Dividend Select 15 Corp.

2026

Semi-Annual Report
(unaudited)

Dividend Select 15

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 Company. The semi-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.dividendselect15.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.dividendselect15.com or www.sedarplus.com.

Investment Objectives and Strategies

The Company invests in a portfolio of dividend yielding common shares which currently include the Canadian companies listed below:

Bank of Montreal
BCE Inc.
Canadian Imperial Bank of Commerce
Cenovus Energy Inc.
Enbridge Inc.
Great-West Lifeco Inc.
Loblaw Companies Ltd.
National Bank of Canada
Ovintiv Inc.
Power Corporation of Canada
Royal Bank of Canada
Sun Life Financial Inc.
TC Energy Corp.
TELUS Corporation
The Bank of Nova Scotia
The Toronto-Dominion Bank
Thomson Reuters Corporation
TMX Group Inc.
TransAlta Corporation

The selection of the portfolio companies from among the portfolio universe listed above will be made by the Company's investment manager, Quadravest Capital Management Inc. ("Quadravest"), based on its assessment from time to time as to which companies in the portfolio universe have the most stable dividends and attractive growth potential. In order to supplement the dividends received on the portfolio and to reduce risk, the Company will employ an active covered call writing program.

Investment Objectives

The Company's objectives are to provide Equity shareholders with:

(i) monthly cash distributions, currently targeted to be at a rate of 10% annualized based on the volume weighted average market price of the Equity shares for the last three trading days of the preceding month; and

(ii) the opportunity for capital appreciation.

Risk

The risks of investing in the Company 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 Company.

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.

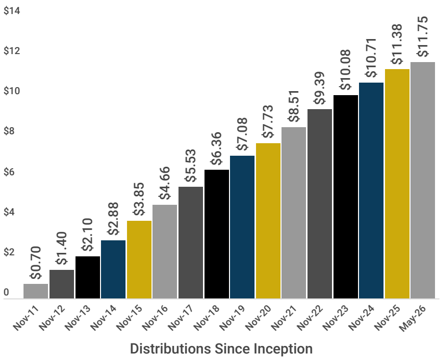
Canadian financial institutions generally outperformed during the period, supported by resilient earnings, strong capital positions and investor confidence in the sector's financial strength, as evidenced by continued strong demand for bank debt and funding spreads remaining near historic lows, despite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

As at May 31, 2026, net assets of the Company were $48.9 million (November 30, 2025 – $49.5 million) and net assets per Equity share of the Company were $8.23 (November 30, 2025 – $7.49). During the period ended May 31, 2026, redemptions totalled $5.1 million.

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

Equity shares – Distributions

Total distributions per Equity share during the period amounted to $0.3708.



11.75

Cumulative total of distributions paid since inception

Recent Developments

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

Related Party Transactions

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 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 Equity share.

The Company's net assets per Equity share

		Years ended November 30				
	May 31, 2026	**2025**	**2024**	**2023**	**2022**	**2021**
Net assets per Equity share, beginning of period[1]	7.49	7.05	6.27	7.10	7.58	6.50
Increase (decrease) from operations						
Total revenue	0.14	0.28	0.30	0.30	0.28	0.28
Total expenses	(0.10)	(0.12)	(0.13)	(0.11)	(0.13)	(0.13)
Realized gains for the period	0.47	0.49	0.31	0.09	0.05	-
Unrealized gains (losses) for the period	0.55	0.37	0.92	(0.43)	(0.11)	1.72
Total increase (decrease) from operations[2]	1.06	1.02	1.40	(0.15)	0.09	1.87
Distributions[3]						
Canadian dividends	N/A	(0.34)	(0.63)	(0.61)	(0.83)	(0.78)
Capital gains dividends	N/A	(0.33)	-	(0.08)	(0.05)	-
Total distributions	(0.37)	(0.67)	(0.63)	(0.69)	(0.88)	(0.78)
Net assets per Equity share, end of period	8.23	7.49	7.05	6.27	7.10	7.58

(1) Net assets per Equity share is the difference between the aggregate amount of the assets of the Company and the aggregate amount of the liabilities of the Company on that date divided by the number of Equity shares then outstanding.

(2) Total increase (decrease) from operations is calculated based on the weighted average number of Equity shares outstanding during the period.

(3) Distributions on the Equity shares are based on the number of Equity shares outstanding on the record date for each distribution in the period and were paid in cash. 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).

Ratios and Supplemental Data

	May 31, 2026	Years ended November 30 2025	2024	2023	2022	2021
Net asset value (millions)(1)	$48.9	$49.5	$54.3	$53.2	$58.5	$45.7
Number of Equity shares outstanding	5,938,929	6,608,380	7,706,238	8,480,141	8,230,741	6,031,341
Base Management expense ratio(2)	2.43%	1.65%	2.00%	1.69%	1.70%	1.75%
Management expense ratio including one time offering expenses(3)	2.43%	1.65%	2.00%	1.81%	2.87%	1.75%
Portfolio turnover rate(4)	0.92%	1.26%	5.34%	1.00%	7.90%	6.70%
Trading expense ratio(5)	0.04%	0.04%	0.06%	0.05%	0.07%	0.09%
Closing market price (TSX):	$7.97	$7.27	$6.89	$6.06	$7.76	$9.90

(1) This information is provided as at May 31 or November 30.

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

(3) Share issue expenses including all agents' fees and other offering expenses are one time initial expenses connected with the launch of the Company or any subsequent secondary offering. Any expenses incurred with secondary offerings were offset by the accretion to net asset value per share of such offerings.

(4) 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 period. 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 period, the greater the trading costs payable by the Company 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 Company.

(5) 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 period.

Management Fees

Pursuant to the management and investment management agreement, Quadravest is entitled to a management fee at an annual rate equal to 1.10% of the Company's net asset value calculated as at the month-end valuation date.

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

Past Performance

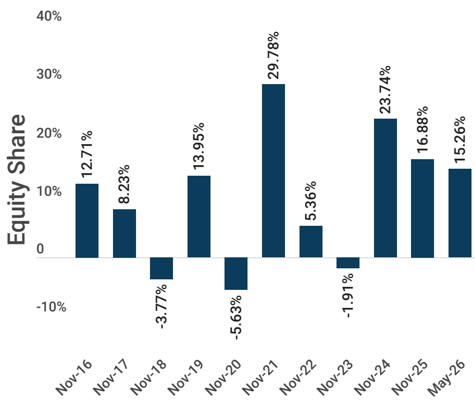
Year-by-Year Returns

The past performance of an Equity share for each of the last ten years is presented in the bar charts below. Each bar in the chart reflects the change in percentage terms of how an Equity 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 Company during the years shown were reinvested in the applicable additional securities of the Company;

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 Company does not necessarily indicate how it will perform in the future.



Summary of Investment Portfolio
All holdings as at May 31, 2026

Name	Weighting (%)
Power Corporation of Canada	10.0
Cenovus Energy	9.8
National Bank of Canada	9.2
Canadian Imperial Bank of Commerce	8.3
Royal Bank of Canada	7.8
Bank of Nova Scotia	7.7
Sun Life Financial Inc.	7.5
Enbridge Inc.	7.1
Toronto-Dominion Bank	6.8
TC Energy Corp.	5.2
TransAlta Corporation	4.6
TELUS Corporation	4.3
Thomson Reuters Corporation	3.8
BCE Inc.	3.2
South Bow Corp.	0.8
Total long positions as a percentage of net assets	**96.1**
Cash	4.7
Other net assets (liabilities)	-0.8
	100.0

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

Dividend Select 15 Corp.
Management's Responsibility for Financial Reporting

The interim financial statements of Dividend Select 15 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 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 Company is described in note 3 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 interim financial statements.

Wayne Finch

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

Silvia Gomes

Chief Financial Officer
Quadravest Capital Management Inc.

Dividend Select 15 Corp.

Statements of Financial Position

As at May 31, 2026 and November 30, 2025 (Unaudited)

	May 31, 2026 ($)	November 30, 2025 ($)
ASSETS		
Investments	46,982,452	45,592,428
Cash	2,302,283	4,302,275
Interest, dividends and other receivables	95,947	95,935
	49,380,682	**49,990,638**
LIABILITIES		
Current Liabilities		
Written options	71,841	45,068
Fees and other accounts payable	79,974	62,920
Distributions payable	374,628	395,974
Class B shares	20	20
	526,463	**503,982**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE EQUITY SHARES	**48,854,219**	**49,486,656**
Number of Equity shares (note 6)	5,938,929	6,608,380
Net assets per Equity share	$8.23	$7.49

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.

Dividend Select 15 Corp.
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)	2,998,442	1,864,086
Net change in unrealized appreciation/depreciation	3,533,071	(1,573,538)
Dividends	877,270	1,027,809
Interest for distribution purposes	19,284	58,127
Net gain (loss) on investments and derivatives	**7,428,067**	**1,376,484**
EXPENSES (note 7)		
Management fees	289,391	276,417
Audit fees	15,162	15,650
Directors' fees	7,167	7,167
Independent Review Committee fees	1,071	1,154
Custodial fees	4,266	1,583
Legal fees	29,149	27,549
Shareholder reporting costs	14,523	17,953
Other operating expenses	188,580	62,991
Harmonized sales tax	53,918	39,940
Transaction costs	8,818	10,236
	612,045	**460,640**
Increase (decrease) in net assets attributable to holders of redeemable Equity shares	**6,816,022**	**915,844**
Increase (decrease) in net assets attributable to holders per redeemable Equity share (note 8)	**1.06**	**0.12**

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

Dividend Select 15 Corp.
Statements of Changes in Net Assets Attributable To Holders Of Redeemable Equity Shares
For the six month periods ended May 31 (unaudited)

	2026 ($)	2025 ($)
Net Assets attributable to holders of redeemable Equity shares - Beginning of period	**49,486,656**	**54,317,886**
Increase (decrease) in net assets attributable to holders of redeemable Equity shares	6,816,022	915,844
Equity share redemptions	(5,081,133)	(7,300,756)
Distributions on Equity shares	(2,367,326)	(2,444,444)
Change in net assets attributable to holders of redeemable Equity shares	**(632,437)**	**(8,829,356)**
Net Assets attributable to holders of redeemable Equity shares - End of period	**48,854,219**	**45,488,530**

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

Dividend Select 15 Corp.
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 Equity shares	6,816,022	915,844
Adjustment for:		
Net realized (gain) loss on investments and derivatives	(2,998,442)	(1,864,086)
Net change in unrealized appreciation/depreciation of investments and derivatives	(3,533,071)	1,573,538
Purchase of investments, net of option premiums	34,848	16,930
Proceeds from sale of investments	5,133,414	4,982,180
(Increase) decrease in interest, dividends and other receivables	(12)	16,727
Increase (decrease) in fees and other accounts payable	17,054	(10,071)
Cash flows from (used in) operating activities	5,469,813	5,631,062
Cash flows from (used in) financing activities		
Amounts paid on redemption of Equity shares	(5,081,133)	(7,300,756)
Distributions paid on Equity shares	(2,388,672)	(2,523,206)
Cash flows from (used in) financing activities	(7,469,805)	(9,823,962)
Net increase (decrease) in cash for the period	(1,999,992)	(4,192,900)
Cash at beginning of the period	4,302,275	5,559,113
Cash at end of the period	**2,302,283**	**1,366,213**
Dividends received*	877,943	1,045,990
Interest received*	19,284	58,127

* Included as part of Cash Flows from Operating Activities.

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

Dividend Select 15 Corp.
Schedule of Portfolio Investments
As at May 31, 2026 (unaudited)

No. of shares (contracts)	Description	Average Cost (Premiums received) ($)	Fair Value ($)
	Core Holdings		
	Canadian Common Equities		
34,100	Bank of Nova Scotia	2,489,017	3,772,142
45,300	BCE Inc.	2,389,932	1,575,534
26,800	Canadian Imperial Bank of Commerce	1,558,931	4,033,132
125,576	Cenovus Energy	3,548,692	4,779,423
45,900	Enbridge Inc.	2,214,852	3,471,876
22,300	National Bank of Canada	1,042,384	4,489,882
58,800	Power Corporation of Canada	1,795,865	4,899,804
14,500	Royal Bank of Canada	1,325,388	3,834,380
7,680	South Bow Corp.	178,962	380,928
36,800	Sun Life Financial Inc.	1,874,228	3,646,144
27,900	TC Energy Corp.	1,314,717	2,562,894
122,100	TELUS Corporation	2,698,501	2,113,551
15,528	Thomson Reuters Corporation	1,039,525	1,856,158
21,000	Toronto-Dominion Bank	980,840	3,312,750
114,700	TransAlta Corporation	1,465,723	2,253,854
	Total Core Portfolio Equities (100.2%)	**25,917,557**	**46,982,452**

No. of shares (contracts)	Description	Average Cost (Premiums received) ($)	Fair Value ($)
	Call options written (100 shares per contract)		
	Canadian call options written		
(25)	Bank of Nova Scotia @ $109 June 2026	(2,513)	(6,525)
(25)	Bank of Nova Scotia @ $110 June 2026	(2,025)	(4,875)
(50)	BCE Inc. @ $35 August 2026	(2,800)	(4,700)
(30)	Canadian Imperial Bank of Commerce @ $158 June 2026	(5,340)	(1,095)
(10)	Canadian Imperial Bank of Commerce @ $164 June 2026	(2,310)	(95)
(50)	Enbridge Inc. @ $78 June 2026	(2,765)	(2,450)
(10)	National Bank of Canada @ $214 June 2026	(1,140)	(365)
(20)	Royal Bank of Canada @ $250 June 2026	(6,420)	(25,850)
(62)	Sun Life Financial Inc. @ $100 June 2026	(5,320)	(7,998)
(25)	Sun Life Financial Inc. @ $102 June 2026	(900)	(1,438)
(20)	TC Energy Corp. @ $96 June 2026	(1,642)	(850)
(225)	TELUS Corporation @ $17.50 June 2026	(4,500)	(3,150)
(30)	Toronto-Dominion Bank @ $154 June 2026	(2,913)	(12,450)
	Total Canadian call options written (-0.2%)	**(40,588)**	**(71,841)**
		25,876,969	**46,910,611**
	Less adjustments for transaction costs	(12,919)	
	Total Investments (100.0%)	**25,864,050**	**46,910,611**

1. Incorporation

Dividend Select 15 Corp. (the "Company") is a mutual fund corporation established under the laws of the Province of Ontario on August 26, 2010 that began investment operations on November 19, 2010. 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 primarily in an actively managed portfolio of common shares of large capitalization Canadian companies selected from a portfolio universe of companies. The Company employs an active covered call writing program to enhance the income earned from the portfolio.

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 Company on July 15, 2026.

3. 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 performance is evaluated on a fair value basis. 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 fair value through profit or loss ("FVTPL").

The Company's obligations for net assets attributable to holders of redeemable Equity 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 B shares rank prior to the Equity 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 Equity shares may be retracted monthly or annually. As a result, the 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 net assets attributable to holders of redeemable Equity shares ("Net Assets of the Company").

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, Quadravest 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 5 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 Quadravest. Refer to note 7 for further information about the calculation of management and administration fees of the Company.

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

Increase (decrease) in net assets attributable to holders per redeemable Equity share is based on the increase or decrease in net assets attributable to holders of redeemable Equity shares divided by the weighted average number of such shares outstanding during the period. Refer to note 8 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 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 May 31, 2026 of $7,504,662 (November 30, 2025-$7,504,662) that are available to lower taxable income in future periods if required. The Company also has estimated accumulated capital losses for tax purposes of $NIL (November 30, 2025-$NIL) 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 Company'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 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.

The following table illustrates the classification of the Company'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	$46,982,452	-	-	$46,982,452
Options	($71,841)	-	-	($71,841)
	$46,910,611	**-**	**-**	**$46,910,611**

	Financial assets and liabilities at fair value as at November 30, 2025			
	Level 1	Level 2	Level 3	Total
Equities	$45,592,428	-	-	$45,592,428
Options	($45,068)	-	-	($45,068)
	$45,547,360	**-**	**-**	**$45,547,360**

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 periods ended May 31, 2026 and November 30, 2025.

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 Manager manages market price risk by limiting investment in any one portfolio company to no more than 10% of the net asset value of the Company at the time of purchase.

In addition, 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 particular portfolio company has a covered call option written against that position.

The Company 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 Company would have increased by approximately $4,377,000 (November 30, 2025–$4,281,000). 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 $4,659,000 (November 30, 2025–$4,534,000).

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

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 May 31, 2026 and November 30, 2025, 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 Equity shares. The Company receives adequate notice for all redemption requests. The Company's portfolio is invested in highly liquid large capitalization stocks that trade on the Toronto Stock Exchange ("TSX"). All Equity shares outstanding are redeemable on a monthly and annual basis. 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

An individual portfolio holding may represent no more than 10% of the net asset value of the Company at the time of purchase.

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

	May 31, 2026	November 30, 2025
Canadian common equities	96.1%	92.0%
Call options written	-0.1%	-0.1%
Other assets less liabilities	4.0%	8.1%
	100%	100%

6. Redeemable Equity Shares

Equity and Class B shares

The Company is authorized to issue an unlimited number of Equity shares and 1,000 Class B shares. Equity shares currently have a distribution policy in which the monthly dividend payable on the Equity shares is determined by applying a 10% annualized rate on the volume weighted average market price (VWAP) of the Equity shares over the last 3 trading days of the preceding month. Equity shares trade under the symbol "DS" on the TSX. The trading price of Equity shares on the TSX was $7.97 as at May 31, 2026 (November 30, 2025-$7.27).

Equity 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 retract an Equity share in the month of March in each year will be entitled to receive an amount equal to the net asset value per Equity share calculated on the last business day of March. Equity 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 Equity 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).

Equity share transactions

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

Equity share transactions	May 31, 2026	May 31, 2025
Beginning of period	6,608,380	7,706,238
Issued	-	-
Redeemed	(669,451)	(1,097,858)
End of period	5,938,929	6,608,380

7. 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 and investment management agreement, Quadravest is entitled to a management fee at an annual rate equal to 1.10% of the Company's net asset value calculated as at the month-end valuation date.

Total management fees of $289,391 were incurred during the period ended May 31, 2026 (May 31, 2025-$276,417). As at May 31, 2026, $42,635 (November 30, 2025-$25,254) was payable to Quadravest with respect to administration fee and investment management fee.

The brokerage commissions paid during the period ended May 31, 2026 by the Company for its portfolio transactions were $8,818 (May 31, 2025-$10,236). 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 period ended May 31, 2026 amounted to $188 (May 31, 2025-$486).

8. Increase (decrease) in net assets attributable to holders per redeemable Equity share

The increase in net assets attributable to holders per redeemable Equity 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 Equity shares	$6,816,022	$915,844
Weighted average Equity shares outstanding	6,441,017	7,431,774
Increase (decrease) in net assets attributable to holders per redeemable Equity share	$1.06	$0.12

9. Distributions

Distributions per Equity share were as follows:

	May 31, 2026	May 31, 2025
Equity shares	$0.3708	$0.3323

10. Capital Management

The Company considers its capital to consist of its Equity shares and Class B shares. The Company's current objectives in managing its capital are to provide a steady stream of monthly dividends and the opportunity for capital appreciation.

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

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

As at May 31, 2026 and November 30, 2025, there were no differences between net asset value per Equity share used for transactional purposes and net assets attributable to holders per redeemable Equity 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 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,
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and Chief Investment Officer,
Quadravest Capital Management Inc.

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

John Steep,
President, S. Factor Consulting Inc.

Peter Cruickshank,
Director,
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