

**Capital Direct I Income Trust**  
**Financial Statements**

*For the years ended December 31, 2025 and December 31, 2024*

# Capital Direct I Income Trust

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*For the year ended December 31, 2025 and December 31, 2024*

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To the Unitholders of Capital Direct I Income Trust:

## Opinion

We have audited the financial statements of Capital Direct I Income Trust (the "Trust"), which comprise the statements of financial position as at December 31, 2025 and December 31, 2024, and the statements of profit and comprehensive income, changes in net assets and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2025 and December 31, 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

## Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Surrey, British Columbia

March 2, 2026

*MNP LLP*

Chartered Professional Accountants

# Capital Direct I Income Trust

## Statement of Financial Position

As at December 31, 2025 and December 31, 2024

	2025	2024
<b>Assets</b>		
<b>Current</b>		
Cash	21,307,611	22,767,295
Accounts receivable (Note 6)	17,771,370	10,722,752
Prepaid expenses and deposits	468,904	361,875
Mortgage investments, current portion (Note 5)	453,730,328	345,608,008
	493,278,213	379,459,930
<b>Non-current</b>		
Mortgage investments, net of current portion (Note 5)	162,532,687	130,079,739
<b>Total assets</b>	<b>655,810,900</b>	<b>509,539,669</b>
<b>Liabilities</b>		
<b>Current</b>		
Loans payable (Note 7)	206,085,138	172,025,772
Accounts payable and accrued liabilities (Note 8)	13,101,617	9,227,527
	219,186,755	181,253,299
<b>Contingent liabilities</b> (Note 7), (Note 13)		
<b>Net Assets</b>		
<b>Net assets attributable to unitholders</b> (Note 10)	<b>436,624,145</b>	<b>328,286,370</b>
	<b>655,810,900</b>	<b>509,539,669</b>

### Approved on behalf of the Manager

e-Signed by Richard Nichols  
2026-03-02 14:41:35:35 PST  
Director

e-Signed by Tim Wittig  
2026-02-27 16:39:40:40 PST  
Director

**Capital Direct I Income Trust**  
**Statement of Profit and Comprehensive Income**  
*For the year ended December 31, 2025 and December 31, 2024*

	<b>2025</b>	<b>2024</b>
<b>Revenue</b>		
Interest	59,484,166	50,365,065
Other income	2,353,584	2,201,620
	<b>61,837,750</b>	<b>52,566,685</b>
<b>General and administrative expenses</b>		
Bank charges	516,307	556,935
Interest on loan payable	10,294,215	10,577,836
Management fees (Note 12)	5,857,064	4,766,745
Professional fees	1,275,858	554,899
Provision for loan loss	1,070,415	658,560
Trustee and registrar fees	232,932	202,709
	<b>19,246,791</b>	<b>17,317,684</b>
<b>Operating profit</b>	<b>42,590,959</b>	<b>35,249,001</b>
<b>Other income (loss)</b>		
Unrealized gain (loss) on interest rate swap	214,768	(839,413)
Realized loss on interest rate swap	-	(744,428)
	<b>214,768</b>	<b>(1,583,841)</b>
<b>Profit and comprehensive income for the year</b>	<b>42,805,727</b>	<b>33,665,160</b>

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

## Capital Direct I Income Trust Statement of Changes in Net Assets

*For the year ended December 31, 2025 and December 31, 2024*

	Class A	Class C	Class F	Total
<b>Balance January 1, 2024</b>	91,244,151	78,227,200	118,147,488	287,618,839
Comprehensive income for the year	9,773,777	8,707,729	15,183,654	33,665,160
	101,017,928	86,934,929	133,331,142	321,283,999
Distribution to unitholders	(8,078,360)	(7,197,235)	(12,549,810)	(27,825,405)
Distribution to the manager	(1,695,417)	(1,510,494)	(2,633,845)	(5,839,756)
Subscriptions	7,176,454	20,716,427	22,148,814	50,041,695
Reinvested distributions	4,653,660	5,275,119	7,671,702	17,600,481
Interchanges	(844,876)	(3,985,946)	4,830,822	-
Redemptions	(5,130,909)	(12,804,600)	(9,039,135)	(26,974,644)
<b>Balance January 1, 2025</b>	97,098,480	87,428,200	143,759,690	328,286,370
Comprehensive income for the year	11,187,635	11,851,651	19,766,441	42,805,727
	108,286,115	99,279,851	163,526,131	371,092,097
Distributions to unitholders	(9,064,813)	(9,602,832)	(16,015,812)	(34,683,457)
Distribution to the manager	(2,122,823)	(2,248,819)	(3,750,628)	(8,122,270)
Subscriptions	15,400,575	56,915,984	49,461,453	121,778,012
Reinvested distributions	5,367,540	7,110,585	9,641,921	22,120,046
Interchanges	(2,845,199)	33,118	2,812,081	-
Redemptions	(6,308,557)	(13,790,886)	(15,460,840)	(35,560,283)
<b>Balance December 31, 2025</b>	108,712,838	137,697,001	190,214,306	436,624,145

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

## Capital Direct I Income Trust Statement of Cash Flows

*For the year ended December 31, 2025 and December 31, 2024*

	<b>2025</b>	<b>2024</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Profit for the year	42,805,727	33,665,160
Provision for loan loss	1,070,415	658,560
Interest accrued on mortgage investments	(409,664)	(1,398,772)
	<b>43,466,478</b>	<b>32,924,948</b>
Changes in working capital accounts		
Accounts receivable	(7,048,618)	(3,839,620)
Prepaid expenses and deposits	(107,029)	(361,875)
Accounts payable and accrued liabilities	3,874,087	705,201
Mortgage investments	(141,236,017)	(83,070,651)
	<b>(101,051,099)</b>	<b>(53,641,997)</b>
<b>Financing activities</b>		
Distributions to unitholders, net of distributions reinvested	(12,563,410)	(10,224,926)
Distribution to the manager	(8,122,270)	(5,839,756)
Cash received on subscriptions	121,778,012	50,041,696
Redemptions	(35,560,283)	(26,234,430)
Proceeds from loan payable, net	34,059,366	55,362,916
	<b>99,591,415</b>	<b>63,105,500</b>
<b>Increase (decrease) in cash resources</b>	<b>(1,459,684)</b>	<b>9,463,503</b>
<b>Cash resources, beginning of year</b>	<b>22,767,295</b>	<b>13,303,792</b>
<b>Cash resources, end of year</b>	<b>21,307,611</b>	<b>22,767,295</b>
<b>Supplementary cash flow information</b>		
Interest received	57,165,405	48,155,885
Interest paid	10,294,215	10,577,836

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

# Capital Direct I Income Trust

## Notes to the Financial Statements

For the year ended December 31, 2025 and December 31, 2024

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### 1. Reporting entity

Capital Direct I Income Trust (the "Trust") is an open-ended investment trust established under the laws of the Province of Ontario pursuant to Declaration of Trust dated June 23, 2006, as amended from time to time, by Capital Direct Management Ltd. (the "Manager") as administrator of the Trust and Computershare Trust Company of Canada (the "Trustee"). The address of the Trust's registered office is 305 - 555 W 8th Ave, Vancouver, BC V5Z 1C6.

The Trust is a non-reporting issuer under securities legislation and therefore is relying on Part 2.11 of National Instrument 81-106 for exemption from the requirements to file annual financial statements with the applicable regulatory authorities.

### 2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

#### ***Basis of presentation***

These financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB") and IFRIC® Interpretations of the IFRS Interpretations Committee.

These annual financial statements for the year ended December 31, 2025 were authorized for issuance by the Board of Directors on March 2, 2026.

The financial statements have been prepared on the historical basis except for the revaluation of certain non-current assets and financial instruments. These financial statements are presented in Canadian dollars, which is the Trust's functional currency.

#### ***Significant accounting estimates and judgments***

The preparation of the Trust's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. These estimates and assumptions have been made using careful judgment; however, uncertainties could result in outcomes that would require a material adjustment to the carrying amount of the asset or liability affected in the future.

The estimates and underlying assumptions are prepared based on management's best knowledge of current events and actions that the Trust may undertake in the future. These estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognized prospectively in comprehensive income in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Such estimates include valuation of accounts receivable, the provision for loan losses, and completeness of accrued liabilities.

Estimation uncertainty on accounts receivable and accrued liabilities arises due to the fact the financial statements may be completed before all receivables are settled, or all liabilities identified. Uncertainty is low due to the relatively low balances, and that they tend to be recurring in nature and have short-term settlement windows.

Estimation uncertainty on the loan loss provision is higher due to greater variability in the mortgage portfolio and a longer settlement horizon. Mortgages are frequently renewed beyond their initial term and it can take several years before credit issues arise. In addition, the collateral held as security for mortgage loans depends on the real estate market and changes in real estate prices may increase or decrease the risk of loss on mortgages. Management assesses potential credit losses based on factors described in Note 6.

By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements from changes in such estimates in future years could be material.

# Capital Direct I Income Trust

## Notes to the Financial Statements

For the year ended December 31, 2025 and December 31, 2024

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### 2. Summary of significant accounting policies (Continued from previous page)

#### **Financial instruments**

##### **Financial assets**

##### **Recognition and initial measurement**

The Trust recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

##### **Classification and subsequent measurement**

Subsequent to initial recognition, all financial assets are classified and subsequently measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss. Financial assets measured at amortized cost are comprised of cash and cash equivalents, accounts receivable, and mortgage investments.

##### **Reclassifications**

The Trust reclassifies debt instruments only when its business model for managing those financial assets has changed. Reclassifications are applied prospectively from the reclassification date and any previously recognized gains, losses or interest are not restated.

##### **Impairment**

The Trust recognizes a loss allowance for the expected credit losses associated with its financial assets, other than debt instruments measured at fair value through profit or loss and equity investments. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

For mortgage investments the Trust records a loss allowance equal to the expected credit losses resulting from default events that are possible within the next 12-month period, unless there has been a significant increase in credit risk since initial recognition. For those financial assets for which the Trust assessed that a significant increase in credit risk has occurred, the Trust records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Trust applies the simplified approach for all other financial assets. Using the simplified approach, the Trust records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Trust assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts, breaches of borrowing contracts such as default events or breaches of borrowing covenants, requests to restructure loan payment schedules, etc. For financial assets assessed as credit-impaired at the reporting date, the Trust continues to recognize a loss allowance equal to lifetime expected credit losses.

Financial assets are written off when the Trust has no reasonable expectations of recovering all or any portion thereof.

Refer to Note 6 for additional information about the Trust's credit risk management process, credit risk exposure and the amounts arising from expected credit losses.

##### **Derecognition of financial assets**

The Trust derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

# Capital Direct I Income Trust

## Notes to the Financial Statements

For the year ended December 31, 2025 and December 31, 2024

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### 2. Summary of significant accounting policies (Continued from previous page)

#### *Financial instruments (Continued from previous page)*

##### **Financial liabilities**

##### **Recognition and initial measurement**

The Trust recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Trust measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

##### **Classification and subsequent measurement**

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in profit or loss. Distributions to holders of instruments classified as equity are recognized directly in equity.

##### **Derecognition of financial liabilities**

The Trust derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

##### **Derivatives**

Derivatives are initially recognized at fair value on the date the Trust becomes party to the provisions of the contract, and are subsequently remeasured at fair value at the end of each reporting period. Changes in the fair value of derivative instruments are recognized in profit or loss.

##### **Comprehensive income**

Comprehensive income includes all changes in equity of the Trust, except those resulting from investments by owners and distributions to owners. Comprehensive income is the total of profit and other comprehensive income. Other comprehensive income comprises revenues, expenses, gains and losses that, in accordance with IFRS Accounting Standards, require recognition, but are excluded from profit. The Trust does not have any items giving rise to other comprehensive income. All gains/losses, including those arising from measurement of all financial instruments have been recognized in profit for the year.

##### **Fair value measurements**

The Trust classifies fair value measurements recognized in the statement of financial position using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Quoted prices (unadjusted) are available in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the Trust to develop its own assumptions.

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is significant to that fair value measurement. This assessment requires judgment, considering factors specific to an asset or a liability and may affect placement within the fair value hierarchy.

##### **Redeemable units**

The Trust's redeemable and retractable units entitle the holders to retract their interest in the Trust for cash at \$10 per unit, amongst other contractual rights. These retractable units involve contractual obligations on the part of the Trust and therefore meet the criteria for classification as financial liabilities. The Trust's obligation for net assets attributable to unitholders is measured at amortized cost, which is equal to the redemption amount as of the reporting date. Redeemable units are presented as net assets attributable to the unitholders in the statement of financial position.

# Capital Direct I Income Trust

## Notes to the Financial Statements

For the year ended December 31, 2025 and December 31, 2024

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### 2. Summary of significant accounting policies (Continued from previous page)

#### **Mortgage investments**

The contractual terms of the mortgage investments give rise to scheduled cash flows which are solely payments of principal and interest. As such mortgage investments are measured at amortized cost using the effective interest method, net of an allowance for credit losses.

Interest income from mortgages is recorded on an accrual basis in accordance with the effective interest method. Mortgage investments are assessed for impairment at each reporting date. A mortgage investment is classified as impaired when its credit risk has increased significantly from its credit risk at the date of inception of the contract. When a mortgage is classified as impaired, interest revenue is calculated by applying the effective interest rate to the amortized (i.e. impaired) cost of the mortgage. If the credit risk on the mortgage subsequently improves such that it is no longer impaired, interest revenue is calculated again using the effective interest rate on the gross mortgage balance. Subsequent payments received on an impaired mortgage investment are recorded as a reduction in the amortized cost balance or as a reduction in the impairment loss.

Mortgage discount income is deferred and recognized over the term of the underlying mortgage. Other fees are recognized as the services are performed.

#### **Provision for loan losses**

The Trust maintains an allowance for losses in its mortgage investment portfolio. The allowance for loan losses is increased by a provision for mortgage investment impairment charged to income and reduced by write-offs during the year. Impairment losses are determined using a 3-stage approach based on the change in credit risk from inception.

Stage 1 – When there has not been a significant increase in credit risk since inception of the loan, the impairment provision is assessed based on the probability of default in the following 12 month period, to the extent of credit losses estimated to occur in the next 12 months.

Stage 2 – When there has been a significant increase in credit risk since inception but a loan is not considered to be in default, impairment losses are determined based on the probability of default over the lifetime of the loan to the extent of expected credit losses over the remaining estimated life of the loan.

Stage 3 – When a loan is considered to be in default, the loss provision represents the lifetime expected credit loss on the instrument.

The Trust groups loans in Stage 1 according to similar credit risk characteristics, and evaluates the credit risk of on each group of loans with such similar characteristics, recording an allowance for loan losses on an aggregate basis. Credit risk on mortgage loans is presumed to have increased significantly and a loan enters Stage 2 when payments are in arrears over 120 days. A loan is considered to be in Stage 3 when all attempts at recovery with the mortgage have failed and the Trust enters the foreclosure process to recover the loan balance. The lifetime expected credit losses on the loan take into account the present value of future cash flows including the recovery expected from the disposition of the collateral. The Trust incorporates mortgage investment loss history as well as macroeconomic factors such as trends in interest rates, real estate prices, and insolvency rates, both historical and forecast, into its assessment of credit risk.

A loan is considered to be in default when the borrower has defaulted on their interest or principal payments and the Manager has made various attempts to contact the borrower. The Trust considers that a default has occurred when the borrower refuses to contact the broker and the loan has entered the foreclosure process. Loans are written off when all collection efforts have failed and collateral has been realized.

# Capital Direct I Income Trust

## Notes to the Financial Statements

For the year ended December 31, 2025 and December 31, 2024

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### 2. Summary of significant accounting policies (Continued from previous page)

#### **Income taxes**

The Trust qualifies as a "Mutual Fund Trust" within the meaning of the Income Tax Act (Canada) (the "Act"). The Trust is subject to applicable federal and provincial taxes on its net income for tax purposes for the year, including taxable capital gains, except to the extent such amounts are distributed to unitholders. Losses incurred by the Trust cannot be allocated to unitholders, but may be deducted by the Trust in future years in accordance with the Act.

Because the Trust is contractually obligated to distribute all profit and comprehensive income, and such distributions are eligible for deduction against taxable income, the Trust does not recognize a deferred tax asset or liability for any temporary differences.

#### **Standards issued but not yet effective**

The Trust has not yet applied the following new standards, interpretations and amendments to standards that have been issued as at December 31, 2025 but are not yet effective. Unless otherwise stated, the Trust does not plan to early adopt any of these new or amended standards and interpretations.

#### **IFRS 18 Presentation and Disclosure in Financial Statements**

IFRS 18, issued in April 2024, replaces IAS 1 *Presentation of Financial Statements* and establishes the overall requirements for presentation and disclosures in the financial statements, including a new defined structure for the Statement of Profit or Loss and specific disclosure requirements related to management-defined performance measures. IFRS 18 also enhances guidance on how to group information within the financial statements.

IFRS 18 is effective for annual periods beginning on or after January 1, 2027, including for interim financial statements. The Trust is currently assessing the impact of these amendments on its financial statements.

### 3. Taxation

Under the specified investment flow-through trust or partnership ("SIFT") rules, certain distributions from a SIFT will no longer be deductible in computing a SIFT's taxable income and a SIFT will be subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to a Canadian corporation. Distributions paid by a SIFT as returns of capital will not be subject to the tax.

The Trust is not subject to the SIFT tax regime since units of the Trust are not listed on a stock exchange or other public market. Accordingly, the Trust has not recorded a provision for income taxes or deferred income tax in respect of the SIFT Rules.

### 4. Capital management

The Trust defines capital as loan payable and net assets attributable to unitholders. The Manager's objective when managing capital is to make prudent investments in mortgages so that it can continue to provide stable returns for its unitholders. The Trust achieves its investment objectives by monitoring the Trust's mortgage investment portfolio. Information on the net assets attributable to unitholders is described in Note 10.

The Trust's loans payable (Note 7) are subject to the following covenants as calculated in accordance with the credit facility agreement. In the event of a violation of the covenants, no redeemable trust units may be retracted or repurchased.

1. To maintain a Cash Flow Coverage Ratio of not less than 3:1 in each quarter.
2. To maintain a Debt to Tangible Net Worth Ratio not greater than 0.85:1 in each quarter.

As at December 31, 2025 the Trust was in compliance with the above covenants.

## Capital Direct I Income Trust Notes to the Financial Statements

For the year ended December 31, 2025 and December 31, 2024

### 5. Mortgage Investments

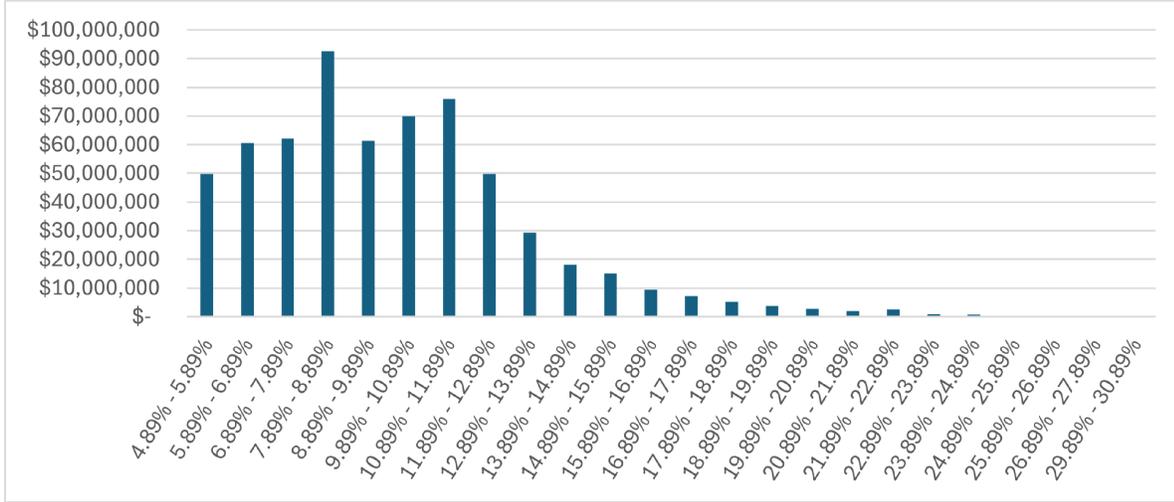
Interest rates vary on the mortgages as noted below. The weighted average interest rate for the year was 10.37% (2024 - 11.00%).

Interest rate	# of loans	Carrying value	Interest Rate	# of loans	Carrying Value
4.75 - 4.99 %	59	\$ 39,134,844	15.50 - 15.74 %	20	\$ 3,206,539
5.25 - 5.49 %	14	10,748,981	15.75 - 15.99 %	29	3,380,092
5.75 - 5.99 %	44	23,787,045	16.00 - 16.24 %	20	2,570,924
6.00 - 6.24 %	10	6,390,435	16.25 - 16.49 %	24	2,808,951
6.25 - 6.49 %	32	19,880,974	16.50 - 16.74 %	17	1,774,251
6.50 - 6.74 %	12	9,929,347	16.75 - 16.99 %	27	2,331,570
6.75 - 6.99 %	70	21,610,227	17.00 - 17.24 %	10	852,022
7.00 - 7.24%	27	13,836,049	17.25 - 17.49 %	24	2,182,787
7.25 - 7.49%	67	21,723,918	17.50 - 17.74 %	11	2,006,488
7.50 - 7.74 %	5	2,296,298	17.75 - 17.99 %	14	1,145,367
7.75 - 7.99%	42	18,954,593	18.00 - 18.24 %	13	974,778
8.00 - 8.24%	63	29,223,101	18.25 - 18.49 %	26	2,551,002
8.25 - 8.49%	180	37,939,967	18.50 - 18.74 %	7	665,922
8.50 - 8.74%	22	8,243,771	18.75 - 18.99 %	14	1,034,758
8.75 - 8.99%	66	18,610,584	19.00 - 19.24 %	11	1,022,732
9.00 - 9.24%	23	9,903,774	19.25 - 19.49 %	13	1,112,216
9.25 - 9.49%	85	20,781,188	19.50 - 19.74 %	11	978,615
9.50 - 9.74%	22	9,107,396	19.75 - 19.99 %	4	208,993
9.75 - 9.99%	98	26,384,174	20.00 - 20.24 %	6	587,988
10.00 - 10.24%	37	13,570,022	20.25 - 20.49 %	17	1,110,068
10.25 - 10.49%	71	17,691,150	20.50 - 20.74 %	8	515,421
10.50 - 10.74%	44	10,785,747	20.75 - 20.99 %	9	757,796
10.75 - 10.99%	121	29,478,850	21.00 - 21.24 %	3	402,560
11.00 - 11.24%	66	19,395,584	21.25 - 21.49 %	9	857,625
11.25 - 11.49%	126	21,042,782	21.50 - 21.74 %	3	207,485
11.50 - 11.74 %	50	8,188,624	21.75 - 21.99 %	3	202,355
11.75 - 11.99 %	125	23,475,714	22.00 - 22.24 %	4	599,000
12.00 - 12.24 %	37	10,804,214	22.25 - 22.49 %	14	1,465,301
12.25 - 12.49 %	71	10,940,088	22.50 - 22.74 %	2	332,693
12.50 - 12.74 %	32	6,934,623	23.00 - 23.24 %	2	81,168
12.75 - 12.99 %	62	8,956,387	23.25 - 23.49%	10	789,425
13.00 - 13.24 %	30	5,999,938	23.75 - 23.99 %	2	119,794
13.25 - 13.49 %	46	7,465,398	24.00 - 24.24%	2	62,815
13.50 - 13.74 %	42	5,848,207	24.25 - 24.49 %	5	546,190
13.75 - 13.99 %	65	8,784,593	24.50 - 24.74 %	1	46,044
14.00 - 14.24 %	21	3,397,723	25.00 - 25.24 %	1	26,905
14.25 - 14.49 %	32	3,546,878	25.50 - 25.74 %	1	151,224
14.50 - 14.74 %	20	3,708,635	25.75 - 25.99 %	2	74,668
14.75 - 14.99 %	32	4,130,525	26.25 - 26.49 %	1	58,718
15.00 - 15.24 %	28	4,867,757	27.00 - 27.24 %	1	58,358
15.25 - 15.49 %	22	2,668,968	30.00 - 30.99 %	1	29,924
				2,523	\$ 620,060,605

# Capital Direct I Income Trust Notes to the Financial Statements

For the year ended December 31, 2025 and December 31, 2024

## 5. Mortgage Investments (Continued from previous page)



# Capital Direct I Income Trust

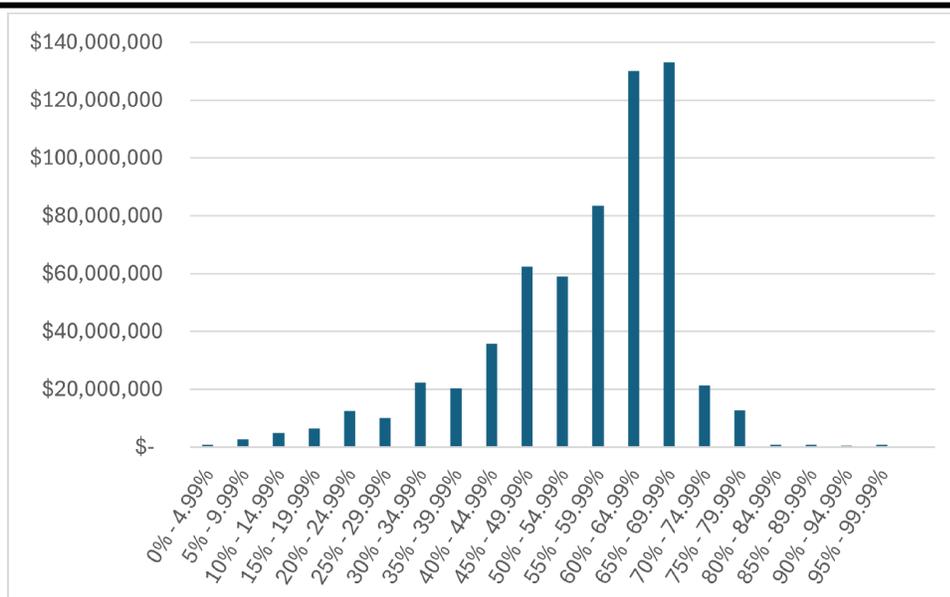
## Notes to the Financial Statements

For the year ended December 31, 2025 and December 31, 2024

### 5. Mortgage Investments *(Continued from previous page)*

Mortgage investments consist of residential mortgages acquired from Capital Direct Lending Corp., the parent company of the Manager, and Capital Direct Atlantic Inc, a subsidiary of Capital Direct Lending Corp. The Trust has insured no mortgages (2024 - \$Nil) under the National Housing Act (Canada). Loan to value ratios on the mortgages vary as noted below. The weighted average loan to value as at December 31, 2025 was 55% (2024 - 54%). Balances shown include accrued interest receivable totaling \$4,675,355 (2024 - \$4,265,691).

Loan to Value Ratio	Number of Loans	Carrying Value
0.00 - 4.99 %	17	\$ 768,908
5.00 - 9.99 %	37	2,680,109
10.00 - 14.99 %	46	4,836,309
15.00 - 19.99 %	50	6,398,311
20.00 - 24.99 %	63	12,369,241
25.00 - 29.99 %	68	10,133,900
30.00 - 34.99 %	120	22,243,929
35.00 - 39.99 %	119	20,265,885
40.00 - 44.99 %	164	35,701,393
45.00 - 49.99 %	216	62,334,899
50.00 - 54.99 %	241	58,978,883
55.00 - 59.99 %	289	83,407,994
60.00 - 64.99 %	392	130,224,619
65.00 - 69.99 %	428	132,965,636
70.00 - 74.99 %	147	21,205,675
75.00 - 79.99 %	113	12,746,274
80.00 - 84.99 %	7	803,638
85.00 - 89.99 %	3	796,980
90.00 - 94.99 %	2	417,345
95.00 - 99.99 %	1	780,677
	<b>2,523</b>	<b>\$ 620,060,605</b>
Loan loss provision		(1,808,869)
Deferred mortgage discount income		(1,988,721)
		<b>\$ 616,263,015</b>



## Capital Direct I Income Trust Notes to the Financial Statements

For the year ended December 31, 2025 and December 31, 2024

### 5. Mortgage Investments *(Continued from previous page)*

The tables below provides a breakdown of the allowance for credit losses of the investment portfolio.

As at December 31, 2025	Stage 1	Stage 2	Stage 3	Total
Gross mortgage balance	571,348,891	4,830,371	43,881,343	620,060,605
Impairment allowance	(1,513,513)	(68,095)	(227,261)	(1,808,869)
Deferred discount income	(1,988,721)	-	-	(1,988,721)
<b>Net</b>	<b>567,846,657</b>	<b>4,762,276</b>	<b>43,654,082</b>	<b>616,263,015</b>

As at December 31, 2024	Stage 1	Stage 2	Stage 3	Total
Gross mortgage balance	457,333,144	1,801,667	19,580,409	478,715,220
Impairment allowance	(1,254,317)	-	(170,000)	(1,424,317)
Deferred discount income	(1,603,156)	-	-	(1,603,156)
<b>Net</b>	<b>454,475,671</b>	<b>1,801,667</b>	<b>19,410,409</b>	<b>475,687,747</b>

#### Details of allowance for credit losses

Opening balance	1,254,317	-	170,000	1,424,317
Additional provision	895,059	68,095	107,261	1,070,415
Transfer between stages	-	-	-	-
Balances written off	(635,863)	-	(50,000)	(685,863)
<b>Closing balance</b>	<b>1,513,513</b>	<b>68,095</b>	<b>227,261</b>	<b>1,808,869</b>

The mortgages typically have an original maturity ranging from 12 to 24 months and rank in position of collateral from first to third. Mortgages mature as follows:

	2025	2024
12 months or less	450,127,656	339,672,031
13 to 24 months	161,018,158	135,280,640
Over 24 months	5,117,201	735,076
<b>Total</b>	<b>616,263,015</b>	<b>475,687,747</b>

# Capital Direct I Income Trust

## Notes to the Financial Statements

For the year ended December 31, 2025 and December 31, 2024

### 6. Financial instruments

#### ***Fair value of financial instruments***

The following table details carrying values and fair values of financial assets and financial liabilities by financial instrument classification. The Trust uses a fair value hierarchy to categorize the inputs used in valuation techniques to measure fair value. The use of quoted market prices (Level 1), internal models using observable market information as inputs (Level 2) and internal models without observable market information as inputs (Level 3) in the valuation of financial instruments for disclosure purposes was as summarized below.

These fair values presented for information purposes only reflect conditions that existed only at the balance sheet date.

	2025			2024	
	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Difference</u>	<u>Fair Value Hierarchy</u>	<u>Difference</u>
<b><u>Assets</u></b>					
Loans and receivables:					
Cash	21,307,611	21,307,611	-	Level 1	-
Accounts receivable	17,779,670	17,779,670	-	Level 3	-
Mortgage investments	616,263,015	617,996,236	1,733,221	Level 3	882,580
			1,733,221		882,580
<b><u>Liabilities</u></b>					
Other financial liabilities:					
Loan payable	206,085,138	206,085,138	-	Level 2	-
Accounts payable and accrued liabilities	13,101,578	13,101,578	-	Level 3	-
			-		-
<b>Net difference</b>			<b>1,733,221</b>		<b>882,580</b>

There is no quoted price in an active market for mortgage investments. As such the Manager estimates the fair value of mortgage investments based on its assessment of the current lending market for mortgage investments of same or similar terms. Fair value has been estimated using discounted cash flow techniques based on interest rates being offered for similar types of assets with similar terms and risks as at the balance sheet date. As a result the fair value of mortgage investments is based on Level 3 inputs.

The fair values of other financial assets and financial liabilities are assumed to approximate their carrying values, principally due to their short term or demand nature.

There were no transfers between Level 1, Level 2, and Level 3 during the year ended December 31, 2025.

#### **Risk management**

Risk management involves the identification, ongoing assessment, managing and monitoring of material risks that could adversely affect the Trust. The Trust is exposed to credit risks, liquidity risk, market risk and interest rate risk.

# Capital Direct I Income Trust

## Notes to the Financial Statements

For the year ended December 31, 2025 and December 31, 2024

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### 6. Financial instruments (Continued from previous page)

#### **Credit risk**

Credit risk is the risk that a financial loss will be incurred due to the failure of a counterparty to discharge its contractual commitment or obligation to the Trust. It is the Manager's opinion that the Trust is exposed to credit risks on all accounts receivable and mortgage investments. Maximum exposure to credit risk at December 31, 2025 is the carrying value of accounts receivable and mortgage investments which total \$634,034,385 (2024 - \$486,410,499). The credit risk is mitigated as all mortgage investments are collateralized by residential real estate property and the Manager regularly reviews and monitors the fair value of the collateral.

The Trust uses a 3-stage process to evaluate credit risk and potential impairment on mortgage investments. Loans are grouped in Stage 1 at inception and credit risk is reviewed and evaluated on a regular basis. The Trust incorporates mortgage investment loss history as well as macroeconomic factors such as trends in interest rates, real estate prices, and insolvency rates, both historical and forecast, into its assessment of credit risk. Management regularly reviews the mortgage listing for balances in arrears and follows up with borrowers as needed regarding repayment. The Trust closely monitors loan activity for increased credit risks and is in communication with borrowers who have missed a payment. Overdue payments of 30 days are not uncommon and do not on their own indicate a significant decline in credit risk. When payments are in arrears over 120 days, in absence of any other indicators, credit risk on mortgage loans is presumed to have increased significantly and a loan enters Stage 2. Management continues to evaluate credit risk as discussions with the borrower proceed.

For individual accounts in arrears where discussion with the borrower has not succeeded, foreclosure proceedings commence and a loan is considered to be in Stage 3. Balances receivable include accrued interest income and legal and other costs related to attempts at collection net of any provision for expected losses management deems necessary. The loans are collateralized by real property and losses are recognized to the extent that recovery of the balance through sale of the underlying property is not reasonably assured.

The loss provision for the mortgage investments includes a provision for specifically identified impaired mortgage investments and a general provision applied to other loans based on similar credit characteristics. The Manager has provided a loan loss provision of approximately 0.29% (2024 - 0.30%) of gross mortgage investments. As at December 31, 2025 management had identified loans totaling 8.07% (2024 - 4.43%) of the portfolio in arrears over 120 days. Of these, \$43.9 million (2024 - \$19.6 million) of loans have entered in to some form of legal proceedings in attempt to recover the balance. The loan loss provision includes specific provisions totaling \$608,018 (2024 - \$170,000) relating to thirteen loans with a combined carrying value of \$1,883,754 (2024 - \$1,492,408; three loans).

During the year ended December 31, 2022, the Trust identified eight mortgages which had been initiated by fraudulent borrowers. The Trust is attempting to recover the balance through title insurance. During the year ended December 31, 2023, the Trust recovered four of the mortgages. The remaining four mortgages, totaling approximately \$4 million, are included in accounts receivable as at December 31, 2025.

As at December 31, 2025, the Trust has outstanding mortgages totaling \$257,870,015, or 41% of the balance in British Columbia (2024 - \$190,381,615, or 40%), \$213,479,478, or 34% of the balance in Ontario (2024 - \$183,060,533, or 38%). These loans are concentrated in Greater Vancouver Area and the Greater Toronto Area, respectively. The remaining mortgages are in Alberta and Atlantic Canada.

#### **Liquidity risk**

Liquidity risk refers to the Trust's ability to meet its own financial obligations such as funding mortgage commitments, operational expenses, trust distributions and unitholder redemptions. In this regard the Manager monitors cash regularly to ensure the Trust can meet its obligations, however the Manager does have the right to postpone redemptions if it feels that the Trust's financial position will become impaired. Contractual maturities of all financial liabilities are 12 months or less.

# Capital Direct I Income Trust

## Notes to the Financial Statements

For the year ended December 31, 2025 and December 31, 2024

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### 6. Financial instruments (Continued from previous page)

#### Market risk

Market risk includes both interest rate risk and foreign currency risk. The interest rate risk relates to the Trust's ability to adjust to the changing interest rates on their loans payable (Note 7). To offset this risk the Trust generally lends its funds with rates adjustable within one or two years which allows the Trust to adjust rates on renewals regularly. There is no foreign exchange risk as the Trust is limited to investing in mortgages denominated in Canadian dollars.

The Trust has entered into an interest rate swap to manage its interest rate risk. The swap is a financial derivative measured at fair value through profit and loss. As at the balance sheet date, the fair value of the interest rate swap is included in accounts payable at \$695,507 (2024 - \$910,275).

It is estimated that a general 0.5% increase or decrease in market interest rates would have no impact on the mortgage investment income, due to the fixed nature of the interest rates being earned on the mortgage investments. It is estimated that an increase in 0.5% in the prime lending rate would result in an increase in interest expense on the loan payable of approximately \$945,000 (2024 - \$722,000).

### 7. Loans payable

During the year, jointly with Capital Direct II Management Ltd. (a company under common control), the Trust has entered into a syndicated loan agreement with Royal Bank of Canada ("RBC") as agent, providing a \$330,000,000 demand revolving operating loan, which amount may be increased at any time prior to the maturity of the loan agreement by an aggregate principal amount of \$70,000,000 to a maximum aggregate principal amount of \$400,000,000. The syndicated debt currently bears interest at an average blended rate of RBC's prime rate plus 0.675% per annum plus a stand-by fee of 0.25% of the undrawn balance. For the year ended December 31, 2025, RBC's average prime lending rate was 4.89% (2024 - 6.78%) per annum. The facility is secured by general security agreements provided by the borrowers, a general assignment of mortgages by the Trust and an assignment of insurance. The loan is guaranteed by Capital Direct Lending Corp. and Capital Direct Management Ltd. (companies under common control) who have also provided general security agreements. As at December 31, 2025, the Trust has drawn upon this facility in the amount of \$206,805,138.

Included within the \$330,000,000 limit, a revolving demand loan and Swingline facility is available to Capital Direct II Management Ltd. to a maximum of \$12,000,000. The Swingline facility is facility is drawn to a total of \$100,000 with an additional \$11,714,862 drawn from the revolving demand loan. These loans are subject to terms and security as described above.

The demand facility available to the Trust may also be drawn as Term CORRA based loans. Canadian Overnight Repo Rate Average ("CORRA") is administered and published by the Bank of Canada. During the year, the Trust converted \$120M (2024 - \$Nil) of the loan amount to a CORRA-based loan. The CORRA-based loan has a one-month or three-month interest period at the discretion of the borrower. This balance will bear interest at the CORRA rate plus 2.175% per annum, adjusted by an additional 0.29547% per annum for a one-month interest period or 0.32138% per annum for a three-month interest period.

The facility is subject to certain financial covenants as outlined in Note 4. As at December 31, 2025, the Trust was in compliance with these covenants.

The maximum and minimum amounts borrowed during the year were \$206,085,138 (2024 - \$172,025,772) and \$166,025,772 (2024 - \$110,821,203) respectively.

In the prior year, the Trust, jointly with Capital Direct II Management Ltd., had entered into a syndicated loan agreement with Canadian Western Bank ("CWB"), providing a maximum of \$275,000,000. The syndicated debt bore interest at an average blended rate of CWB's prime rate plus 0.75% per annum plus a stand-by fee of 0.25% of the undrawn balance. For the year ended December 31, 2024, CWB's average prime lending rate was 6.78% per annum. As at the year ended December 31, 2024, the loan was drawn upon to a total of \$172,025,772. Capital Direct II Management Ltd. had drawn an additional total of \$9,846,868.

# Capital Direct I Income Trust

## Notes to the Financial Statements

*For the year ended December 31, 2025 and December 31, 2024*

### 8. Trade and other payables

	2025	2024
Redemptions	3,733,627	2,318,757
Unitholder distributions	3,268,131	2,759,196
Manager distribution and management fees	3,623,047	2,896,756
Other	2,476,812	1,252,818
	13,101,617	9,227,527

### 9. Related party transactions

During the year, the Trust purchased 94.3% (2024 - 93.3%) of its mortgages with a face value totaling \$330,681,190 (2024 - \$254,220,590) from Capital Direct Lending Corp. and 5.7% (2024 - 6.7%) of its mortgages totaling \$19,945,156 (2024 - \$18,232,836) from Capital Direct Atlantic Inc. (a company under common control)

Accounts receivable includes \$5,562,000 (2024 - \$1,628,138) due from the Manager and \$1,357,939 (2024 - \$1,071,486) due from Capital Direct II Management Ltd.

### 10. Net assets attributable to unitholders

Pursuant to the Declaration of Trust, the Trust is authorized to issue an unlimited number of redeemable and retractable and transferable units, each of which represent an equal, undivided interest in any distributions made by the Trust and in the net assets of the Trust in the event of termination or windup. Each Unitholder is entitled to one vote for each whole unit held.

The Trust's current offering authorizes Class A, Class C and Class F redeemable and retractable units totaling 97,500,000 units for a combined maximum of \$975,000,000. Class A, Class C, and Class F units are issued and retracted as listed below.

Class A, Class C and Class F units share pro rata in distributions from the Trust. All classes or units are permitted to be retracted on the last day of each month by giving written notice to the Manager. Class C and Class F units may be retracted after 180 days with no penalty. Class A units bear a retraction fee which diminishes over 5 years from 5% to zero.

Prior to December 31, 2025, 373,363 (2024 - 231,876) units were called for retraction. The retraction price of \$3,733,630 (2024 - \$2,318,760) is accrued in accounts payable. 1,176,518 (2024 - 582,848) units were issued for subscription prior to December 31, 2025 for which proceeds are receivable from brokers at year end. The subscription price of \$11,765,181 (2024 - \$5,828,478) is accrued in accounts receivable.

	Class A	Class C	Class F	Total
Units outstanding beginning of period	9,709,848	8,742,820	14,375,969	32,828,637
Units issued on subscription	1,540,057	5,691,598	4,946,145	12,177,800
Units issued on reinvestment	536,754	711,059	964,192	2,212,005
Units interchanged	(284,520)	3,312	281,208	-
Units retracted	(630,856)	(1,379,088)	(1,546,084)	(3,556,028)
Units outstanding, end of period	10,871,283	13,769,701	19,021,430	43,662,414
Net assets attributable to unitholders:	\$ 108,712,838	\$ 137,697,001	\$ 190,214,306	436,624,145
Net asset value per unit	\$ 10	\$ 10	\$ 10	\$ 10

During the year, 284,520 (2024 - 483,082) units were interchanged from Class A to Class C and to Class F.

# Capital Direct I Income Trust

## Notes to the Financial Statements

For the year ended December 31, 2025 and December 31, 2024

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### 11. Distributions to unitholders

The Trust distributes 80% of the profit and comprehensive income from operations to unitholders on a quarterly basis from investments held by the Trust. The quarterly distributions are paid in arrears on the 15th day following the first three calendar quarters to which the distribution relates and on March 31 following the fourth calendar quarter. Distributions by the Trust will be paid in cash unless the unitholder elects to receive distributions in the form of units.

In addition, up to 20% of the profit and comprehensive income from operations is distributed to the Manager on a quarterly basis.

The Board of Directors of the Manager did not waive any portion of the distribution to which it was entitled for the first quarter of the year ended December 31, 2025 and unanimously agreed to waive 10% of the distribution for the fourth quarter (2024 - 50% for the first quarter; 10% for the fourth quarter). The amount waived was distributed to the unitholders. The total distribution paid to the Manager for the year was \$8,122,271 (2024 - \$5,839,756).

The Manager has waived 5% (2024 - 13%) of the distribution profit and comprehensive income to which it was entitled during the year ended December 31, 2025, thereby providing distributions of 81% (2024 - 83%) of profit for the year to unitholders.

Of the above amounts, \$1,981,686 (2024 - \$1,655,004) remains in accounts payable and accrued liabilities.

### 12. Management fees and expenses

#### Management fees

Pursuant to the management agreement between the Trust and the Manager, the Manager is to provide management, administration and investment advisory services to the Trust, in addition to those distributions noted within Note 11. For these services, the Manager charges a fixed monthly fee (the "Manager's Fee") calculated and payable monthly in arrears based on an annual rate of 2% of the Class A net asset value plus 2% of the Class C net asset value plus 1% of the Class F net asset value. The total management fee for the year was \$5,857,064 (2024 - \$4,766,745).

Of the above amounts, \$1,641,360 (2024 - \$1,241,753) remains in accounts payable and accrued liabilities.

#### Expenses

All organizational expenses and sales commissions or fees paid to registered dealers in connection with the offering will be paid by the Manager.

All expenses or outlays relating to the Trust from inception, including but not limited to, the Manager's fee, the Trustee's Fee, offering expenses (other than organizational expenses and sales commissions on fees paid to registered dealers in connection with the offer and sale of units), taxes payable by the Trust, expenses related to Unitholders' meetings, brokerage, legal and other fees and disbursements relating to the implementation of transactions for Trust investments, if any, are paid by the Trust.

### 13. Contingent liabilities

From time to time the Trust may be subject to various lawsuits arising from investing in mortgages in which claims for monetary damages are asserted in the ordinary course of business. While any litigation involves an element of uncertainty, it is the opinion of the Manager that liabilities, if any arising from such litigation will not have a material adverse effect on the Trust's financial condition, liquidity, or results of operations.

### 14. Key management compensation

The compensation of the senior management of the Manager is paid through the management fees paid to the Manager.

## Capital Direct I Income Trust Notes to the Financial Statements

*For the year ended December 31, 2025 and December 31, 2024*

### 15. Annualized Rate of Return

#### Class A Redeemable Units

	Net asset value	Weighted average net assets per quarter	Profit and comprehensive income to be allocated to holders of redeemable units
First quarter - March 31, 2025	99,960,639	97,221,699	\$ 2,215,131
Second quarter - June 30, 2025	104,140,088	100,215,959	\$ 2,285,245
Third quarter - September 30, 2025	108,297,997	104,021,920	\$ 2,343,987
Fourth quarter - December 31, 2025	108,712,838	108,441,152	\$ 2,220,449
Year ended December 31, 2025	108,712,838	102,475,183	\$ 9,064,812

	Average annualized rate of return calculated quarterly	Compounded annual rate of return	Weighted average return weighted by net assets outstanding	Effective weighted average annual rate of return
First quarter - March 31, 2025	9.11 %		2.28 %	
Second quarter - June 30, 2025	9.12 %		2.28 %	
Third quarter - September 30, 2025	9.01 %		2.25 %	
Fourth quarter - December 31, 2025	8.19 %		2.05 %	
Year ended December 31, 2025	8.86 %	9.16 %	8.86 %	9.16 %

The Company distributes dividend income quarterly. If an investor had remained fully invested for the year ended December 31, 2025, without any additional purchases or redemptions and compounded their quarterly distributions, the maximum potential return would be 9.16% (2024 - 9.06%).

## Capital Direct I Income Trust Notes to the Financial Statements

*For the year ended December 31, 2025 and December 31, 2024*

15. **Annualized Rate of Return** *(Continued from previous page)*

**Class C Redeemable Units**

	Net asset value	Weighted average net assets per quarter	Profit and comprehensive income to be allocated to holders of redeemable units
First quarter - March 31, 2025	97,752,984	89,306,514	\$ 2,034,789
Second quarter - June 30, 2025	111,693,671	101,018,950	\$ 2,303,555
Third quarter - September 30, 2025	126,858,037	116,120,338	\$ 2,616,598
Fourth quarter - December 31, 2025	137,697,001	129,316,287	\$ 2,647,890
Year ended December 31, 2025	137,697,001	108,940,522	\$ 9,602,832

	Average annualized rate of return calculated quarterly	Compounded annual rate of return	Weighted average return weighted by net assets outstanding	Effective weighted average annual rate of return
First quarter - March 31, 2025	9.11 %		2.28 %	
Second quarter - June 30, 2025	9.12 %		2.28 %	
Third quarter - September 30, 2025	9.01 %		2.25 %	
Fourth quarter - December 31, 2025	8.19 %		2.05 %	
Year ended December 31, 2025	8.86 %	9.16 %	8.86 %	9.16 %

The Company distributes dividend income quarterly. If an investor had remained fully invested for the year ended December 31, 2025, without any additional purchases or redemptions and compounded their quarterly distributions, the maximum potential return would be 9.16% (2024 - 9.06%).

## Capital Direct I Income Trust Notes to the Financial Statements

*For the year ended December 31, 2025 and December 31, 2024*

15. **Annualized Rate of Return** *(Continued from previous page)*

**Class F Redeemable Units**

	Net asset value	Weighted average net assets per quarter	Profit and comprehensive income to be allocated to holders of redeemable units
First quarter - March 31, 2025	151,600,824	146,030,413	\$ 3,692,281
Second quarter - June 30, 2025	164,624,814	156,437,284	\$ 3,958,364
Third quarter - September 30, 2025	180,180,182	168,012,217	\$ 4,205,934
Fourth quarter - December 31, 2025	190,214,306	181,029,281	\$ 4,159,233
<b>Year ended December 31, 2025</b>	<b>190,214,306</b>	<b>162,877,299</b>	<b>\$ 16,015,812</b>

	Average annualized rate of return calculated quarterly	Compounded annual rate of return	Weighted average return weighted by net assets outstanding	Effective weighted average annual rate of return
First quarter - March 31, 2025	10.11 %		2.53 %	
Second quarter - June 30, 2025	10.12 %		2.53 %	
Third quarter - September 30, 2025	10.01 %		2.50 %	
Fourth quarter - December 31, 2025	9.19 %		2.30 %	
<b>Year ended December 31, 2025</b>	<b>9.86 %</b>	<b>10.23 %</b>	<b>9.86 %</b>	<b>10.23 %</b>

The Company distributes dividend income quarterly. If an investor had remained fully invested for the year ended December 31, 2025, without any additional purchases or redemptions and compounded their quarterly distributions, the maximum potential return would be 10.23% (2024 - 10.13%).