

2026

NEW COMMERCE SPLIT FUND
SEMI-ANNUAL REPORT
(UNAUDITED)

COMMERCE *Split*

This report may contain forward-looking statements about the Fund. 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 Fund 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 Fund 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 Fund. 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 Fund currently anticipates that subsequent events and developments may cause the Fund’s views to change, the Fund does not undertake to update any forward-looking statements.

NEW COMMERCE SPLIT FUND

SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

MAY 31, 2026

This is the semi-annual Management Report of Fund Performance (MRFP) for the period ended May 31, 2026. This MRFP contains financial highlights but does not contain the complete financial statements of the Fund. The semi-annual financial statements and accompanying notes are attached to this report.

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

These reports are available to view and download at www.commercesplit.com or www.sedarplus.com.

INVESTMENT OBJECTIVES AND STRATEGIES

New Commerce Split Fund was formed as a result of a corporate reorganization that was approved at the special meeting of shareholders of Commerce Split Corp. on February 3, 2010 and subsequently implemented on March 26, 2010 (the reorganization date). This reorganization allowed for the creation of two distinct investment funds within Commerce Split Corp. and allowed all Priority Equity shareholders and Class A shareholders of Commerce Split Corp. to elect their choice of Fund effective March 26, 2010. Shareholders were given the option to 1) maintain the original investment characteristics in the Original Commerce Split Fund or 2) choose to have their Priority Equity and/or Class A shares reorganized into a new series of shares (the New Commerce Split Fund) that would potentially provide greater distribution and capital growth potential in the event that common shares of Canadian Imperial Bank of Commerce ("CIBC") increase over the remaining term of the Fund. The New Commerce Split Fund (the "Fund") invests primarily in common shares of CIBC and also utilizes a covered call writing strategy to supplement the dividend income earned from CIBC common shares. The Fund does not have the requirements of a Priority Equity share portfolio protection plan.

NEW COMMERCE SPLIT FUND

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

Class I Preferred shares

Each Class I Preferred share (Symbol: YCM.PR.A) pays fixed cumulative preferential monthly cash dividends in the amount of \$0.025 per Class I Preferred share to yield 6.00% per annum on the Class I Preferred share repayment amount of \$5.00; and has a repayment objective on or about the termination date on 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

Each Class II Preferred share (Symbol: YCM.PR.B) pays fixed cumulative preferential monthly cash dividends in the amount of \$0.03125 per Class II Preferred share to yield 7.50% per annum on the Class II Preferred share repayment amount of \$5.00, when the net asset value per unit exceeds \$10.00; and has a repayment objective on or about 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

Capital shares (Symbol: YCM) 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 Fund 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 Fund remain as discussed in the Annual Information Form dated February 23, 2026. In addition, note 5 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 Fund.

RESULTS OF OPERATIONS

North American equity markets generated positive returns during the six months ended May 31, 2026, despite periods of volatility driven by geopolitical developments, inflation concerns and uncertainty regarding the outlook for economic growth and interest rates. Canadian equities demonstrated resilience in a challenging economic environment, supported by generally favourable corporate earnings and continued strength in select sectors, including financials and energy.

Monetary policy remained an important influence on market conditions during the period. The Bank of Canada maintained its policy interest rate throughout the six months ended May 31, 2026. In Canada, economic activity weakened, with real GDP contracting for two consecutive quarters on an annualized basis. Consumer spending increased modestly, while housing activity declined, business investment remained weak and exports fell. Employment levels were largely unchanged during the period, while the unemployment rate remained in the 6.5% to 7% range. Higher energy prices contributed to inflationary pressures and increased uncertainty regarding the economic outlook.

The conflict in the Middle East, higher energy prices, supply chain disruptions and continued uncertainty regarding U.S. trade policy contributed to elevated economic uncertainty during the period. Against this backdrop, uncertainty regarding the timing and extent of future interest

rate changes remained an important factor influencing investor sentiment and financial markets throughout the period.

Canadian financial institutions generally outperformed during the period, supported by resilient earnings, strong capital positions and investor confidence in the sector's financial strength, as evidenced by continued strong demand for bank debt and funding spreads remaining near historic lows, despite a weaker domestic economic backdrop.

As at May 31, 2026, net assets of the Fund were \$18.1 million (November 30, 2025-\$15.4 million) and net assets per unit of the Fund were \$21.30 (November 30, 2025-\$17.94 on a post-Capital shares split adjusted basis). During the period ended May 31, 2026, redemptions totalled \$0.3 million.

The share price of CIBC appreciated by 24.5% during the period ended May 31, 2026.

The covered call writing program continued to provide additional income and supplemented the dividend income earned in the portfolio.

Capital shares – Distributions

On March 2, 2026, the Fund announced an increase in the targeted monthly distributions on the Capital shares to \$0.075 per share (\$0.90 annually) from \$0.05 per share (\$0.60 annually). Total distributions per Capital share during the period amounted to \$0.3750 on a non-split-adjusted basis, consisting of three monthly distributions of \$0.05 per share and three monthly distributions of \$0.075 per share. The net asset value per unit must remain above the required \$15.00 per unit threshold for monthly distributions to be declared.

Class I Preferred shares

Total distributions during the period amounted to \$0.1500 per Class I Preferred share, consisting of 6 regular monthly distributions at the monthly rate of \$0.0250.

Class II Preferred shares

Total distributions during the period amounted to \$0.1875 per Class II Preferred share, consisting of 6 regular monthly distributions at the monthly rate of \$0.0313. The net asset value per unit must remain above the required \$10.00 per unit threshold for monthly distributions to be declared.

RECENT DEVELOPMENTS

Ongoing geopolitical tensions, conflicts and uncertainty regarding international trade policies may contribute to market volatility and could impact the Fund's investment portfolio.

On March 2, 2026, the Fund announced an increase in the targeted monthly distributions on the Capital shares to \$0.075 per share (\$0.90 annually) from \$0.05 per share (\$0.60 annually).

During the period ended May 31, 2026, the Fund completed a Capital share split effective March 6, 2026. Under the share split, Capital shareholders received 10 additional Capital shares for every 100 Capital shares held.

RELATED PARTY TRANSACTIONS

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

FINANCIAL HIGHLIGHTS

The following tables show selected financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's semi-annual financial statements and previous 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 Fund's net assets per unit⁽¹⁾

		Years ended November 30				
	May 31, 2026	2025	2024	2023	2022	2021
Net assets per unit, beginning of period ⁽²⁾	17.94	14.83	10.64	12.26	13.91	10.70 ⁽⁵⁾
Increase (decrease) from operations						
Total revenue	0.30	0.59	0.62	0.64	0.62	0.57
Total expenses	(0.20)	(0.28)	(0.25)	(0.24)	(0.27)	(0.26)
Realized gains for the period	0.88	0.32	0.29	0.05	0.32	0.01
Unrealized gains (losses) for the period	3.14	3.65	4.58	(1.59)	(1.63)	3.06
Total increase (decrease) from operations ⁽³⁾	<u>4.12</u>	<u>4.28</u>	<u>5.24</u>	<u>(1.14)</u>	<u>(0.96)</u>	<u>3.38</u>
Distributions						
Canadian dividends ⁽⁴⁾	N/A	(1.08)	(0.72)	(0.64)	(0.81)	(0.90)
Total distributions	<u>(0.71)</u>	<u>(1.08)</u>	<u>(0.72)</u>	<u>(0.64)</u>	<u>(0.81)</u>	<u>(0.90)</u>
Net assets per unit at end of period	21.30	17.94	14.83	10.64	12.26	13.91
Net assets per Class I Preferred share	5.00	5.00	5.00	5.00	5.00	5.00
Net assets per Class II Preferred share	5.00	5.00	5.00	5.00	5.00	5.00
Net assets per Capital share	11.30	7.94	4.83	0.64	2.26	3.91
Net assets per unit at end of period	<u>21.30</u>	<u>17.94</u>	<u>14.83</u>	<u>10.64</u>	<u>12.26</u>	<u>13.91</u>

(1) Per unit information for the period ended May 31, 2026 has been adjusted, and per unit information for the periods ended November 30, 2025 and prior has been retroactively restated to reflect the Capital share split effective March 6, 2026, pursuant to which Capital shareholders received 10 additional Capital shares for every 100 Capital shares held. Prior to the restatement the amounts disclosed were:

Distributions: 2025 - \$1.13; 2024 - \$0.73; 2023 - \$0.64; 2022 - \$0.83; 2021 - \$0.93.

Net assets per Capital share: 2025 - \$8.74; 2024 - \$5.31; 2023 - \$0.70; 2022 - \$2.49; 2021 - \$4.30.

Net Assets per unit at end of period: 2025 - \$18.74; 2024 - \$15.31; 2023 - \$10.70; 2022 - \$12.49; 2021 - \$14.30.

(2) Net assets per unit is the difference between the aggregate amount of the Fund's assets and the aggregate amount of its liabilities, excluding Preferred shares and net assets attributable to holders of redeemable Capital shares, at the valuation date, divided by the number of units then outstanding.

(3) Total increase (decrease) from operations is before the payment of Preferred and Capital share distributions and is calculated based on the weighted average number of units outstanding during the period.

(4) Distributions on the Preferred shares and Capital shares are based on the number of Preferred shares and Capital shares outstanding on the record date for each distribution and were paid in cash. Distributions per unit represent the aggregate distributions declared on one Class I Preferred share, one Class II Preferred share and one Capital share. Characterization of distributions is based on the tax treatment that is received by investors (for semi-annual periods ended May 31, allocations for tax purposes are not available until year end).

(5) The 2021 beginning net assets per unit has been restated to reflect the Capital share split effective March 6, 2026. Prior to the restatement, the net assets per unit disclosed was \$11.77.

RATIOS AND SUPPLEMENTAL DATA

	May 31, 2026	2025	Years ended November 30			
		2024	2023	2022	2021	
Net asset value (millions) ⁽¹⁾	\$18.1	\$15.4	\$13.7	\$9.6	\$11.2	\$12.8
Number of units outstanding ^(2,8)	847,941	859,706	925,942	901,895	913,228	921,967
Base Management expense ratio ⁽³⁾	1.99%	1.81%	1.95%	2.15%	1.99%	1.92%
Management expense ratio per Capital share ⁽⁴⁾	10.52%	16.97% ⁽⁷⁾	33.42%	95.12%	25.91%	24.61%
Portfolio turnover rate ⁽⁵⁾	3.28%	7.75%	5.02%	5.12%	3.28%	7.89%
Trading expense ratio ⁽⁶⁾	0.01%	0.04%	0.06%	0.09%	0.07%	0.04%
Closing market price (TSX): Class I Preferred share	\$5.24	\$5.16	\$5.10	\$4.95	\$4.99	\$5.19
Closing market price (TSX): Class II Preferred share	\$5.25	\$5.30	\$5.10	\$4.99	\$4.96	\$5.49
Closing market price (TSX): Capital share ⁽⁸⁾	\$11.07	\$6.64	\$4.55	\$0.81	\$2.00	\$4.73

(1) This information is provided as at May 31 or 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 Fund 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 Fund. The base management expense ratio per unit is based on total expenses for the stated period, 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 Fund during the period.

(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 Fund (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 period. The management expense ratio per Capital share should not be interpreted as the required return necessary for the Fund or the Capital shares to cover the operating expenses of the Fund. This calculation is based only on a portion of the Fund's assets whereas the Fund 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 Fund, making comparisons to the expense ratios of single unit mutual funds or determining the minimum investment returns necessary by the Fund to achieve growth in net asset value per unit.

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

(6) 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 Fund during the period.

(7) The MER per Capital share for the year ended November 30, 2025 has been revised to 16.97% from the previously reported 16.46% to correct an error.

(8) The number of units outstanding and closing market price (TSX) of the Capital shares for the periods ended November 30, 2025 and prior has been retroactively restated to reflect the Capital share split effective March 6, 2026, pursuant to which Capital shareholders received an additional 10 Capital shares for every 100 Capital shares held. Prior to the restatement, the amounts disclosed were:

Number of units outstanding: 2025 - 823,355; 2024 - 896,532; 2023 - 896,532; 2022 - 896,532; and 2021 - 896,532.

Closing Market Price (TSX) Capital share: 2025 - \$7.30; 2024 - \$5.00; 2023 - \$0.89; 2022 - \$2.20; and 2021 - \$5.20.

MANAGEMENT FEES

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 Fund, which includes the outstanding Class I and Class II Preferred shares, calculated as at each month-end valuation date.

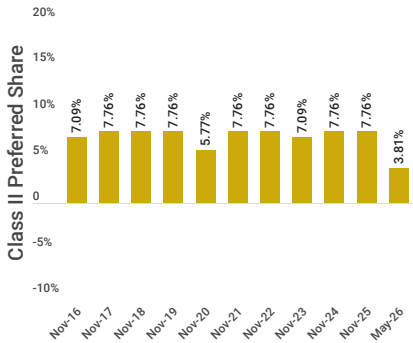
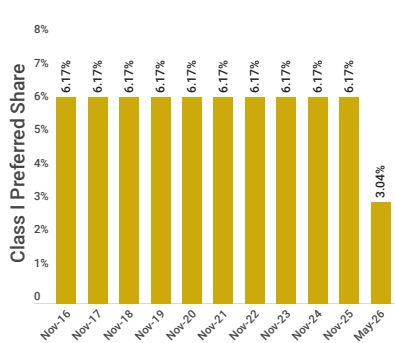
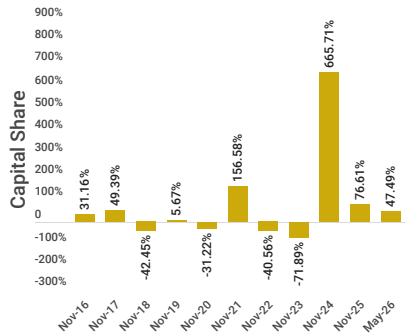
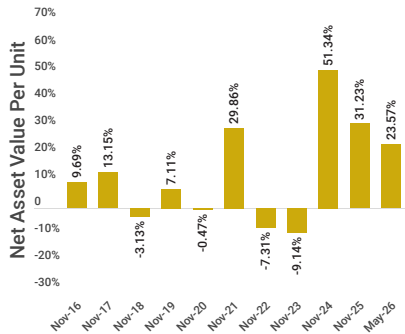
Pursuant to the management agreement, Quadravest is entitled to an administration fee payable monthly in arrears at an annual rate equal to 0.1% of the net asset value of the Fund, which includes the outstanding Class I and Class II Preferred shares, calculated as at each month-end valuation date.

The base management fee was used by Quadravest 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 Fund 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 share on a net asset value basis; 3) the Class II Preferred share on a net asset value basis; and 4) the Capital share 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, a Class I Preferred share, a Class II Preferred share or a Capital share would have increased or decreased during the applicable year. In respect to the charts displayed below, please note the following:

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



SUMMARY OF INVESTMENT PORTFOLIO
All holdings as at May 31, 2026

Name	Weighting (%)
Canadian Imperial Bank of Commerce	95.7
Cash	5.1
Other net assets (liabilities)	-0.8
	100.0

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

NEW COMMERCE SPLIT FUND

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The Manager maintains appropriate procedures to ensure that relevant and reliable financial information is produced. The interim 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, including International Accounting Standard ("IAS") 34, Interim Financial Reporting. The material accounting policy information applicable to the Fund is described in note 3 to the financial statements.

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

The Fund's independent auditor has not performed a review of these interim financial statements in accordance with standards established by the Chartered Professional Accountants.



WAYNE FINCH

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



SILVIA GOMES

Chief Financial Officer
Quadravest Capital Management Inc.

NEW COMMERCE SPLIT FUND
STATEMENTS OF FINANCIAL POSITION

AS AT MAY 31, 2026 AND NOVEMBER 30, 2025 (UNAUDITED)

	May 31, 2026 (\$)	November 30, 2025 (\$)
ASSETS		
Current Assets		
Investments	17,284,077	14,723,377
Cash	918,722	858,724
Interest, dividends and other receivables	786	390
	<u>18,203,585</u>	<u>15,582,491</u>
LIABILITIES		
Current Liabilities		
Written Options	950	31,000
Fees and other accounts payable	27,632	36,042
Distributions payable	111,647	87,627
Class I Preferred shares (note 6)	4,013,535	4,086,535
Class II Preferred shares (note 6)	4,275,285	4,348,285
	<u>8,429,049</u>	<u>8,589,489</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE CAPITAL SHARES	9,774,536	6,993,002
Number of Class I Preferred shares outstanding	802,707	817,307
Number of Class II Preferred shares outstanding	855,057	869,657
Number of Capital shares outstanding ⁽¹⁾	864,782	880,393
Net assets per Class I Preferred share	\$5.00	\$5.00
Net assets per Class II Preferred share	\$5.00	\$5.00
Net assets per Capital share ⁽¹⁾	\$11.30	\$7.94
Net assets per unit ⁽¹⁾	\$21.30	\$17.94

- (1) Amounts as at November 30, 2025 have been restated to reflect the Capital share split effective March 6, 2026. Capital shareholders received an additional 10 Capital Shares for every 100 Capital shares held. Prior to restatement, the number of redeemable Capital shares outstanding reported was 800,357 shares and the net assets per Capital share and net assets per unit were \$8.74 and \$18.74, respectively.

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.

NEW COMMERCE SPLIT FUND
STATEMENTS OF COMPREHENSIVE INCOME / (LOSS)

FOR THE SIX MONTH PERIODS ENDED **MAY 31** (UNAUDITED)

	2026 (\$)	2025 (\$)
INCOME		
Net gain (loss) on investments and derivatives		
Net realized gain (loss)	748,366	11,050
Net change in unrealized appreciation/depreciation	2,680,283	263,291
Dividends	250,063	247,063
Interest for distribution purposes	6,058	13,611
Net gain (loss) on investments and derivatives	3,684,770	535,015
EXPENSES (note 7)		
Management fees	46,654	34,663
Audit fees	10,510	11,190
Directors' fees	7,167	7,167
Independent Review Committee fees	1,071	1,154
Custodial fees	2,882	3,296
Shareholder reporting costs	8,189	9,605
Legal fees	41,373	24,594
Other operating expenses	35,253	36,353
Harmonized Sales Tax	15,628	13,237
Transaction costs	1,090	2,195
	169,817	143,454
Increase (decrease) in net assets attributable to holders of redeemable Capital shares before distributions on Preferred shares	3,514,953	391,561
Distributions on Preferred shares	(282,878)	(291,723)
Increase (decrease) in net assets attributable to holders of redeemable Capital shares	3,232,075	99,838
Increase (decrease) in net assets attributable to holders per redeemable Capital share (note 8)⁽¹⁾	3.70	0.11

- (1) Increase (decrease) in net assets attributable to holders per redeemable Capital share for the period ended May 31, 2025 has been restated to reflect the Capital share split effective March 6, 2026. Capital shareholders received an additional 10 Capital shares for every 100 Capital shares. See Note 1 for further details. Prior to restatement, the increase (decrease) in net assets attributable to holders per redeemable Capital share for the period ended May 31, 2025 was \$0.12.

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

NEW COMMERCE SPLIT FUND
STATEMENTS OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO HOLDERS OF REDEEMABLE CAPITAL SHARES
FOR THE SIX MONTH PERIODS ENDED MAY 31 (UNAUDITED)

	2026 (\$)	2025 (\$)
Net Assets attributable to holders of redeemable Capital shares - Beginning of period	6,993,002	4,763,879
Increase (decrease) in net assets attributable to holders of redeemable Capital shares	3,232,075	99,838
Capital share redemptions	(136,079)	(415,242)
Distributions on Capital shares	(314,462)	(122,750)
Change in net assets attributable to holders of redeemable Capital shares	<u>2,781,534</u>	<u>(438,154)</u>
Net assets attributable to holders of redeemable Capital shares - End of period	<u>9,774,536</u>	<u>4,325,725</u>

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

NEW COMMERCE SPLIT FUND**STATEMENTS OF CASH FLOW**FOR THE SIX MONTH PERIODS ENDED **MAY 31** (UNAUDITED)

	2026 (\$)	2025 (\$)
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable Capital shares	3,232,075	99,838
Adjustment for:		
Distributions on Preferred shares	282,878	291,723
Net realized (gain) loss on investments and derivatives	(748,366)	(11,050)
Net change in unrealized appreciation/depreciation of investments and derivatives	(2,680,283)	(263,291)
Purchase of investments, net of option premiums	(431,901)	(340,995)
Proceeds from sale of investments	1,269,800	9,450
(Increase) decrease in interest, dividends and other receivables	(396)	445
Increase (decrease) in fees and other accounts payable	(8,410)	(8,785)
Cash flows from (used in) operating activities	<u>915,397</u>	<u>(222,665)</u>
Cash flows from (used in) financing activities		
Amounts paid on redemption of Capital shares and Preferred shares	(282,079)	(765,992)
Distributions paid on Preferred shares	(283,699)	(293,533)
Distributions paid on Capital shares	<u>(289,621)</u>	<u>(126,660)</u>
Cash flows from (used in) financing activities	<u>(855,399)</u>	<u>(1,186,185)</u>
Net increase (decrease) in cash for the period	59,998	(1,408,850)
Cash at beginning of the period	<u>858,724</u>	<u>2,485,715</u>
Cash at end of the period	<u>918,722</u>	<u>1,076,865</u>
Dividends received*	250,063	247,063
Interest received *	6,058	13,611

* Included as part of Cash Flows from Operating Activities.

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

NEW COMMERCE SPLIT FUND
SCHEDULE OF PORTFOLIO INVESTMENTS

AS AT MAY 31, 2026 (UNAUDITED)

No. of shares (contracts)	Description	Average Cost (\$) (Premiums received)	Fair Value (\$)
	Core Holding		
	Canadian Common Equities		
114,852	Canadian Imperial Bank of Commerce	6,278,165	17,284,077
	Total Canadian Common Equities		
	in Core Holdings (100.0%)	<u>6,278,165</u>	<u>17,284,077</u>
	Call options written (100 shares per contract)		
(100)	Canadian Imperial Bank of Commerce		
	@ \$164 June 2026	<u>(23,100)</u>	<u>(950)</u>
	Total Canadian call options written (0.0%)	<u>(23,100)</u>	<u>(950)</u>
		<u>6,255,065</u>	<u>17,283,127</u>
	less adjustment for transaction costs	<u>(1,660)</u>	
	Total Investments (100.0%)	<u>6,253,405</u>	<u>17,283,127</u>

NEW COMMERCE SPLIT FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIODS ENDED MAY 31, 2026 AND 2025 (UNAUDITED)

1. Incorporation

New Commerce Split Fund (the “Fund”) was formed as a result of the reorganization of Commerce Split Corp. (the “Company”). On March 26, 2010, the effective reorganization date, the assets of Commerce Split Corp. were divided pro rata into two separate investment portfolios to be known as the “Original Commerce Split Fund” and the “New Commerce Split Fund” in accordance with the reorganization plan contained in the Management Information Circular dated December 23, 2009. The Original Commerce Split Fund was subsequently terminated on October 31, 2013. The division of the assets was based on the elections made by both Priority Equity shareholders and Class A shareholders immediately prior to the reorganization. The Fund invests primarily in common shares of Canadian Imperial Bank of Commerce (“CIBC”) and has also implemented a covered call writing program to supplement the dividend income earned from CIBC common shares. The manager and the investment manager of the Fund is Quadravest Capital Management Inc. (“Quadravest” or “Manager”). The termination date of the Fund is December 1, 2029 and may be extended thereafter at the Fund’s discretion for additional terms of five years each. The Fund’s principal office is located at 200 Front Street West, Suite 2510, Toronto, Ontario M5V 3K2. During the period, the Fund completed a Capital share split effective March 6, 2026. Under the share split, Capital shareholders received 10 additional Capital shares for every 100 Capital shares held.

2. 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, including International Accounting Standard (“IAS”) 34, Interim Financial Reporting. These financial statements should be read in conjunction with the annual financial statements for the year ended November 30, 2025, which were prepared in accordance with IFRS Accounting Standards.

These financial statements were approved by the Board of Directors of the Fund on July 15, 2026.

3. Material accounting policy information

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

Investments and financial instruments

The Fund classifies its investments, including derivatives, based on both the Fund’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 performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The Fund 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 fair value through profit or loss (“FVTPL”).

The Fund’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 Fund 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

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

The net asset value of the Fund 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 Fund is determined as the difference between the aggregate amount of the Fund'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 Fund"). 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 Fund 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 Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, QuadraVest determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Fund'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.

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The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Fund 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 5 for further information about the Fund's fair value measurements.

Cash

Cash is comprised of demand deposits with a financial institution.

Translation of foreign currencies

The Fund'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 Fund'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 Fund over time, as services are rendered by Quadrevest. Refer to note 7 for further information about the calculation of management and administration fees of the Fund.

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 period. Refer to note 8 for the calculation.

Taxation

Commerce Split Corp. 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 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 Fund'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

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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 Fund qualifies as a mutual fund corporation. As a result of the capital gains refund mechanism and Part IV tax refunds, the Fund recovers any Canadian income taxes paid in respect of its capital gains and taxable Canadian dividends. As a result, the Fund 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 Fund has estimated accumulated non-capital losses for tax purposes as at May 31, 2026 of \$8,183,248 (November 30, 2025-\$8,183,248) that are available to lower taxable income in future periods if required and expire after the scheduled termination date of the Fund. The Fund also has estimated accumulated capital losses for tax purposes of \$75,640,575 (November 30, 2025-\$75,640,575) which may be used to lower future capital gains if required and which do not expire.

4. 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 Fund's most significant estimates involve the measurement of investments and derivatives at fair value as described in note 5.

5. Management of Risk of Financial Instruments

The Fund 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.

The following table illustrates the classification of the Fund's financial instruments within the fair value hierarchy as at May 31, 2026 and November 30, 2025:

Financial assets and liabilities at fair value as at May 31, 2026				
	Level 1	Level 2	Level 3	Total
Equities	\$17,284,077	-	-	\$17,284,077
Options	(\$950)	-	-	(\$950)
	<u>\$17,283,127</u>	<u>-</u>	<u>-</u>	<u>\$17,283,127</u>

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	Financial assets and liabilities at fair value as at November 30, 2025			
	Level 1	Level 2	Level 3	Total
Equities	\$14,723,377	-	-	\$14,723,377
Options	<u>(\$31,000)</u>	<u>-</u>	<u>-</u>	<u>(\$31,000)</u>
	\$14,692,377	-	-	\$14,692,377

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 during the period ended May 31, 2026 or the year ended November 30, 2025.

The Fund'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 periods in which a covered call option is written against a position in CIBC.

The Fund is exposed to other price risk from its investment in equity securities and written options. As at May 31, 2026, 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 Fund would have increased by approximately \$1,714,000 (November 30, 2025-\$1,374,000). 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 Fund would have decreased by approximately \$1,728,000 (November 30, 2025-\$1,455,000).

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 Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates and considers interest rate risk insignificant as at May 31, 2026 and November 30, 2025.

Currency risk

Currency risk is the risk that financial instruments that are denominated in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. All portfolio holdings and Net Assets of the Fund are denominated in Canadian dollars and therefore there is no currency risk as at May 31, 2026 and November 30, 2025.

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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 Fund'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 May 31, 2026 and November 30, 2025, the Fund did not have significant credit risk exposure.

Liquidity risk

Liquidity risk is the risk that the Fund may not be able to settle or meet its obligations on time or at a reasonable price. The Fund is exposed to liquidity risk primarily through its monthly and annual retractions of Capital shares, Class I Preferred shares and Class II Preferred shares. The Fund receives adequate notice for all retraction requests. The Fund's portfolio is invested in CIBC common shares which is a highly liquid large capitalization stock that trades on the TSX. All Capital shares, Class I Preferred shares and Class II Preferred shares outstanding are redeemable on a monthly and annual basis but are scheduled to be redeemed upon termination of the Fund. As at May 31, 2026 and November 30, 2025, all other financial liabilities are payable within three months from the end of the period.

Concentration risk

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

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

	May 31, 2026	November 30, 2025
CIBC common shares	95.7%	95.4%
Call options written	0.0%	-0.2%
Other assets less liabilities (excluding Class I and Class II Preferred shares)	<u>4.3%</u>	<u>4.8%</u>
	100%	100%

6. Redeemable Units

Preferred shares

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

Class I Preferred shares are entitled to fixed cumulative monthly dividends of \$0.025 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 Preferred shares outstanding on the termination date will be redeemed by the Fund 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 Fund. 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 "YCM.PR.A" and "YCM.PR.B" respectively on the TSX. The trading price as at May 31, 2026 of Class I Preferred shares and Class II Preferred share was \$5.24 and

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\$5.25 respectively (November 30, 2025-\$5.16 and \$5.30 respectively). The Preferred shares of both classes 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 Fund 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).

Preferred share transactions

Preferred share transactions during the periods ended May 31, 2026 and 2025 are summarized in the following tables.

<u>Class I Preferred share transactions</u>	May 31, 2026	May 31, 2025
Beginning of period	817,307	896,532
Issued	-	-
Redeemed	<u>(14,600)</u>	<u>(61,250)</u>
End of period	802,707	835,282

<u>Class II Preferred share transactions</u>	May 31, 2026	May 31, 2025
Beginning of period	869,657	896,532
Issued	-	-
Redeemed	<u>(14,600)</u>	<u>(8,900)</u>
End of period	855,057	887,632

Capital shares

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

Capital shares will participate in any net asset value growth over \$10.00 per unit. The dividend on the Capital shares will be paid when the net asset value per unit exceeds \$15.00. The dividend rate on the Capital shares at such time will be set by the Board of Directors of the Fund at its discretion, based on market conditions. On March 2, 2026, the Fund announced an increase in the targeted monthly distributions on the Capital shares to \$0.075 per share (\$0.90 annually) from \$0.05 per share (\$0.60 annually). 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 Fund on that date.

Capital shares trade under the symbol "YCM" on the TSX. The trading price of Capital shares on the TSX was \$11.07 as at May 31, 2026 (November 30, 2025-\$6.64 on a post-Capital shares split adjusted basis). 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 and Class II Preferred share 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

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receive a retraction price based on a discounted specified retraction formula. Under the terms of a recirculation agreement, the Fund 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 and upon the winding down of the Fund. Upon the termination of the Fund, 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).

Capital share transactions

Capital share transactions during the periods ended May 31, 2026 and 2025 are summarized in the following tables. Capital share information for the period ended May 31, 2026 has been adjusted and comparative information for the period ended May 31, 2025 has been restated to reflect the Capital share split effective March 6, 2026, pursuant to which Capital shareholders received 10 additional Capital shares for every 100 Capital shares held. See Note 1 for further details.

<u>Capital share transactions</u>	May 31, 2026	May 31, 2025
Beginning of period	880,393	986,185
Issued	-	-
Redeemed	<u>(15,611)</u>	<u>(86,020)</u>
End of period	864,782	900,165

7. Expenses

The Fund is responsible for all expenses incurred in connection with the operation and administration of the Fund, 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 Fund and the Fund'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 Fund, 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 Fund, 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 net asset value of 3% applicable to redemptions of Preferred shares and Capital shares is paid to Quadravest. Redemption fees paid for the period ending May 31, 2026 were \$7,488 (May 31, 2025-\$NIL).

Total management fees of \$46,654 (May 31, 2025-\$34,663) incurred during the period ended May 31, 2026, include the administration fee and base management fee. As at May 31, 2026, \$8,573 (November 30, 2025-\$7,119) was payable to the Manager with respect to the administration fee and investment management fee.

The brokerage commissions paid during the period ended May 31, 2026 by the Fund for its portfolio transactions were \$1,090 (May 31, 2025-\$2,195). Brokerage commissions paid to certain

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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 period ended May 31, 2026 amounted to \$292 (May 31, 2025-\$38).

8. 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 periods ended May 31, 2026 and 2025 is calculated as follows:

	May 31, 2026	May 31, 2025
Increase (decrease) in net assets attributable to holders of redeemable Capital shares	\$ 3,232,075	\$99,838
Weighted average Capital shares outstanding ⁽¹⁾	872,787	907,334
Increase (decrease) in net assets attributable to holders per redeemable Capital share ⁽¹⁾	\$3.70	\$0.11

- (1) Increase (decrease) in net assets attributable to holders per redeemable Capital share and weighted average Capital shares outstanding for the period ended May 31, 2025 have been restated to reflect the Capital share split effective March 6, 2026. Capital shareholders received an additional 10 Capital shares for every 100 Capital shares held. See Note 1 for further details. Prior to restatement, these amounts were reported as \$0.12 and 824,849, respectively.

9. Distributions

Distributions per share were as follows:

	May 31, 2026	May 31, 2025
Class I Preferred shares	\$0.1500	\$0.1500
Class II Preferred shares	\$0.1875	\$0.1875
Capital shares ⁽¹⁾	\$0.3614	\$0.1364

- (1) Distributions per Capital share for the period ended May 31, 2026 have been adjusted and comparative distributions per Capital share for the period ended May 31, 2025 have been restated to reflect the Capital share split effective March 6, 2026. See Note 1 for further details. The actual distributions declared during the periods ended May 31, 2026 and May 31, 2025 were \$0.3750 and \$0.1500 per Capital share, respectively.

10. Capital Management

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

The Fund's objectives in managing its capital are:

- to provide holders of Class I Preferred shares with fixed cumulative preferential monthly cash dividends in an amount of \$0.025 per Class I Preferred share to yield 6.00% per annum on the \$5.00 Class I Preferred share repayment amount and to return \$5.00 per share to their holders on the termination date; and
- 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

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- iii) to provide holders of Capital shares with growth above the value of the Preferred shares 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 Fund may adjust the amount of dividends paid to shareholders or return capital to shareholders.

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

As at May 31, 2026 and November 30, 2025, 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.

12. 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 Fund 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 Fund 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 Fund.

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.

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