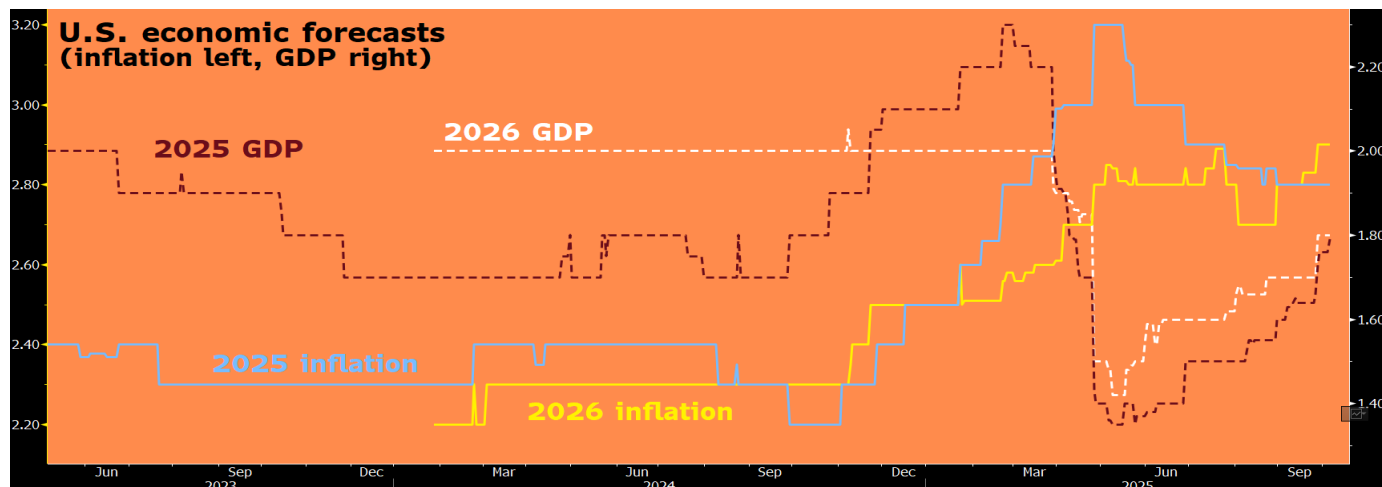


September 2025 Commentary

Optimistic that growth will remain decent and multiple rate cuts are still to come, equity markets posted strong results for September 2025. As can be seen in the graph below, estimates for both GDP growth (white line) and inflation (yellow line) in the U.S. have been steadily inching higher. Just as tariff-related inflation, actual or assumed, doesn't seem to matter to markets, neither do the facts that AI-driven capex and spending by the top decile of the population account for almost all economic growth. As the market dynamo Prince once sang, markets just want to "party like it's 1999"!



Source: Bloomberg

In contrast, September was a second consecutive frustrating month for our funds. The Series F of the Conservative Alternative Fund declined -0.16%, while the Series F of the Long Short Alternative Fund declined -0.42%. The difference between the two is largely reflected by positive performance from credit strategies in the Conservative Alternative Fund. The primary detractors from performance in both funds were the impact of equity index hedges and negative alpha from equities in the Technology sector. Positive performance was captured from positions in the Gold and Energy sectors.

As of September 30, 2025	YTD	1-mo	3-mo	6-mo	1-year	2-year*	3-year*	5-year*	Since Inception*
Forge First Long Short Alternative Fund Series A	0.28%	-0.50%	-0.75%	1.39%	2.07%	8.04%	5.93%	6.81%	6.37%
Forge First Long Short Alternative Fund Series F	0.93%	-0.42%	-0.53%	1.76%	2.97%	8.80%	6.81%	7.72%	7.29%
Forge First Conservative Alternative Fund Series A	1.07%	-0.24%	-0.08%	1.92%	5.10%	7.47%	6.14%	7.39%	6.75%
Forge First Conservative Alternative Fund Series AT**	1.08%	-0.24%	-0.08%	1.93%	5.17%	7.51%	6.18%	N/A	4.36%
Forge First Conservative Alternative Fund Series F	1.78%	-0.16%	0.16%	2.35%	6.09%	8.49%	7.13%	8.39%	7.72%
Forge First Conservative Alternative Fund Series FT**	1.77%	-0.16%	0.16%	2.34%	6.08%	8.49%	7.15%	N/A	5.33%
S&P/TSX Composite Total Return Index	23.93%	5.40%	12.50%	22.09%	28.60%	27.66%	21.31%	16.68%	12.84%
S&P 500 Total Return Index (C\$)	11.10%	5.08%	10.47%	16.17%	21.21%	28.38%	25.35%	17.52%	15.96%

*Annualized | Inception date: April 24, 2019 | **Inception date: June 10, 2021

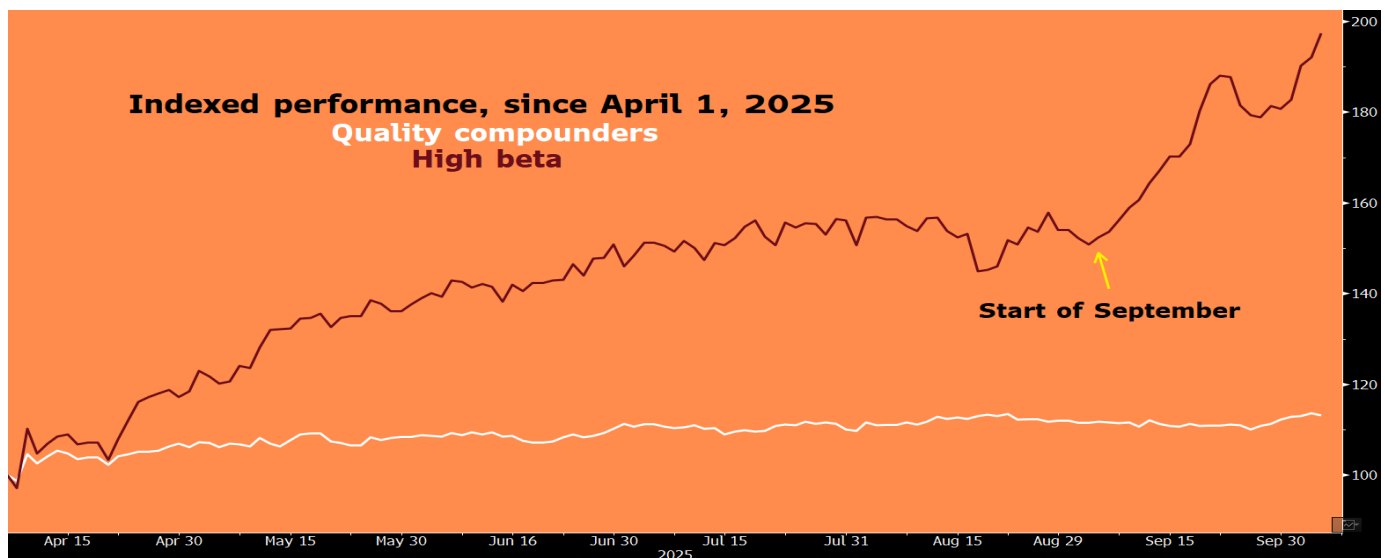
Lumine Group Inc. (“Lumine”, LMN.CA) was the largest detractor from performance in September, declining 15% during the month. Lumine is a consolidator of mission-critical vertical market software businesses in the media and telecommunications sectors. Shares in this company have consistently been one of the largest positions in the funds since being spun out of Constellation Software Inc. (CSU.CA) three years ago. The recent decline has been driven by three factors. First, in our opinion, unfounded concerns that AI threatens its software businesses. Second, market rotation from predictable growth to higher beta securities and third, the recent resignation of Mark Leonard from his position as President and CEO at Constellation Software Inc., the parent company of Lumine.

In contrast to the first and key concern, we view Lumine as being well positioned in a GenAI world because the majority of its business comes from deeply embedded carrier-grade, mission-critical software — Operating support systems, business support systems, 5G core cloud software, content delivery networks and other interconnected systems.

These require reliability, compliance and a degree of integration that GenAI cannot replicate. Importantly, telecom and broadcast clients are conservative buyers who, we believe, will prefer Lumine to embed GenAI applications into existing systems rather than rip and replace, which creates opportunity.

We see Lumine integrating AI into customer service, media workflows and ad optimisation to increase wallet share and pricing power over time. As Lumine demonstrates success in AI applications and continues to compound cash flow, we believe that the perception of these risks will subside. Shares of Lumine are trading at a low 20s multiple of free cash flow for a 3+ year net CAGR in free cash flow of 20% to 30%.

Negative associated factor beta to quality and growth factors also impacted performance in September. As clients know, we own ‘quality compounders’ - companies that offer visible growth, upside to earnings estimates and reasonable valuations. These factors have underperformed of late which, combined with the cost of our market hedges, have limited our upside participation. While there’s little question the “rising tide has lifted all boats” maxim has also hurt us, the six-month, indexed graph below confirms that high beta names have been big winners, leaving predictable growers, such as the Waste stocks we own, in their dust.

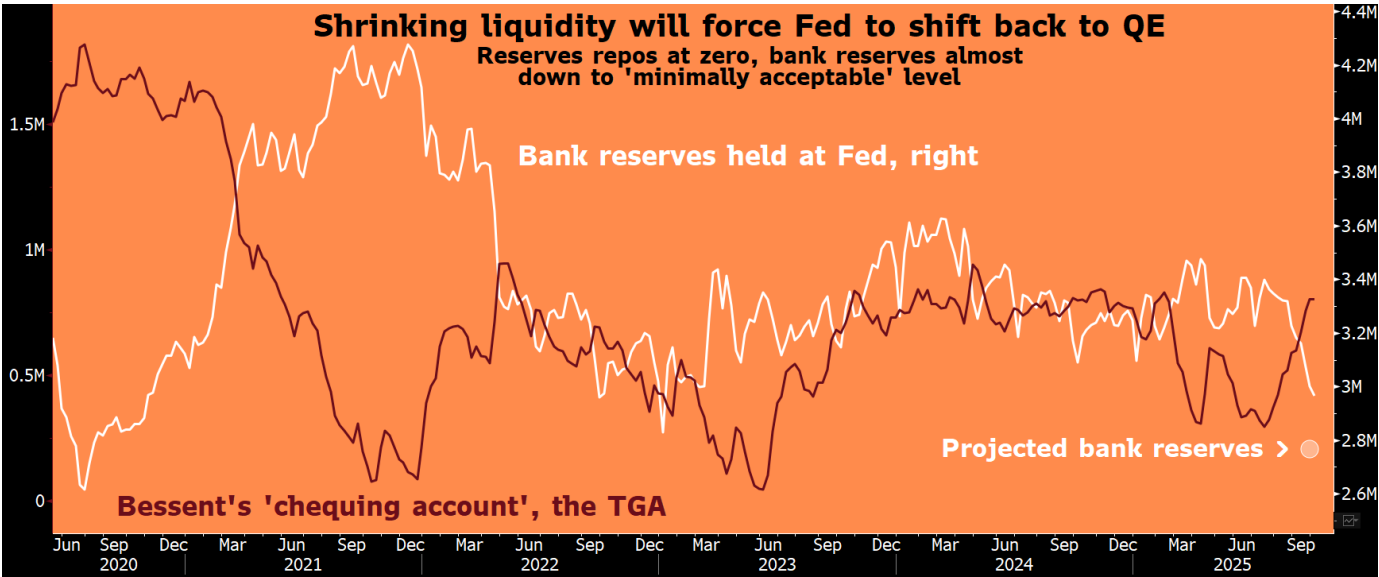


Source: Bloomberg

Beta-adjusted equity exposure levels are roughly 10% higher month-over-month in each of our two funds, adding to Gold, AI Infrastructure and shorts targeting low-end consumer plays. The rise in equity exposure has been driven by risk-reversal equity option positions, long call option positions, short put option positions and increases in single security equity positions. With low levels of realized volatility in headline equity indices, but still reasonable levels of implied equity volatility in individual equities, we believe these optionable strategies are attractive especially when paired with our continued systematic hedges. Given that it’s now been approximately 100 days without a 3% decline in the S&P 500, we want the funds to be well positioned in the event that the markets witness some inevitable turbulence.

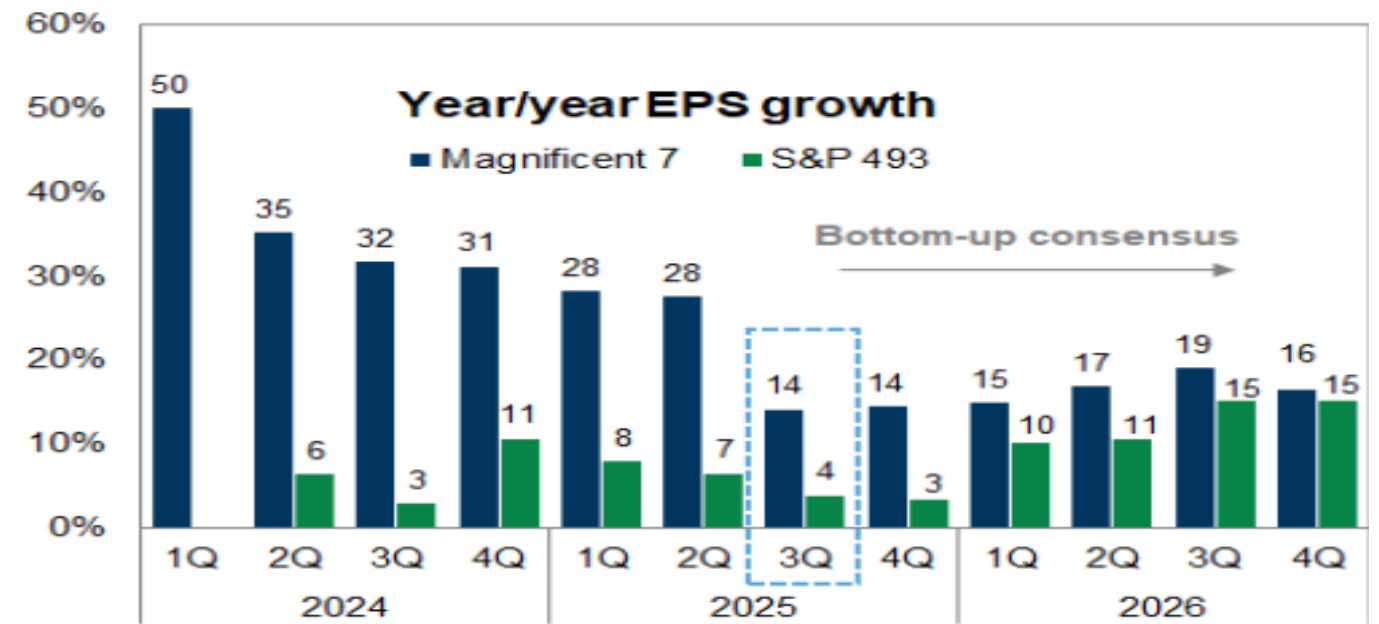
As for markets, the primary focus remains the pace of Fed-easing, the upcoming Q3 earnings season and the state of the AI boom/bubble. The Fed debate has paused (somewhat), given the absence of official government economic statistics (owing to the shutdown), although private readings continue to suggest the Fed will be on an easing path to exit 2025. However, with ~125 bps of easing priced through year-end 2026, substantial incremental labour market weakness will be required for these rate cuts to be realized. Alternatively, if resilience remains the hallmark of the U.S. economy, yet the Fed cuts rates by this full

amount, it would take a substantial QE program by the Fed or Bessent's stablecoin-based financing to work out well to prevent long rates from rising.



Source: Bloomberg

It is also important to highlight that our preferred measure of US Macro Liquidity continues to deteriorate in line with our expectations as US Treasury issuance is driving a decline in US Bank Reserve balances held with the Fed (white line in above graph). Despite limited stress in repo markets at September quarter-end, it is likely that the Fed will discuss ending its QT program during upcoming FOMC meetings.



Source: Goldman Sachs

Consensus expects S&P 500 year-over-year EPS growth of 6% in Q3, a low bar relative to Q2's 11% realized growth rate. As shown in the above graph, consensus estimates predict a sharp deceleration in earnings growth for the M7 to 14% in Q3, half the pace of last quarter's growth and well below the 30% over the past four quarters. Consensus estimates showed a similar deceleration heading into Q2, but instead the companies collectively reported EPS 11% above estimates. Cloud hyperscaler revenue trends and capex commentary will once again be imperative to sustaining the momentum in the AI infrastructure thematic. Given capex amongst the hyperscalers is forecasted to approach ~70% of operating cash flow in 2026 and beyond, the market needs to see evidence of accelerating revenue momentum. We believe that cloud hyperscaler revenue growth will surprise to the upside in Q3 and have corresponding positions in Amazon.com Inc (AMZN.US), Alphabet Inc. (GOOG.US) and Meta Platforms Inc. (META.US).

We're well aware that our results have been disappointing the last couple of months. Post some serious internal scrutiny, we are confident our funds are now positioned to generate positive net returns and protect the capital during the fourth quarter of this year.

Please let us know if you have any questions and thank you for your business.

Andrew McCreath
CEO

Keenan Murray
CIO, Portfolio Manager

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