



MAXAM



CAPITAL MANAGEMENT

MAXAM ARBITRAGE FUND

Interim Management Report of Fund Performance

For the period ended June 30, 2025

The Interim Management Report of Fund Performance contains financial highlights but does not contain the complete financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 604 685 0201, by writing to Maxam Capital Management Ltd. at 330 – 609 Granville Street, PO Box 10033, Vancouver, BC, Canada, V7Y 1A1 or by visiting our website at www.maxamcm.com or SEDAR at www.sedar.com. Securityholders may also contact us using one of these methods to request a copy of the investment fund's financial report, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

Caution Regarding Forward-Looking Statements (“FLS”)

The interim Management Report of Fund Performance may contain forward-looking statements. FLS means disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action and includes any future-oriented financial information (“FOFI”) with respect to prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection. FOFI is FLS about prospective results of operations, financial position or cash flows, based on assumptions about future economic conditions and courses of action.

FLS can be identified by the use of forward-looking terminology such as “may”, “will”, “should”, “expect”, “anticipate”, “target”, “project”, “estimate”, “intend”, “continue” or “believe”, or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of one of the Fund may differ materially from those reflected or contemplated in such forward-looking information and statements. Material risk factors that could affect actual results are identified under the heading “What are the Risks of Investing in the Fund?” in the Fund’s Simplified Prospectus. Investors are also cautioned that FLS is based on a number of factors and assumptions, including a Fund’s current plans, estimates, opinions and analysis made in light of its experience, current conditions and expectations of future developments, as well as other relevant factors. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

MAXAM ARBITRAGE FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

JUNE 30, 2025

Management Discussion of Fund Performance

This Interim Management Report of Fund Performance represents the portfolio management team's view of the significant factors and developments affecting the investment fund's performance and outlook for the period ended June 30, 2025, the investment fund's interim period end. Every effort has been made to ensure the information contained in this Interim Management Report of Fund Performance is accurate and complete, however, the investment fund cannot guarantee the accuracy or the completeness of this material. For more information, please refer to the Maxam Arbitrage Funds' Simplified Prospectus ("Prospectus"). In this report, "Manager", refers to Maxam Capital Management Ltd., the Manager of the Fund. The "Fund" refers to the Maxam Arbitrage Fund. In addition, "net asset value" or "NAV" refers to the value of the Fund as calculated for transaction purposes, on which the discussion of Fund performance is based. All dollar figures are reported in Canadian dollars.

Investment Objective and Strategies

Maxam Arbitrage Fund (the "Fund") is an alternative mutual fund trust formed and organized under the laws of the Province of British Columbia and is governed by a declaration of trust dated August 11, 2020 (the "Declaration of Trust"). The Fund commenced active operations on October 1, 2020. The address of the Fund's registered office is 303 – 609 Granville Street, Vancouver BC Canada, V7Y 1A1.

The investment objective of the Fund is to generate consistent, positive returns, while minimizing volatility and correlation with equity markets by investing in publicly traded securities in Canada, the United States and other foreign jurisdictions. The Fund employs an active and opportunistic investment strategy with a focus on merger arbitrage and other event-driven hedged opportunities. These typically include profiting from the successful completion of mergers, take-overs, tender offers, leveraged buyouts, spin-offs, liquidations and other corporate reorganizations.

Risk

The risks associated with investing in the Fund remain as discussed in the Prospectus. There is no assurance that the Fund will be able to achieve its total return and capital preservation objectives. There is no assurance that the portfolio will earn any return and no assurances can be given as to the amount of distributions in future years and that the net asset value (the "NAV") of the Fund will appreciate or be preserved.

For the period ended June 30, 2025 and the year ended December 31, 2024, there were no changes affecting the overall level of risk associated with an investment in the Fund.

The Fund is suitable for investors looking for a low risk, diversified portfolio of alternative investment strategies focused on arbitrage opportunities to hold as part of a diversified portfolio. Specific risks associated with an investment in the Maxam Arbitrage Fund include, but are not limited to:

Leverage Risk

The Fund may leverage its investment positions by borrowing funds. Leverage increases both the potential return and the risk of loss on any investment position. The Fund is subject to a gross aggregate exposure limit of up to 300% of its NAV which is the sum of its derivative (excluding hedging activity), shorting, and borrowing activities measured on a daily basis. This will operate to limit the extent to which the Fund is leveraged.

MAXAM ARBITRAGE FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

JUNE 30, 2025

Currency Risk

The Fund's assets and liabilities are valued in Canadian dollars. When the Fund buys foreign securities, however, they are purchased with foreign currency. The U.S. dollar and the Euro, for example, both fluctuate in value against the Canadian dollar. An unfavourable move in the exchange rate for either currency may reduce, or even eliminate, any return on an investment priced in that currency. The opposite can also be true, as the Fund can benefit from changes in exchange rates.

The Fund may own securities denominated in foreign currencies. Maxam will have the discretion to decide the extent to which the currency risk may be hedged back to the Canadian dollar.

Arbitrage Risk

Arbitrage investing involves the risk that an expected corporate transaction will not be consummated as expected and the Fund will experience a loss.

SPAC Risk

The Fund may invest a portion of its assets in the stock, warrants, and other securities of special purpose acquisition companies ("SPACs") or similar special purpose entities that raise funds for the sole purpose of seeking potential acquisition opportunities. All assets (net of operating expenses) of the SPAC are invested in government securities, money market fund securities and/or cash until an acquisition is completed. Once the SPAC identifies a transaction, common holders have the right to vote on the transaction and also to decide whether to roll their equity in the transaction or redeem shares for their pro rata share of the escrow account holdings. Should the SPAC be unable to complete an acquisition that meets its defined requirements within a pre-established period of time, the invested funds are returned to the entity's shareholders. SPACs may have specific risks, including increased volatility, associated with the regions or industries for which they pursue an acquisition. Since a SPAC is a new entity created for the purpose of acquiring another company or entity, it may have limited or no business operating history; this makes the pricing and liquidity of the security dependent on management's ability to source and complete a profitable acquisition. Furthermore, these securities may trade in the over-the-counter market which may have associated issues with price sourcing and illiquidity.

Equity Risk

Companies issue equities, or stocks, to help finance their operations and future growth. Mutual funds that purchase equities become part owners in these companies. The price of a stock is influenced by the company's performance outlook, market activity and the larger economic picture. When the economy is expanding, the outlook for many companies will generally be good and the value of their stocks should rise. The opposite may also be true. Usually, the greater the potential reward, the greater the risk.

For small companies, start-ups, resource companies and companies in emerging sectors, the risks and potential rewards are usually greater. The share price of such companies is often more volatile than the share price of larger, more established companies. Some of the products and services offered by technology companies, for example, can become obsolete as science and technology advance.

Investing in limited partnership units or trust units, such as oil and gas royalty trusts, real estate investment trusts and income trusts, carry varying degrees of risk depending on the sector and the underlying asset or business and may therefore be susceptible to risks associated with the industry in which the underlying business operates, to changes in business cycles, commodity prices, and to interest rate fluctuations and other economic factors. Certain convertible securities may also be subject to interest rate risk.

For further details relating to risks of investing in the Fund, please refer to the Simplified Prospectus.

MAXAM ARBITRAGE FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

JUNE 30, 2025

Results of Operations

The Maxam Arbitrage Fund (the “Fund”) commenced operations on October 1, 2020. As at June 30, 2025, the net assets of the Fund were \$20,880,101 (December 31, 2024 - \$17,605,587), an increase of \$3,274,514. This increase was driven by net unitholder purchases of \$2,482,171 (June 30, 2024 – net unitholder redemptions of (\$1,495,207) plus \$792,343 (June 30, 2024 - \$293,365) attributable to positive investment performance net of expenses. The following comments and the comments under “Recent Developments” reflect the views of the portfolio management team and are based on information as at the end of the period.

We report that fund flows during the period were positive as investment advisors continue to favour the Fund’s strategy and attractive reward-to-risk characteristics.

One of the Fund’s primary investment strategies is merger arbitrage. This is a strategy in which we aim to earn a positive return by purchasing companies that are the subject of announced merger and acquisition transactions at a discount to the merger consideration. The Fund also employs other arbitrage strategies such as SPAC (“special purpose acquisition company”) arbitrage, subscription receipt arbitrage and convertible arbitrage.

U.S. President Trump’s much more aggressive than expected tariff edicts and other policy announcements inflicted significant volatility and uncertainty into the capital markets to start 2025. This continued early into the second quarter when U.S. President Trump’s tariff “Liberation Day” announcements sent securities prices broadly lower.

In addition to trade tensions, equity and bond markets were also challenged by escalating geopolitical conflicts and fiscal deficit concerns during the first few months of the year. The uncertain environment weighed on executive confidence and hampered deal activity during the first few months of the year.

However, improving trade negotiations, resilient economic data, and positive corporate earnings revisions not only calmed investor fears but enabled equities to rally and bond markets to stabilize. Against this improving backdrop, deal activity improved significantly throughout the second quarter.

Fund performance was positive and consistent throughout the general market volatility in the first half of 2025 – demonstrating the value of this unique strategy. We continue to deploy capital into a diversified portfolio of attractive risk-adjusted return opportunities across the market capitalization spectrum.

Our strategy mix at period end was approximately 22% in merger arbitrage, 78% in SPACs. The Fund’s holdings remain well diversified across individual securities and industry sectors.

During the period ended June 30, 2025, the Fund’s gross exposure ranged from 170.0% to 191.1% (December 31, 2024, 162.5% to 196.3%).

For the period ended June 30, 2025, the Fund Class F units returned 4.25% (June 30, 2024, 1.68%), the Class FF units returned 4.46% (June 30, 2024, 1.88%), the Class A units returned 3.79% (June 30, 2024, 1.24%), the Class AF units returned 4.00% (June 30, 2024, 1.44%) and the Class I units returned 5.55% (June 30, 2024, 2.48%). As a point of comparison, the FTSE Canada Universe Bond Index returned 1.44% (June 30, 2024, -0.38%) and the MSCI World Index returned 12.38% (June 30, 2024, 14.74%) measured in Canadian Dollar returns over the same time period. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in the index returns. Full performance statistics and comparison information can be found in the *Past Performance* section of this report.

Recent Developments

The Fund was able to capitalize on the market volatility during the first half of the year by actively deploying capital into wider spreads in deals where we held a high degree of conviction. As market conditions and executive confidence improved, so did new deal activity. Not only did the number and pace of new deal announcements improve, but we also saw a number of deal bump announcements. The Fund profited from four such bumps during the second quarter alone.

MAXAM ARBITRAGE FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

JUNE 30, 2025

First it was H.I.G. Capital increasing its offer for Converge Technology Solutions from \$5.50 to \$6.00 per share after learning that Converge had received a superior offer from a third party. Then it was Carlyle Group increasing cash terms for bluebird bio from \$3.00 to \$5.00 per share in response to shareholders who wanted greater cash certainty versus the original cash plus contingent value right terms.

Next up it was MDA Space announcing that they were increasing their purchase price for Satixfy Communications by 43%, from \$2.10 per share to \$3.00, after the target received a competing bid from a third party. Finally, TransDigm Group raised their purchase price for Servotronics by 22%, from \$38.50 per share to \$47.00, also after being notified that their target had received a competing bid.

Not only do deal bumps highlight the positive optionality that exists in merger arbitrage, but they may be indicative of attractive value in certain pockets of the market – especially in small/mid cap companies where we expect we will continue to see deal activity pick up as opportunistic buyers step in.

At the end of the second quarter the Fund was well diversified across 36 merger arbitrage positions.

The capital raising environment for the SPAC market also improved significantly through the second quarter. Almost US\$10 billion was raised in Q2, over triple the amount raised the prior quarter – and for context, the total tradeable SPAC market universe at the start of the year was only US\$15 billion. The IPO resurgence drove combined trust values for all SPACs to north of US\$25 billion as IPOs far outweighed liquidations and deal completions during the first half of the year. Total listed SPACs at June 30th stood at 226, consisting of 86 SPACs with announced deals and 140 still searching for a transaction.

While we view the recent growth in the opportunity set for SPACs as a strong positive for the longer-term sustainability of this strategy within our arbitrage portfolio – we'd be remiss not to mention that the median IRR across the SPAC universe did compress during the quarter from approximately 5% towards 4%.

But a median is merely an average – and we are still finding ample opportunities to deploy capital into attractive risk-adjusted return situations as we actively work to high grade our SPAC exposure.

In addition to the recent increase of activity in the SPAC market, fresh comments from the Securities and Exchange Commission Chairman, Paul Atkins, suggest that regulators may look to ease some of the SPAC rules – potentially adding more opportunity for dealmakers and arbitrageurs.

The Fund's SPAC exposure was well diversified across 75 positions at quarter end, providing the fund with a very low risk base of stability.

Bolstered by some of the above-mentioned positive developments and the underlying factors that support deal formation, we anticipate continued momentum in M&A activity.

Related Party Transactions

For commencement of operations on October 1, 2020 through June 30, 2025, Maxam Capital Management Ltd. was responsible for the day-to-day business operations and affairs of the Fund and was entitled to fees as described under "Management Fees" and "Performance Fees" below.

As at the end of the period, the Manager, its officers and directors collectively owned 1,767 (December 31, 2024 – 1,767) Class A units, 6,886 (December 31, 2024 – 6,886) Class AF units, 15,589 (December 31, 2024 – 13,722) Class F units, 5,579 (December 31, 2024 – 5,579) Class FF units, and 101,363 (December 31, 2024 - 99,459) Class I units.

MAXAM ARBITRAGE FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

JUNE 30, 2025

Expenses absorbed by the Manager

The Fund is responsible for all of its operating expenses, including legal, audit, administration and all other expenses incurred in the ordinary course of operations. The Fund reimburses the Manager for expenses paid by the Manager on behalf of the Fund. The Manager, at its discretion, may reduce or waive these expenses or reimburse the Fund for its expenses. For the period ended June 30, 2025, the Manager absorbed \$56,433 of the Fund's expenses (June 30, 2024 - \$59,870).

Management Fees:

The Manager receives a management fee payable by the Fund monthly, in arrears for providing its services to the Fund. The management fee for the Fund is calculated daily, on each business day, as a percentage of the NAV of each Class of Units that comprise the Fund, plus applicable taxes.

The annual management fee as a percentage of NAV for each class is shown below:

- Class A units: 1.90% per annum
- Class AF Founders units: 1.45% per annum
- Class F units: 0.90% per annum
- Class FF Founders units: 0.45% per annum
- Class I units: Negotiated by the investor and paid directly by the investor. The management fee shall not exceed the management fee payable on Class A units.

Performance Fees:

The Manager receives a performance fee in respect of Class A, Class AF Founders, Class F and Class FF Founders Units which is calculated and accrued each business day during the relevant Performance Fee Determination Period (as defined below).

Maxam Arbitrage Fund will pay the Manager a performance fee plus GST/HST and any other applicable taxes for each Performance Fee Determination Period equal to 15% of the Net Profit (as defined below) of Class A, Class AF Founders, Class F and Class FF Founders Units, subject to the High Watermark (as defined below).

The "Performance Fee Determination Period" means (i) each calendar quarter for those investors that remain in the Fund at the end of each quarterly period, and (ii) the period from the beginning of a calendar quarter until the redemption date for those investors that redeem prior to the end of a calendar quarter.

"Net Profit" means, in respect of each Class of Units of the Fund for any Performance Fee Determination Period, the amount calculated by deducting the relevant Class NAV per Unit on the first business day of that Performance Fee Determination Period for the applicable Class from the Class NAV per Unit on the last business day of that Performance Fee Determination Period for that Class and multiplying the resulting amount by the total number of Units of such Class outstanding at the close of business on the last business day in that Performance Fee Determination Period.

No performance fee shall be paid in respect of a Class unless the Class NAV per Unit for that Class exceeds the highest Class NAV per Unit in respect of which a performance fee has been previously paid for that series (the "High Watermark") and, in such circumstances, a performance fee shall only be paid on that portion of the Net Profit that exceeds the High Watermark.

Investors in Class I Units may negotiate a performance fee (in accordance with applicable regulatory requirements) to be paid by the investor to the Manager that is different than the one described above or may pay no performance fee at all, as determined by the Manager in its discretion.

MAXAM ARBITRAGE FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

JUNE 30, 2025

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the current period and past five years since the inception date.

Class A						
The Fund's Net Asset Value (NAV) per Class A Unit ⁽¹⁾						
	June 30, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Net assets attributable to holders of redeemable units, beginning of period	\$ 11.60	11.21	10.75	10.63	10.14	10.00
Increase in net assets attributable to holders of redeemable units:						
Total revenue	0.02	0.03	0.02	(0.04)	0.07	—
Total expenses	(0.54)	(0.96)	(0.91)	(0.51)	(0.50)	(0.14)
Realized gain (loss) for the period	1.80	—	1.79	0.58	0.70	0.41
Unrealized gain (loss) for the period	(0.83)	1.34	(0.42)	0.09	0.22	0.06
Total increase (decrease) in net assets attributable to holders of redeemable units ⁽²⁾	0.45	0.41	0.48	0.12	0.49	0.33
Distributions:						
From capital gains	—	—	—	—	—	(0.19)
Total Annual Distributions ^{(2) (3)}	—	—	—	—	—	(0.19)
Net assets attributable to holders of redeemable units, end of period ⁽²⁾	\$ 12.04	11.60	11.21	10.75	10.63	10.14
Ratios and Supplemental Data						
Total Net Asset Value ⁽⁴⁾	\$ 1,229,269	1,128,872	643,785	984,412	330,123	1,034
Number of units outstanding ⁽⁴⁾	102,100	97,300	57,432	91,593	31,060	102
Management expense ratio before performance fees ⁽⁵⁾	2.31%	2.34%	2.35%	2.45%	2.75%	2.94%
Management expense ratio ⁽⁵⁾	3.75%	3.02%	3.19%	2.75%	3.68%	5.52%
Management expense ratio before waivers or absorptions ⁽⁵⁾	4.36%	3.97%	4.07%	4.15%	5.71%	26.04%
Trading expense ratio ⁽⁶⁾	5.50%	5.90%	5.80%	2.61%	1.00%	0.92%
Fund expense ratio ⁽⁷⁾	9.25%	—	—	—	—	—
Portfolio turnover rate ⁽⁸⁾	157.41%	227.68%	315.02%	319.13%	271.05%	306.82%
Net Asset Value per Unit ⁽⁴⁾	\$ 12.04	11.60	11.21	10.75	10.63	10.14

Class AF						
The Fund's Net Asset Value (NAV) per Class AF Unit ⁽¹⁾						
	June 30, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Net assets attributable to holders of redeemable units, beginning of period	\$ 11.88	11.43	10.92	10.75	10.23	10.00
Increase in net assets attributable to holders of redeemable units:						
Total revenue	0.02	0.03	0.02	(0.09)	0.08	0.01
Total expenses	(0.52)	(0.93)	(0.89)	(0.43)	(0.35)	(0.15)
Realized gain (loss) for the period	1.81	(0.22)	1.99	0.54	0.47	0.53
Unrealized gain (loss) for the period	(0.84)	1.56	(0.52)	0.16	0.32	0.09
Total increase (decrease) in net assets attributable to holders of redeemable units ⁽²⁾	0.47	0.44	0.60	0.18	0.52	0.48
Distributions:						
From capital gains	—	—	—	—	—	(0.12)
Total Annual Distributions ^{(2) (3)}	—	—	—	—	—	(0.12)
Net assets attributable to holders of redeemable units, end of period ⁽²⁾	\$ 12.36	11.88	11.43	10.92	10.75	10.23
Ratios and Supplemental Data						
Total Net Asset Value ⁽⁴⁾	\$ 172,653	168,367	265,976	1,049,432	1,193,410	813,999
Number of units outstanding ⁽⁴⁾	13,974	14,170	23,262	96,120	111,014	79,604
Management expense ratio before performance fees ⁽⁵⁾	1.84%	1.86%	1.88%	1.98%	2.14%	2.37%
Management expense ratio ⁽⁵⁾	3.32%	2.56%	2.89%	2.27%	3.01%	5.94%
Management expense ratio before waivers or absorptions ⁽⁵⁾	3.93%	3.45%	3.80%	3.67%	5.04%	7.90%
Trading expense ratio ⁽⁶⁾	5.50%	5.90%	5.80%	2.61%	1.00%	0.92%
Fund expense ratio ⁽⁷⁾	8.82%	—	—	—	—	—
Portfolio turnover rate ⁽⁸⁾	157.41%	227.68%	315.02%	319.13%	271.05%	306.82%
Net Asset Value per Unit ⁽⁴⁾	\$ 12.36	11.88	11.43	10.92	10.75	10.23

MAXAM ARBITRAGE FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

JUNE 30, 2025

Class F							
The Fund's Net Asset Value (NAV) per Class F Unit ⁽¹⁾							
	June 30, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	
Net assets attributable to holders of redeemable units, beginning of period	\$ 12.20	11.68	11.10	10.88	10.31	10.00	
Increase in net assets attributable to holders of redeemable units:							
Total revenue	0.02	0.03	0.03	(0.06)	0.07	0.01	
Total expenses	(0.51)	(0.89)	(0.84)	(0.43)	(0.21)	(0.13)	
Realized gain (loss) for the period	1.86	(0.04)	1.96	0.55	0.35	0.78	
Unrealized gain (loss) for the period	(0.86)	1.41	(0.56)	0.15	0.36	(0.20)	
Total increase (decrease) in net assets attributable to holders of redeemable units ⁽²⁾	0.51	0.51	0.59	0.21	0.57	0.46	
Distributions:							
From capital gains	—	—	—	—	—	(0.05)	
Total Annual Distributions ^{(2) (3)}	—	—	—	—	—	(0.05)	
Net assets attributable to holders of redeemable units, end of period ⁽²⁾	\$ 12.71	12.20	11.68	11.10	10.88	10.31	
Ratios and Supplemental Data							
Total Net Asset Value ⁽⁴⁾	\$ 16,574,263	13,548,594	12,401,052	6,510,302	2,723,271	336,665	
Number of units outstanding ⁽⁴⁾	1,303,875	1,110,919	1,061,789	586,639	250,388	32,661	
Management expense ratio before performance fees ⁽⁵⁾	1.26%	1.28%	1.29%	1.40%	1.65%	1.60%	
Management expense ratio ⁽⁵⁾	2.84%	2.09%	2.26%	1.87%	2.51%	4.98%	
Management expense ratio before waivers or absorptions ⁽⁵⁾	3.45%	3.00%	3.08%	3.27%	4.54%	(16.70)%	
Trading expense ratio ⁽⁶⁾	5.50%	5.90%	5.80%	2.61%	1.00%	0.92%	
Fund expense ratio ⁽⁷⁾	8.34%	—	—	—	—	—	
Portfolio turnover rate ⁽⁸⁾	157.41%	227.68%	315.02%	319.13%	271.05%	306.82%	
Net Asset Value per Unit ⁽⁴⁾	\$ 12.71	12.20	11.68	11.10	10.88	10.31	

Class FF							
The Fund's Net Asset Value (NAV) per Class FF Unit ⁽¹⁾							
	June 30, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	
Net assets attributable to holders of redeemable units, beginning of period	\$ 12.33	11.76	11.13	10.87	10.25	10.00	
Increase in net assets attributable to holders of redeemable units:							
Total revenue	0.02	0.03	0.02	(0.09)	0.07	0.01	
Total expenses	(0.49)	(0.86)	(0.79)	(0.34)	(0.18)	(0.12)	
Realized gain (loss) for the period	1.89	(0.03)	1.66	0.50	0.44	0.43	
Unrealized gain (loss) for the period	(0.87)	1.42	(0.27)	0.20	0.29	0.10	
Total increase (decrease) in net assets attributable to holders of redeemable units ⁽²⁾	0.55	0.56	0.62	0.27	0.62	0.42	
Distributions:							
From capital gains	—	—	—	—	—	(0.12)	
Total Annual Distributions ^{(2) (3)}	—	—	—	—	—	(0.12)	
Net assets attributable to holders of redeemable units, end of period ⁽²⁾	\$ 12.88	12.33	11.76	11.13	10.87	10.25	
Ratios and Supplemental Data							
Total Net Asset Value ⁽⁴⁾	\$ 1,510,332	1,463,998	1,547,148	2,190,054	2,783,928	978,041	
Number of units outstanding ⁽⁴⁾	117,258	118,706	131,515	196,697	256,188	95,458	
Management expense ratio before performance fees ⁽⁵⁾	0.79%	0.81%	0.82%	0.93%	1.09%	1.44%	
Management expense ratio ⁽⁵⁾	2.44%	1.70%	1.85%	1.37%	2.01%	4.61%	
Management expense ratio before waivers or absorptions ⁽⁵⁾	3.05%	2.59%	2.74%	2.77%	4.04%	16.13%	
Trading expense ratio ⁽⁶⁾	5.50%	5.90%	5.80%	2.61%	1.00%	0.92%	
Fund expense ratio ⁽⁷⁾	7.94%	—	—	—	—	—	
Portfolio turnover rate ⁽⁸⁾	157.41%	227.68%	315.02%	319.13%	271.05%	306.82%	
Net Asset Value per Unit ⁽⁴⁾	\$ 12.88	12.33	11.76	11.13	10.87	10.25	

MAXAM ARBITRAGE FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

JUNE 30, 2025

Class I							
The Fund's Net Asset Value (NAV) per Class I Unit ⁽¹⁾							
	June 30, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	
Net assets attributable to holders of redeemable units, beginning of period	\$ 13.03	12.26	11.43	11.05	10.26	10.00	
Increase in net assets attributable to holders of redeemable units:							
Total revenue	0.02	0.03	0.03	(0.08)	0.08	—	
Total expenses	(0.38)	(0.73)	(0.64)	(0.26)	(0.12)	(0.03)	
Realized gain (loss) for the period	2.00	(0.05)	1.84	0.52	0.48	0.41	
Unrealized gain (loss) for the period	(0.92)	1.51	(0.40)	0.21	0.35	0.07	
Total increase (decrease) in net assets attributable to holders of redeemable units ⁽²⁾	0.72	0.76	0.83	0.39	0.79	0.45	
Distributions:							
From capital gains	—	—	—	—	—	(0.19)	
Total Annual Distributions ^{(2) (3)}	—	—	—	—	—	(0.19)	
Net assets attributable to holders of redeemable units, end of period ⁽²⁾	\$ 13.75	13.03	12.26	11.43	11.05	10.26	
Ratios and Supplemental Data							
Total Net Asset Value ⁽⁴⁾	\$ 1,393,584	1,295,756.00	1,310,327	1,354,932	1,120,662	894,734	
Number of units outstanding ⁽⁴⁾	101,363	99,459.00	106,881	118,541	101,395	87,210	
Management expense ratio before performance fees ⁽⁵⁾	0.32%	0.34%	0.34%	0.46%	0.63%	1.00%	
Management expense ratio ⁽⁵⁾	0.32%	0.34%	0.34%	0.46%	0.63%	1.00%	
Management expense ratio before waivers or absorptions ⁽⁵⁾	0.92%	1.24%	1.21%	1.86%	2.66%	20.82%	
Trading expense ratio ⁽⁶⁾	5.50%	5.90%	5.80%	2.61%	1.00%	0.92%	
Fund expense ratio ⁽⁷⁾	5.82%	—	—	—	—	—	
Portfolio turnover rate ⁽⁸⁾	157.41%	227.68%	315.02%	319.13%	271.05%	306.82%	
Net Asset Value per Unit ⁽⁴⁾	\$ 13.75	13.03	12.26	11.43	11.05	10.26	

Notes:

- (1) This information is derived from the Fund's financial statements for the period ended June 30, 2025, December 31, 2024, December 31, 2023, December 31, 2022, December 31, 2021 and the period from October 1, 2020 (commencement of operations) to December 31, 2020 and is not a reconciliation of beginning and ending net assets per unit.
- (2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period.
- (3) Distributions were automatically reinvested in additional units of the Fund.
- (4) This information is provided as at June 30, 2025, December 31, 2024, December 31, 2023, December 31, 2022, December 31, 2021 and December 31, 2020, as applicable.
- (5) Management expense ratio is based on total expenses (excluding distributions, commissions, interest on borrowed funds and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average NAV during the period. Management expense ratio before performance fees is the same ratio before any applicable performance fees during the period.
- (6) The trading expense ratio represents total commissions and other portfolio transaction costs including interest expense on borrowed funds, expressed as an annualized percentage of daily average NAV during the period.
- (7) The fund expense ratio represents total fund expenses expressed as an annualized percentage of daily average NAV during the period. It is the sum of the management expense ratio and the trading expense ratio, inclusive of performance fees and net of any fee waivers, rebates or absorptions. Prior-year fund expense ratios are not presented, as year-over-year comparisons are not mandated under total cost reporting requirements.
- (8) The Fund's portfolio turnover rate indicates how actively the Fund's advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the units in its portfolio once in the course of the period. The higher a funds' portfolio turnover rate in the period, the greater the trading costs payable by the fund in the period, and the greater the 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 a fund.

MAXAM ARBITRAGE FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

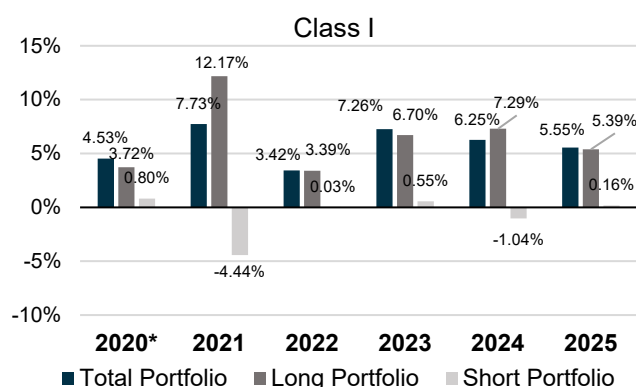
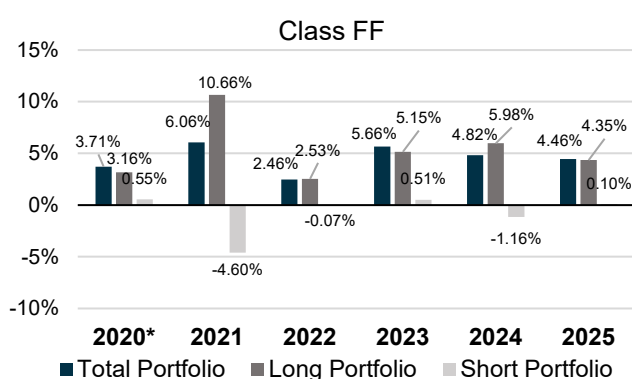
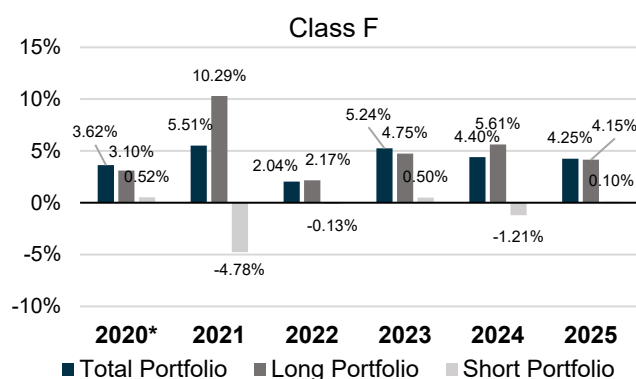
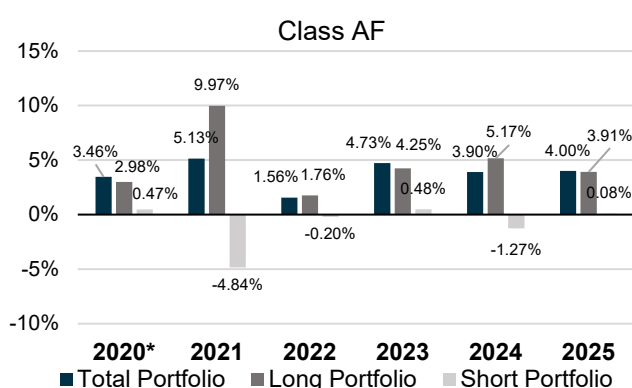
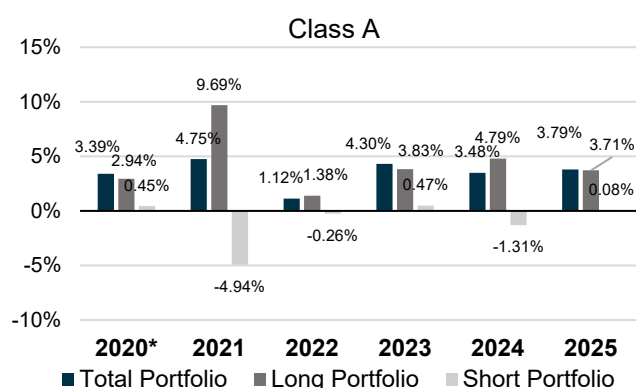
June 30, 2025

Past Performance

The following charts present the performance of each class of the Fund for each of the fiscal periods shown. The information shown assumes that any distributions made by the Fund were reinvested in additional units of the Fund. All rates of return are calculated based on the net asset value of the particular class of the Fund. Past returns of the Fund do not necessarily indicate how it will perform in the future. As required under applicable securities regulation, the return of the Fund's long and short portfolio positions are shown for each class in addition to the overall total return for each such class.

Year-by-Year>Returns

The following chart indicates the performance of each series of the Fund each period from inception on October 1, 2020 to June 30, 2025. The chart shows, in percentage terms, how much an investment made on the first day of the period would have grown or decreased by the last day of the period.



MAXAM ARBITRAGE FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2025

Annual Compound Returns

The table below shows the annual and compound since inception returns for the period ending June 30, 2025 for each class of the Fund and the respective long and short portfolio positions. The inception date for all classes shown is October 1, 2020. For comparison purposes, the Manager shows compound returns for the same time periods for the MSCI World Index (measured in Canadian Dollar returns) and the FTSE Canada Universe Bond Index.

The MSCI World Index captures large and mid-cap representation across 23 Developed Markets countries. With 1,395 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The FTSE Canada Universe Bond Index measures the performance of the Canadian Dollar denominated investment-grade fixed income market, covering Canadian government, quasi-government and corporate bonds. The index is designed to track the performance of marketable government and corporate bonds outstanding in the Canadian market.

	2025 YTD	2024	2023	2022	2021	2020	Annualized Since Inception
Total portfolio - Class A Units	3.79%	3.48%	4.30%	1.12%	4.75%	3.39%	4.40%
Long portfolio - Class A Units	3.71%	4.79%	3.83%	1.38%	9.69%	2.94%	5.58%
Short portfolio - Class A Units	0.08%	-1.31%	0.47%	-0.26%	-4.94%	0.45%	-1.18%
Total portfolio - Class AF Units	4.00%	3.90%	4.73%	1.56%	5.13%	3.46%	4.81%
Long portfolio - Class AF Units	3.91%	5.17%	4.25%	1.76%	9.97%	2.98%	5.94%
Short portfolio - Class AF Units	0.08%	-1.27%	0.48%	-0.20%	-4.84%	0.47%	-1.13%
Total portfolio - Class F Units	4.25%	4.40%	5.24%	2.04%	5.51%	3.62%	5.30%
Long portfolio - Class F Units	4.15%	5.61%	4.75%	2.17%	10.29%	3.10%	6.37%
Short portfolio - Class F Units	0.10%	-1.21%	0.50%	-0.13%	-4.78%	0.52%	-1.07%
Total portfolio - Class FF Units	4.46%	4.82%	5.66%	2.46%	6.06%	3.71%	5.74%
Long portfolio - Class FF Units	4.35%	5.98%	5.15%	2.53%	10.66%	3.16%	6.75%
Short portfolio - Class FF Units	0.10%	-1.16%	0.51%	-0.07%	-4.60%	0.55%	-1.00%
Total portfolio - Class I Units	5.55%	6.25%	7.26%	3.42%	7.73%	4.53%	7.35%
Long portfolio - Class I Units	5.39%	7.29%	6.70%	3.39%	12.17%	3.72%	8.20%
Short portfolio - Class I Units	0.16%	-1.04%	0.55%	0.03%	-4.44%	0.80%	-0.85%
MSCI World Index (CAD)	2.83%	27.48%	18.86%	-13.86%	19.02%	9.00%	12.38%
FTSE Canada Universe Bond Index	1.44%	4.23%	6.69%	-11.69%	-2.54%	0.63%	-0.49%

MAXAM ARBITRAGE FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2025

Summary of Investment Portfolio at June 30, 2025

Summary of Top 25 Holdings

Security	% of Net Assets
The Keg Royalties Income Fund	5.8
Innergex Renewable Energy Inc.	4.5
SatixFy Communications Ltd.	3.9
Mercer Park Opportunities Corp.	3.5
Agriculture & Natural Solutions Acquisition Corp.	3.1
CARTESIAN GROWTH CORP II	3.0
Integrated Wellness Acquisition Corp.	2.9
Evergreen Corp.	2.8
Flag Ship Acquisition Corp.	2.8
Patria Latin American Opportunity Acquisition Corp.	2.8
Future Vision II Acquisition Corp.	2.8
AA Mission Acquisition Corp.	2.7
Spring Valley Acquisition Corp II	2.7
IX Acquisition Corp.	2.7
HORIZON SPACE ACQUISITION II Corp.	2.7
Translational Development Acquisition Corp.	2.7
A SPAC III Acquisition Corp.	2.7
Drugs Made In America Acquisition Corp.	2.7
Plum Acquisition Corp IV	2.7
Launch One Acquisition Corp.	2.6
Cayson Acquisition Corp.	2.6
Charlton Aria Acquisition Corp.	2.6
Eureka Acquisition Corp.	2.6
Newbury Street II Acquisition Corp.	2.6
Keen Vision Acquisition Corp.	2.6
Top 25 Holdings	75.1

Security	% of Net Assets
Wesdome Gold Mines Ltd.	(0.5)
Chevron Corp.	(0.4)
Top Holdings (Short)	(0.9)

Summary of Composition of the Portfolio

	% of Net Assets
Equities	
Basic Materials	2.5
Communications	4.3
Consumer, Cyclical	7.7
Consumer, Non-cyclical	4.7
Diversified	141.2
Energy	0.1
Financial	4.0
Industrial	4.8
Technology	3.6
Utilities	4.5
Total equities	177.4
Total investments	177.4
Cash and cash equivalents	(77.4)
Other assets and liabilities	0.0
Total Net Assets	100.0

The "Top 25 Holdings" of the Fund, as a percentage of Net Asset Value of the Fund, have been presented in accordance with National Instrument 81-106.

The Investment Portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates of the Investment Portfolio are available within 60 days of each quarter end.