as well as a recovery in exports. Housing activity stabilized at subdued levels, while consumer spending remained constrained amid a softer labour market.

The Bank of Canada continued to ease monetary policy in response to moderating inflation and ongoing economic softness, including weak consumer demand, slowing business investment and uncertainty surrounding international trade and tariffs. The overnight rate was reduced from 3.75% at the beginning of December 2024 to 2.25% by the end of the year. These lower interest rates supported financial markets by easing borrowing costs and supporting asset valuations, particularly in interest-sensitive sectors.

Trade policy developments and geopolitical dynamics also influenced market conditions throughout the year. Ongoing trade related uncertainty involving Canada’s major trading partners affected business confidence and trade flows, contributing to periodic market volatility. In this environment, the Canadian financial sector, and Canada’s largest banks, continued to contribute to market performance, supported by generally resilient earnings and strong capital and liquidity positions, even as slower credit growth and cost pressures became more evident in certain segments.

As at November 30, 2025, net assets of the Company were \$13.9 million (November 30, 2024 – \$23.1 million) and net assets per unit of the Company were \$10.32 (November 30, 2024 – \$10.13). During the year ended November 30, 2025, redemptions totaled \$9.6 million. Redemptions included payments made pursuant to the special retraction right in connection with the extension of the termination date of the Company from December 1, 2024 to December 1, 2029, under which the Company redeemed 407,405 Class I Preferred shares, 1,515,125 Class II Preferred shares and 341 Capital shares on December 16, 2024.

The share price of Manulife appreciated by 9.76% during the year ended November 30, 2025.

The dividend income from the common shares of Manulife is supplemented by income received from a selective covered call writing program.

Capital shares

No distributions were paid during the year.

Class I Preferred shares

Total distributions during the year amounted to \$0.3750 per Class I Preferred share, consisting of 12 regular monthly distributions at the monthly rate of \$0.03125.

Class II Preferred shares

Total distributions during the year amounted to \$0.03125 per Class II Preferred share, consisting of 1 regular monthly distribution at the monthly rate of \$0.03125.

RECENT DEVELOPMENTS

Escalating global military tensions and continued uncertainty in global trade relations may contribute to market volatility and could impact the Company's investment portfolio.

RELATED PARTY TRANSACTIONS

Quadravest Capital Management Inc. ("Quadravest") as investment manager and manager earns fees from the Company as described below in the Management Fees section.

FINANCIAL HIGHLIGHTS

The following tables show selected financial information about the Company and are intended to help you understand the Company's financial performance for the past five years. This information is derived from the Company's audited annual financial statements. The information in the following table is presented in accordance with National Instrument ("NI") 81-106 and, as a result, does not act as a continuity of opening and closing net assets per unit.

The Company's net assets per unit

	┌	Years ended November 30					┐
	2025	2024	2023	2022	2021		
Net assets value per unit, beginning of year ⁽¹⁾	10.13	6.59	6.26	6.16	6.27		
Increase (decrease) from operations							
Total revenue	0.35	0.37	0.36	0.34	0.32		
Total expenses	(0.18)	(0.13)	(0.12)	(0.12)	(0.13)		
Realized gains (losses) for the year	2.74	0.38	(0.12)	0.02	(0.12)		
Unrealized gains (losses) for the year	(2.08)	3.33	0.59	0.24	0.20		
Total increase (decrease) from operations ⁽²⁾	<u>0.83</u>	<u>3.95</u>	<u>0.71</u>	<u>0.48</u>	<u>0.27</u>		
Distributions ⁽³⁾							
Canadian dividends	<u>(0.41)</u>	<u>(0.41)</u>	<u>(0.38)</u>	<u>(0.38)</u>	<u>(0.38)</u>		
Total distributions	<u>(0.41)</u>	<u>(0.41)</u>	<u>(0.38)</u>	<u>(0.38)</u>	<u>(0.38)</u>		
Net assets per unit at end of year	10.32	10.13	6.59	6.26	6.16		
Net assets per Class I Preferred share	5.00	5.00	5.00	5.00	5.00		
Net assets per Class II Preferred share	5.00	5.00	1.59	1.26	1.16		
Net assets per Capital share	0.32	0.13	-	-	-		
Net assets per unit at end of year	<u>10.32</u>	<u>10.13</u>	<u>6.59</u>	<u>6.26</u>	<u>6.16</u>		

- (1) Net assets per unit is the difference between the aggregate amount of the Company's assets and the aggregate amount of its liabilities, excluding Class I Preferred shares, Class II Preferred shares and net assets attributable to holders of redeemable Capital shares, at the valuation date, divided by the number of units then outstanding.
- (2) Total increase (decrease) from operations is before the payment of Preferred shares and Capital shares distributions, excludes any gain (loss) on remeasurement of Preferred shares, and is calculated based on the weighted average number of units outstanding during the year.
- (3) Distributions on the Class I Preferred shares and Class II Preferred shares are based on the number of Class I Preferred shares and Class II Preferred shares outstanding on the record date for each distribution in the year and were paid in cash. Characterization of distributions is based on the tax treatment that is received by investors.

RATIOS AND SUPPLEMENTAL DATA

	Years ended November 30				
	2025	2024	2023	2022	2021
Net asset value (millions) ⁽¹⁾	\$13.9	\$23.1	\$15.0	\$14.2	\$14.0
Number of units outstanding ⁽²⁾	1,345,244	2,275,889	2,275,889	2,275,889	2,275,889
Base Management expense ratio ⁽³⁾	1.86%	1.43%	1.66%	1.76%	1.66%
Management expense ratio per Capital share ⁽⁴⁾	N/A	N/A	N/A	N/A	N/A
Management expense ratio per Class II Preferred share ⁽⁵⁾	15.66%	14.91%	34.50%	36.07%	27.8%
Portfolio turnover rate ⁽⁶⁾	5.09%	5.45%	3.77%	1.80%	5.71%
Trading expense ratio ⁽⁷⁾	0.10%	0.11%	0.19%	0.14%	0.27%
Closing market price (TSX): Class I Preferred share	\$5.31	\$5.20	\$5.00	\$4.85	\$5.27
Closing market price (TSX): Class II Preferred share	\$4.25	\$4.80	\$1.10	\$1.01	\$1.62
Closing market price (TSX): Capital share	\$0.80	\$0.49	\$0.16	\$0.15	\$0.21

(1) This information is provided as at November 30.

(2) Preferred shares and Capital shares are issued on the basis that an equal number of Class I Preferred shares, Class II Preferred and Capital shares (together, a "unit") will be issued and outstanding at all material times. At times when there is an unequal number of Preferred shares and Capital shares outstanding, a notional unit amount will be determined as the quotient of the total net asset value of the Company and the sum of the net asset value per share attributable to Class I Preferred shares, Class II Preferred shares and Capital shares.

(3) A separate base management expense ratio per unit has been presented to reflect the ongoing operating expenses of the Company. The base management expense ratio per unit is based on total expenses for the stated year, excluding commissions and other portfolio transaction costs, distributions on Preferred shares and any one time offering expenses and is expressed as an annualized percentage of the average net asset value of the Company during the year.

(4) Management expense ratio per Capital share is based on the requirements of NI 81-106. This Instrument requires that all split share companies produce an expense ratio which allocates all ongoing operating expenses of the Company (excluding commissions and other portfolio transaction costs), all distributions on Preferred shares and all issuance costs to the Capital shares and expresses this as an annualized percentage of the average net asset value attributable to the Capital shares during the year. The management expense ratio per Capital share should not be interpreted as the required return necessary for the Company or the Capital share to cover the operating expenses of the Company. This calculation is based only on a portion of the Company's assets whereas the Company utilizes its entire assets to generate investment returns. Management believes that the base management expense ratio per unit disclosed in the table above is the most representative ratio in assessing the ongoing efficiency of the administration of the Company, making comparisons to the expense ratios of single unit mutual funds or determining the minimum investment returns necessary by the Company to achieve growth in net asset value per unit.

(5) Management expense ratio per Class II Preferred share is calculated in years in which the net asset value is less than \$10.00 per unit (but greater than \$5.00) based on total expenses of the Company (excluding commissions and other portfolio transaction costs), distributions on Class I Preferred shares and Class II Preferred shares and all issuance costs and is expressed as an annualized percentage of the average net asset value attributable to Class II Preferred shares during the year.

(6) The Company's portfolio turnover rate indicates how actively Quadravest manages the portfolio investments. A portfolio turnover rate of 100% is equivalent to the Company buying and selling all of the securities in its portfolio once in the course of the year. The Company employs a covered call writing strategy which can cause the portfolio turnover rate to be higher than conventional mutual funds. The higher the Company's portfolio turnover rate in a year, the greater the trading costs payable by the Company in the year and the greater chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Company.

(7) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the average net asset value of the Company during the year.

MANAGEMENT FEES

Pursuant to the terms of the investment management agreement, Quadrainvest is entitled to a base management fee payable in arrears at an annual rate equal to 0.45% of the net asset value of the Company, which includes the outstanding Class I and Class II Preferred shares, calculated as at each month-end valuation date.

Pursuant to the management agreement, Quadrainvest is entitled to an administration fee payable monthly in arrears at an annual rate of 0.10% of the net asset value of the Company, which includes the outstanding Class I and Class II Preferred shares, calculated as at each month-end valuation date.

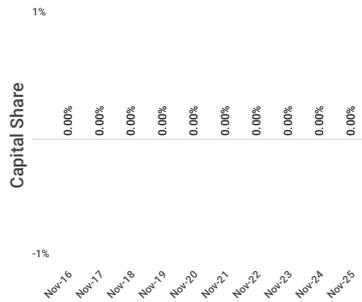
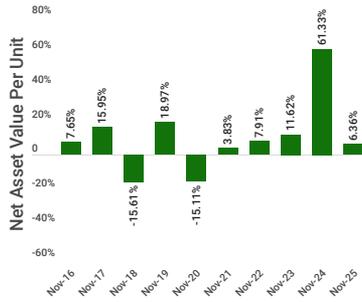
The base management fee was used by Quadrainvest to provide investment analysis, make investment decisions, and make brokerage arrangements for the purchase and sale of securities including the covered call writing program. The administration fee was used to provide or arrange administrative services required by the Company which includes all operational services, financial accounting, shareholder reporting and regulatory reporting.

PAST PERFORMANCE

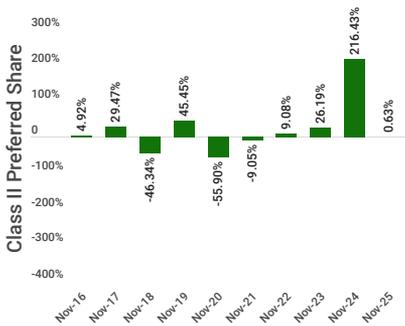
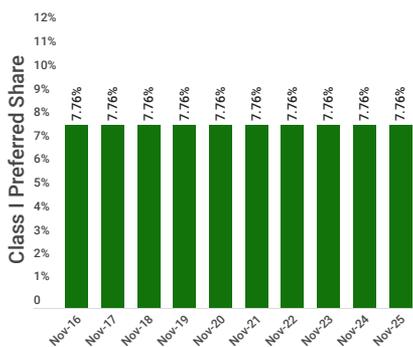
Year-by-Year Returns

The past performance of 1) the net asset value per unit; 2) the Class I Preferred shares on a net asset value basis; 3) the Class II Preferred shares on a net asset value basis; and 4) the Capital shares on a net asset value basis for each of the last 10 years are presented in the bar charts below. Each bar in the chart reflects the change in percentage terms of how a unit and each class of shares would have increased or decreased during the applicable year on a net asset value basis. In respect of the charts displayed below, please note the following:

- The performance information shown assumes that all cash distributions made by the Company during the years shown were reinvested in the applicable securities of the Company;
- The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance; and
- Past performance of the Company does not necessarily indicate how it will perform in the future.



- As a result of the net asset value per Capital share being nil since the reorganization date of March 26, 2010, the returns for each of the years presented cannot be calculated.
- The return per unit for the year ended November 30, 2020 reflects the consolidation of Capital shares in December 2019.
- The returns per unit for the year ended November 30, 2024 of 61.33% were previously presented as 63.39% in error.



ANNUAL COMPOUND PERFORMANCE

The following table shows the Company's annual compound return for the one, three, five and ten years ended November 30, 2025 and since the reorganization date:

	One year	Three years	Five years	Ten years	Since reorganization (March 26, 2010)
M-Split Corp. - Unit	6.36%	24.19%	16.50%	8.60%	6.53%
M-Split Corp. - Class I Preferred share	7.76%	7.76%	7.76%	7.76%	7.80%
M-Split Corp. - Class II Preferred share	0.63%	58.98%	31.86%	6.42%	1.50%
M Split Corp. - Capital share ⁽¹⁾	N/A	N/A	N/A	N/A	N/A

MARKET INDICES⁽²⁾

S&P TSX Financial Index	27.62%	21.96%	19.37%	13.73%	12.12%
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- (1) As a result of the net asset value per Capital share being nil since the reorganization date of March 26, 2010, the annual compound returns for one, three, five and ten years ended November 30, 2025 and since the reorganization date cannot be calculated.
- (2) As a result of the Company being limited to a specific universe of stocks and that a covered call writing program is implemented to generate additional income, the investment profile of the Company is quite unique and any comparisons with any other market indices may not be appropriate.

SUMMARY OF INVESTMENT PORTFOLIO

All holdings as at November 30, 2025

Name	Weighting (%)
Manulife Financial Corporation	96.4
Total long positions as a percentage of net assets	96.4
Cash	3.9
Other net assets (liabilities)	-0.3
	100.0

The summary of investment portfolio may change due to ongoing portfolio transactions of the Company. Updates are available quarterly.

M SPLIT CORP.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of M Split Corp. (the "Company") have been prepared by Quadravest Capital Management Inc. (the "Manager" of the Company) and approved by the Board of Directors of the Company. The Manager is responsible for the information and representations contained in these financial statements and the other sections of the annual report.

The Manager maintains appropriate procedures to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The material accounting policy information applicable to the Company is described in note 4 to the financial statements.

The Board of Directors of the Company is responsible for ensuring that management fulfills its responsibilities for financial reporting and has reviewed and approved these financial statements.

The Manager with the approval of the Board of Directors of the Company has appointed PricewaterhouseCoopers LLP as the external auditor of the Company. They have audited the financial statements of the Company in accordance with Canadian generally accepted auditing standards to enable them to express to shareholders their opinion on the financial statements. The auditor has full and unrestricted access to the Audit Committee to discuss its findings.



WAYNE FINCH

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



SILVIA GOMES

Chief Financial Officer
Quadravest Capital Management Inc.



Independent auditor's report

To the Shareholders of M Split Corp. (the Company)

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Company's financial statements comprise:

- the statements of financial position as at November 30, 2025 and 2024;
- the statements of comprehensive income/(loss) for the years then ended;
- the statements of changes in net assets attributable to holders of redeemable Capital shares for the years then ended;
- the statements of cash flow for the years then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

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

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2500
Toronto, Ontario, Canada M5J 0B2
T.: +1 416 863 1133, F.: +1 416 365 8215
Fax to mail: ca_toronto_18_york_fax@pwc.com

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

Other information

Management is responsible for the other information. The other information comprises the Annual Management Report of Fund Performance and the information, other than the financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the financial statements does not cover the other information and we do 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, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Christina Fox.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Ontario
February 18, 2026

M SPLIT CORP.
STATEMENTS OF FINANCIAL POSITION

AS AT NOVEMBER 30

	2025 (\$)	2024 (\$)
ASSETS		
Current Assets		
Investments	13,376,688	19,623,478
Cash	542,390	3,455,721
Interest, dividends and other receivables	119,208	175,033
	<u>14,038,286</u>	<u>23,254,232</u>
LIABILITIES		
Current Liabilities		
Written options	38,050	10,030
Fees and other accounts payable	35,155	37,773
Distributions payable	82,164	142,243
Class I Preferred shares (notes 1 and 7)	9,342,420	11,379,445
Class II Preferred shares (notes 1, 2 and 7)	3,803,820	11,379,445
Class B shares	1,000	1,000
	<u>13,302,609</u>	<u>22,949,936</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE CAPITAL SHARES (note 1)		
	735,677	304,296
Number of Class I Preferred shares outstanding (note 7)		
	1,868,484	2,275,889
Number of Class II Preferred shares outstanding (note 7)		
	760,764	2,275,889
Number of Capital shares outstanding (note 7)		
	2,275,548	2,275,889
Net assets per Class I Preferred share		
	\$5.00	\$5.00
Net assets per Class II Preferred share (note 2)		
	\$5.00	\$5.00
Net assets per Capital share		
	\$0.32	\$0.13
Net assets per unit		
	\$10.32	\$10.13

Approved on behalf of the Board of Directors



WAYNE FINCH
 Director



PETER CRUICKSHANK
 Director

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

M SPLIT CORP.
STATEMENTS OF COMPREHENSIVE INCOME / (LOSS)
 FOR THE YEARS ENDED NOVEMBER 30

	2025	2024
	(\$)	(\$)
INCOME		
Net gain (loss) on investments and derivatives		
Net realized gain (loss)	3,843,520	859,643
Net change in unrealized appreciation/depreciation	(2,923,238)	7,580,730
Dividends	475,904	811,120
Interest for distribution purposes	15,736	30,967
Net gain (loss) on investments and derivatives	<u>1,411,922</u>	<u>9,282,460</u>
EXPENSES (note 8)		
Management fees	70,138	105,498
Audit fees	21,849	20,100
Directors' fees	14,333	14,312
Independent Review Committee fees	3,963	4,064
Custodial fees	6,520	5,014
Legal fees	26,301	24,808
Shareholder reporting costs	13,669	15,493
Other operating expenses	61,260	54,088
Harmonized sales tax	24,816	27,183
Transaction costs	13,192	20,782
	<u>256,041</u>	<u>291,342</u>
Increase (decrease) in net assets attributable to holders of redeemable Capital shares before distributions and other income (charges) related to Preferred shares		
Distributions on Preferred shares	1,155,881	8,991,118
Gain (loss) on remeasurement of Preferred shares	(724,456)	(924,580)
	-	(7,762,242)
Increase (decrease) in net assets attributable to holders of redeemable Capital shares	<u>431,425</u>	<u>304,296</u>
Increase (decrease) in net assets attributable to holders of redeemable Capital share per share (note 9)		
	0.19	0.13

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

M SPLIT CORP.
STATEMENTS OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO HOLDERS OF REDEEMABLE CAPITAL SHARES
FOR THE YEARS ENDED NOVEMBER 30

	2025	2024
	(\$)	(\$)
Net assets attributable to holders of redeemable Capital shares - Beginning of year	304,296	-
Increase (decrease) in net assets attributable to holders of redeemable Capital shares	431,425	304,296
Capital share redemptions	(44)	-
Change in net assets attributable to holders of redeemable Capital shares	431,381	304,296
Net assets attributable to holders of redeemable Capital shares - End of year	<u>735,677</u>	<u>304,296</u>

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

M SPLIT CORP.
STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED NOVEMBER 30

	2025	2024
	(\$)	(\$)
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable Capital shares	431,425	304,296
Adjustment for:		
Distributions on Preferred shares	724,456	924,580
Net realized (gain) loss on investments and derivatives	(3,843,520)	(859,643)
Net change in unrealized appreciation/depreciation of investments and derivatives	2,923,238	(7,580,730)
(Gain) loss on remeasurement of Preferred shares	-	7,762,242
Purchase of investments, net of option premiums	(433,033)	1,370
Proceeds from sale of investments	7,628,125	2,966,835
(Increase) decrease in interest, dividends and other receivables	55,825	19,856
Increase (decrease) in fees and other accounts payable	(2,618)	4,541
Cash flows from (used in) operating activities	<u>7,483,898</u>	<u>3,543,347</u>
Cash flows from (used in) financing activities		
Amounts paid on redemption of Capital shares and Preferred shares	(9,612,694)	-
Distributions paid on Preferred shares	(784,535)	(853,459)
Net cash flows from (used in) financing activities	<u>(10,397,229)</u>	<u>(853,459)</u>
Net increase (decrease) in cash	(2,913,331)	2,689,888
Cash at beginning of the year	<u>3,455,721</u>	<u>765,833</u>
Cash at end of the year	<u>542,390</u>	<u>3,455,721</u>
Dividends received*	531,088	831,688
Interest received*	15,736	30,967

* Included as part of Cash Flows from Operating Activities.

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

M SPLIT CORP.
SCHEDULE OF PORTFOLIO INVESTMENTS

AS AT NOVEMBER 30, 2025

No. of shares (contracts)	Description	Average Cost (\$) (Premiums received)	Fair Value (\$)
	Core Holding		
	Canadian Common Equities		
270,400	Manulife Financial Corporation	6,092,194	13,376,688
	Total Canadian Common Equities in Core Holdings (100.3%)	<u>6,092,194</u>	<u>13,376,688</u>
	Call options written (100 shares per contract)		
(270)	Manulife Financial Corp. @ \$49 December 2025	(13,106)	(31,050)
(70)	Manulife Financial Corp. @ \$50 January 2026	(4,169)	(7,000)
	Total Canadian call options written (-0.3%)	<u>(17,275)</u>	<u>(38,050)</u>
		<u>6,074,919</u>	<u>13,338,638</u>
	Less adjustments for transaction costs	(7,803)	
	Total Investments (100.0%)	<u>6,067,116</u>	<u>13,338,638</u>

M SPLIT CORP.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED NOVEMBER 30, 2025 AND 2024

1. Incorporation

M Split Corp. (the "Company") is a mutual fund corporation established under the laws of the Province of Ontario on February 12, 2007 that began investment operations on April 18, 2007. A corporate reorganization was approved at the special meeting of shareholders on February 3, 2010 and subsequently implemented on March 23, 2010 (the reorganization date). The manager and the investment manager of the Company is Quadravest Capital Management Inc. ("Quadravest" or "Manager"). The Company's principal office is located at 200 Front Street West, Suite 2510, Toronto, Ontario M5V 3K2. The Company invests in the common shares of Manulife Financial Corporation ("Manulife"). The Company employs an active covered call writing program to generate additional income in addition to the dividends received.

In connection with the extension of the Company's term for a further five year period from December 1, 2024 to December 1, 2029, a special retraction right was offered allowing shareholders to tender one or all classes of shares and receive a retraction price based on the November 29, 2024 net asset value per unit of \$10.13 (\$5 per Class I Preferred share, \$5 per Class II Preferred share and \$0.13 per Capital share). The Company redeemed 407,405 Class I Preferred shares, 1,515,125 Class II Preferred shares and 341 Capital shares on December 16, 2024, pursuant to the special retraction right. As at November 30, 2024, Class I Preferred shares, Class II Preferred shares and net assets attributable to holders of redeemable Capital shares amounts on the statements of financial position include subsequent retraction payment amounts of \$2,037,025, \$7,575,625 and \$44, respectively.

The termination date may be extended thereafter at the Company's discretion for additional terms of five years each. Shareholders will be provided with a special retraction right in connection with any such extension.

2. Sufficiency of Assets

The Class II Preferred shares have a principal repayment target of \$5.00 per share. As at November 30, 2025, the Company had net assets equivalent to \$5.00 per Class II Preferred share. When the net asset value per unit of the Company is equal to or less than \$10.00 and exceeds \$5.00, all income and expenses of the Company are attributable to the Class II Preferred shares.

3. 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"). These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss ("FVTPL").

These financial statements were approved by the Board of Directors of the Company on February 18, 2026.

4. Material accounting policy information

The following is a summary of material accounting policy information applicable to the Company.

Investments and financial instruments

The Company classifies its investments, including derivatives, based on both the Company's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and

M SPLIT CORP.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED NOVEMBER 30, 2025 AND 2024

performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Company 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 Company's obligations for net assets attributable to holders of redeemable Capital shares are presented at the annual redemption amount. All other financial assets and liabilities are recognized initially at fair value and subsequently measured at amortized cost, which approximates fair value.

The Company recognizes regular purchases and sales of financial instruments on the trade date, which is the date on which it commits to purchase or sell the instrument. Transaction costs, such as brokerage commissions, related to financial assets and financial liabilities at FVTPL are expensed as incurred and transaction costs related to financial instruments not at FVTPL are included in the carrying amounts thereof. A financial asset is derecognized when the rights to receive cash flows from the investment have expired or have been transferred and when the Company has transferred substantially all the risks and rewards of ownership of the asset. Dividends are recognized as income on the ex-dividend date. Realized gains and losses and unrealized appreciation and depreciation are determined on an average cost basis. The cost of investments is determined using the average cost method.

Written option premiums received by the Company are, so long as the options are outstanding, reflected as a liability, in the Statements of Financial Position and are valued at an amount equal to the current market value of an option that would have the effect of closing the position. Gains or losses realized upon expiration or exercise of the option are included in net realized gain (loss) on investments and derivatives in the Statements of Comprehensive Income/(Loss).

The Class I and Class II Preferred shares rank prior to the Capital and Class B shares and are thus not subordinate to all other classes of puttable instruments and therefore, the shares have been classified as financial liabilities. These shares are carried at amortized cost. Amortization of premiums or discounts on the issuance of Preferred shares is included in the Statements of Comprehensive Income/(Loss).

The Class B shares are subordinate to the Preferred shares but rank prior to the Capital shares and are thus not subordinate to all other classes of puttable instruments and therefore, the shares have been classified as financial liabilities. These shares are carried at amortized cost.

The Capital shares may be retracted monthly, annually, or on the termination date of the Company. As a result, the Capital shares contain multiple contractual obligations, and therefore, have been presented as financial liabilities.

The net asset value of the Company is determined in accordance with requirements of law, including National Instrument 81-106, Investment Fund Continuous Disclosure, and is used to process shareholder transactions. For financial reporting purposes, net assets of the Company is determined as the difference between the aggregate amount of the Company's assets and the aggregate amount of its liabilities, excluding Class I Preferred shares, Class II Preferred shares and net assets attributable to holders of redeemable Capital shares ("Net Assets of the Company"). Preferred shares and Capital shares are issued on the basis that an equal number of Class I Preferred shares, Class II Preferred and Capital shares (together, a "unit") will be issued and outstanding at all material times. At times when there is an unequal number of Preferred shares and Capital shares outstanding, a notional unit amount will be determined as the quotient of the total net asset value of the Company and the sum of the net asset value per share attributable to Class I Preferred shares, Class II Preferred shares and Capital shares.

Valuation of investments

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 (such as publicly traded shares and options) are based on the last traded prices at the close of trading on the reporting date. The Company 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 Company's policy is to recognize 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 Company 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, discounted cash flow analysis, option pricing models and others commonly used by market participants and which make the maximum use of observable inputs. Refer to note 6 for further information about the Company's fair value measurements.

Cash

Cash is comprised of demand deposits with a financial institution.

Translation of foreign currencies

The Company's functional and presentation currency is Canadian dollars. The fair value of investments and other assets and liabilities in foreign currencies are translated into the Company's functional currency at the rates of exchange prevailing at each measurement date. Purchases and sales of investments, income and expenses are translated at the rates of exchange prevailing on the respective dates of such transactions.

Management fees and administration fees

Management fees and administration fees, are accrued by the Company over time, as services are rendered by Quadinvest. Refer to note 8 for further information about the calculation of management and administration fees of the Company.

Increase (decrease) in net assets attributable to holders per redeemable Capital share

Increase (decrease) in net assets attributable to holders per redeemable Capital share is based on the increase or decrease in net assets attributable to holders of redeemable Capital shares divided by the weighted average number of such shares outstanding during the year. Refer to note 9 for the calculation.

Taxation

The Company qualifies as a mutual fund corporation under the Income Tax Act (Canada) (the "Tax Act") and it is subject to income tax in each taxation year on the amount of its net income for the taxation year, including net realized taxable capital gains, if any, at the rate applicable to mutual fund corporations. The general income tax rules associated with a public corporation also apply to a mutual fund corporation with the exception that taxes payable on net realized

M SPLIT CORP.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED NOVEMBER 30, 2025 AND 2024

capital gains are refundable on a formula basis when its shares are redeemed or when it pays capital gains dividends out of its capital gains dividend account to its shareholders.

Interest and foreign income are taxed at normal corporate rates applicable to mutual fund corporations and can be reduced by permitted deductions for tax purposes.

All of the Company's expenses including management fees, administration fees and operating expenses will be taken into account in determining its overall tax liability.

As a mutual fund corporation, taxable dividends received from taxable Canadian corporations are subject to a Part IV tax of 38 1/3%. Such taxes are fully refundable upon payment of taxable dividends to its shareholders on a basis of \$1.15 for every \$3 of dividends paid. Any such tax paid is reported as an amount receivable until recovered through the payment to shareholders of dividends out of net investment income. All tax on net taxable realized capital gains is refundable when the gains are distributed to shareholders as capital gains dividends or through redemption of shares at the request of shareholders, while the Company qualifies as a mutual fund corporation. As a result of the capital gains refund mechanism and Part IV tax refunds, the Company recovers any Canadian income taxes paid in respect of its capital gains and taxable Canadian dividends. As a result, the Company has determined that it is in substance not taxable. Consequently, the tax benefit of capital and non-capital losses and other temporary differences have not been reflected in the Statements of Financial Position as deferred income tax assets or liabilities.

The Company has estimated accumulated non capital losses for tax purposes as at November 30, 2025 of \$10,265,046 (November 30, 2024-\$10,265,046) that are available to lower taxable income in future years if required and expire after the scheduled termination date of the Company. The Company also has estimated accumulated capital losses for tax purposes of \$23,993,016 (November 30, 2024-\$27,364,927) which may be used to lower future capital gains if required and which do not expire.

5. Critical Accounting Estimates and Judgments

The preparation of these financial statements include estimates and assumptions by management based on past experiences, present conditions and expectations of future events. Where estimates were made, the reported amounts for assets, liabilities, income and expenses may differ from the amounts that would otherwise be reflected if the ultimate outcome of all uncertainties and future events were known at the time these financial statements were prepared. The Company's most significant estimates involve the measurement of investments and derivatives at fair value as described in note 6.

6. Management of Risk of Financial Instruments

The Company 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 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 entity can assess at the measurement date;

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

Level 3 - Inputs that are unobservable for the asset or liability.

M SPLIT CORP.**NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEARS ENDED NOVEMBER 30, 2025 AND 2024

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at November 30, 2025 and November 30, 2024:

Financial assets and liabilities at fair value as at November 30, 2025

	Level 1	Level 2	Level 3	Total
Equities	\$13,376,688	-	-	\$13,376,688
Options	<u>(\$38,050)</u>	<u>-</u>	<u>-</u>	<u>(\$38,050)</u>
	\$13,338,638	-	-	\$13,338,638

Financial assets and liabilities at fair value as at November 30, 2024

	Level 1	Level 2	Level 3	Total
Equities	\$19,623,478	-	-	\$19,623,478
Options	<u>(\$10,030)</u>	<u>-</u>	<u>-</u>	<u>(\$10,030)</u>
	\$19,613,448	-	-	\$19,613,448

All fair value measurements above are recurring and fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. There were no transfers or reclassifications between levels for the years ended November 30, 2025 and 2024.

The Company's investment activities expose it to a variety of financial risks: market risk (including price risk, interest rate risk and currency risk), credit risk and liquidity risk.

Any sensitivity analysis presented below may differ from actual results and the difference could be material.

Market Price Risk

All securities investments present a risk of loss of capital.

The market price risk is affected by three main components: price risk, interest rate risk and foreign currency movements.

Price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk).

The supplemental covered call writing program generates an additional stream of income to the portfolio which may also help mitigate against market price declines during years in which a covered call option is written against a position in Manulife.

The Company is exposed to other price risk from its investment in equity securities and written options. As at November 30, 2025, had the prices on the respective stock exchanges for these equity securities increased by 10%, with all other variables held constant, Net Assets of the Company would have increased by approximately \$1,199,000 (November 30, 2024-\$1,916,000). Similarly, had the prices on the respective stock exchanges for these equity securities decreased by 10%, with all other variables held constant, Net Assets of the Company would have decreased by approximately \$1,317,000 (November 30, 2024-\$1,957,000).

Interest rate risk

Interest rate risk is the risk that the fair value of interest bearing financial instruments will fluctuate due to changes in market interest rates. The majority of the Company's financial assets and liabilities are non interest bearing. As a result, the Company is not subject to

M SPLIT CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED NOVEMBER 30, 2025 AND 2024

significant amounts of risk due to fluctuations in the prevailing levels of market interest rates and considers interest rate risk insignificant as at November 30, 2025 and 2024.

Currency risk

Currency risk is the risk that financial instruments that are denominated in a currency other than the Canadian dollar, which is the Company's reporting currency, will fluctuate due to changes in exchange rates. All portfolio holdings and Net Assets of the Company are denominated in Canadian dollars and therefore there is no currency risk as at November 30, 2025 and 2024.

Other risks

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. All of the Company's transactions are in listed securities and options and are settled and paid for 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 purchase once the securities have been received by the broker. Cash is held with a reputable and regulated financial institution. As at November 30, 2025 and 2024, the Company did not have significant credit risk exposure.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price. The Company is exposed to liquidity risk primarily through its monthly and annual retractions of Capital shares and Class I and Class II Preferred shares. The Company receives adequate notice for all retraction requests. The Company's portfolio is invested in Manulife which is a highly liquid large capitalization stock that trades on the Toronto Stock Exchange ("TSX"). All Capital shares and Class I and Class II Preferred shares outstanding are redeemable on a monthly and annual basis but are scheduled to be redeemed on the termination date. As at November 30, 2025 and 2024, all other financial liabilities are payable within three months from the end of the year.

Concentration risk

The Company's only equity holding is concentrated in the common shares of Manulife and as such will be exposed to the specific factors that affect this stock.

The Company's investment portfolio is concentrated in the following segments as at:

	November 30, 2025	November 30, 2024
Manulife common shares	96.4%	85.1%
Call options written	-0.3%	-
Other assets less liabilities (excluding Class I and Class II Preferred shares)	3.9%	14.9%
	<u>100%</u>	<u>100%</u>

M SPLIT CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED NOVEMBER 30, 2025 AND 2024

7. Redeemable Units

Preferred shares

The Company is authorized to issue an unlimited number of Class I Preferred shares and an unlimited number of Class II Preferred shares.

<u>Class I Preferred share transactions</u>	November 30, 2025	November 30, 2024
Beginning of year	2,275,889	2,275,889
Issued during the year	(407,405)	-
End of year	<u>1,868,484</u>	<u>2,275,889</u>
<u>Class II Preferred share transactions</u>	November 30, 2025	November 30, 2024
Beginning of year	2,275,889	2,275,889
Redeemed during the year	(1,515,125)	-
End of year	<u>760,764</u>	<u>2,275,889</u>

Class I Preferred shares are entitled to fixed cumulative monthly dividends of \$0.03125 per share. Class II Preferred shares are entitled to monthly dividends of \$0.03125 per share when the net asset value per unit exceeds \$10.00. All Class I and Class II Preferred shares outstanding on the termination date will be redeemed by the Company on that date. Class I Preferred shares have a repayment objective of \$5.00 and rank in priority to the Class II Preferred shares and Capital shares upon the winding up of the Company. Class II Preferred shares have a repayment objective of \$5.00 and rank behind the Class I Preferred shares but ahead of the Capital shares. Class I and Class II Preferred shares trade under the symbols "XMF.PR.B" and "XMF.PR.C" respectively on the TSX. The trading price as at November 30, 2025 of Class I Preferred shares and Class II Preferred share was \$5.31 and \$4.25 respectively (November 30, 2024-\$5.20 and \$4.80 respectively). The Class I and Class II Preferred shares have been presented as liabilities in the financial statements.

Class I and Class II Preferred shares may be surrendered at any time for retraction at specified retraction amounts, but will be retracted only on the last business day of each month. Shareholders who concurrently retract a Class I Preferred share, a Class II Preferred share and a Capital share (together, a "unit") in the month of October in each year will be entitled to receive an amount equal to the net asset value per unit calculated on the last business day of October. Class I and Class II Preferred shares retracted in any other month will receive a retraction price based on a discounted specified retraction formula. Under the terms of a recirculation agreement, the Company may, but is not obligated to, require the recirculation agent to use its best efforts to find purchasers for any Class I and Class II Preferred shares or Capital shares tendered for retraction. Gains or losses from the redemption of shares, if any, are recorded in gain (loss) on redemptions on the Statements of Comprehensive Income/(Loss).

Capital shares

The Company is authorized to issue an unlimited number of Capital shares.

<u>Capital share transactions</u>	November 30, 2025	November 30, 2024
Beginning of year	2,275,889	2,275,889
Redeemed during the year	(341)	-
End of year	<u>2,275,548</u>	<u>2,275,889</u>

M SPLIT CORP.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED NOVEMBER 30, 2025 AND 2024

Capital shares will participate in any net asset value growth over \$10.00 per unit. The dividend on the Capital shares will only be paid when the net asset value per unit exceeds \$15. The dividend rate on the Capital shares at such time will be set by the Board of Directors of the Company at its discretion, based on market conditions. No dividend payments will be made on the Capital shares unless all dividends on the Class I Preferred shares and, if applicable, Class II Preferred shares have been declared and paid. All Capital shares outstanding on the termination date will be redeemed by the Company on that date.

Capital shares trade under the symbol "XMF.A" on the TSX. The Capital shares trading price on the TSX was \$0.80 as at November 30, 2025 (November 30, 2024-\$0.49). Capital shares may be surrendered at any time for retraction at specified retraction amounts, but will be retracted only on the last business day of each month. Shareholders who concurrently retract a Capital share and a Class I Preferred and a Class II Preferred shares in the month of October in each year will be entitled to receive an amount equal to the net asset value per unit calculated on the last business day of October. Capital shares retracted in any other month will receive a retraction price based on a discounted specified retraction formula. Under the terms of a recirculation agreement, the Company may, but is not obligated to, require the recirculation agent to use its best efforts to find purchasers for any Class I and Class II Preferred shares or Capital shares tendered for retraction. Gains or losses from the redemption of shares, if any, are recorded in gain (loss) on redemptions on the Statements of Comprehensive Income/(Loss).

The Class I and Class II Preferred shares rank in priority to the Capital shares with respect to the payment of dividends. Upon the termination of the Company, Capital shareholders will receive an amount equal to the net asset value per unit less \$10.00 (the redemption value of the Class I and Class II Preferred shares).

The holders of Class B shares are not entitled to receive dividends. The Class B shares are retractable at a price of \$1.00 per share. Class B shareholders are entitled to one vote per share. On April 18, 2007, the Company issued 1,000 Class B shares to M Split Corp. Holding Trust for cash consideration of \$1,000.

8. Expenses

The Company is responsible for all expenses incurred in connection with the operation and administration of the Company, including, but not limited to, accounting and administration fees, custodian fees, transfer agent fees, legal and audit expenses, fees payable to the independent directors of the Company and the Company's independent review committee, regulatory filing and stock exchange fees, costs of reporting to shareholders and costs and expenses arising as a result of complying with all applicable laws, regulations and policies.

Pursuant to the management agreement, Quadravest is entitled to an administration fee payable monthly in arrears at an annual rate of 0.10% of the net asset value of the Company, which includes the outstanding Class I and Class II Preferred shares, calculated as at each month-end valuation date.

Pursuant to the terms of the investment management agreement, Quadravest is entitled to a base management fee payable in arrears at an annual rate equal to 0.45% of the net asset value of the Company, which includes the outstanding Class I and Class II Preferred shares, calculated as at each month-end valuation date.

In addition, the monthly discount to the net asset value of 3% applicable to redemptions of Preferred shares and Capital shares is paid to Quadravest. Redemption fees paid for the year ended November 30, 2025 were \$NIL (November 30, 2024-\$NIL).

Total management fees of \$70,138 (November 30, 2024-\$105,498) incurred during the year ended November 30, 2025, include the administration fee and base management fee. As at November

M SPLIT CORP.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED NOVEMBER 30, 2025 AND 2024

30, 2025, \$6,231 (November 30, 2024-\$10,537) was payable to Quadravest with respect to the administration fee and investment management fee.

Total brokerage commission paid during the year ended November 30, 2025 by the Company for its portfolio transactions were \$13,192 (November 30, 2024-\$20,782). 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 investment manager. The value of such research services included in commissions paid to brokers for the year ended November 30, 2025 amounted to \$100 (November 30, 2024-\$81).

For the year ended November 30, 2025, fees paid or payable to PricewaterhouseCoopers LLP and other PwC Network firms for the audit of the financial statements of the Company were \$20,870 (November 30, 2024-\$20,488). Fees for other services were \$1,569 (November 30, 2024-\$1,564).

9. Increase (decrease) in net assets attributable to holders per redeemable Capital share

The increase (decrease) in net assets attributable to holders per redeemable Capital share for the years ended November 30, 2025 and 2024 is calculated as follows:

	2025	2024
Increase (decrease) in net assets attributable to holders of redeemable Capital shares	\$431,425	\$304,296
Weighted average Capital shares outstanding	2,275,562	2,275,889
Increase (decrease) in net assets attributable to holders per redeemable Capital share	\$0.19	\$0.13

10. Distributions

Distributions per share were as follows:

	November 30, 2025	November 30, 2024
Class I Preferred shares	\$0.3750	\$0.3750
Class II Preferred shares	\$0.0313	\$0.0313
Capital shares	-	-

11. Capital Management

The Company considers its capital to consist of Capital, Class B and Class I Preferred and Class II Preferred shares.

The Company's objectives in managing its capital are:

- i) to provide holders of Class I Preferred shares with fixed cumulative preferential monthly cash dividends in an amount of \$0.03125 per Class I Preferred share to yield 7.50% per annum on the Class I Preferred share repayment amount of \$5.00 and to return \$5.00 per share to their holders on the termination date;
- ii) to provide holders of Class II Preferred shares with monthly cash dividends of \$0.03125 per Class II Preferred share to yield 7.50% on the \$5.00 Class II Preferred share repayment amount when the net asset value per unit exceeds \$10.00 and having a repayment objective on the termination date of \$5.00; and

M SPLIT CORP.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED NOVEMBER 30, 2025 AND 2024

- iii) to permit holders of Capital shares to participate in all growth in the net asset value of the Company above \$10.00 per unit and to provide holders of Capital shares with dividends in an amount to be set by the Board of Directors at its discretion, based on market conditions, when the net asset value per unit exceeds \$15.00.

In order to manage its capital structure, the Company may adjust the amount of dividends paid to shareholders or return capital to shareholders.

12. Reconciliation of net asset value per Capital share to net assets attributable to holders per redeemable Capital share

As at November 30, 2025 and November 30, 2024, there were no differences between net asset value per Capital share used for transactional purposes and net assets attributable to holders per redeemable Capital share for financial reporting purposes.

13. New IFRS Accounting Standard

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 Company is currently assessing the impact of these new requirements.

In May 2024, the IASB issued amendments to IFRS 9, "Financial Instruments", and IFRS 7, "Financial Instruments: Disclosures". The amendments clarify the requirements for the timing of recognition and derecognition of financial assets and liabilities, introducing 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. These amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted. The Company is currently assessing the impact of these new requirements.

QUADRAVEST CAPITAL MANAGEMENT INC.

Quadravest Capital Management Inc. was formed in 1997 and is focused on the creation and management of enhanced yield products for retail investors. The investment strategy combines fundamental based equity investing with covered call writing. Guided by four key principles, Quadravest sets attainable investment objectives that allow the team to stay focused on a long-term investment strategy.

The four principles – innovation in financial products, discipline in investment management, solid results for investors, and excellence in client service – form the foundation of Quadravest. Each member of the firm’s tight-knit team is committed to upholding these principles, ensuring a coherence and dedication that is unique to the Company.

Quadravest has raised over \$2.5 billion in initial public offerings.

BOARD OF DIRECTORS

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

Peter Cruickshank,
Director,
Quadravest Capital Management Inc.

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

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

John Steep,
President, S. Factor Consulting Inc.

CORPORATE DETAILS

Auditor

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

Transfer Agent

Computershare Investor Service Inc.
320 Bay Street, 14th Floor
Toronto, Ontario M5H 4A6

Legal Counsel

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

Custodian

RBC Investor Services Trust
155 Wellington St. West
Toronto, Ontario M5V 3L3



200 Front Street West
Suite 2510, Toronto, ON
M5V 3K2

Tel: 416.304.4443

Toll: 877.4QUADRA

or 877.478.2372

Fax: 416.304.4441

info@quadravest.com

www.quadravest.com