FORGE FIRST
ASSET MANAGEMENT INC

December 9, 2025

November 2025 Commentary

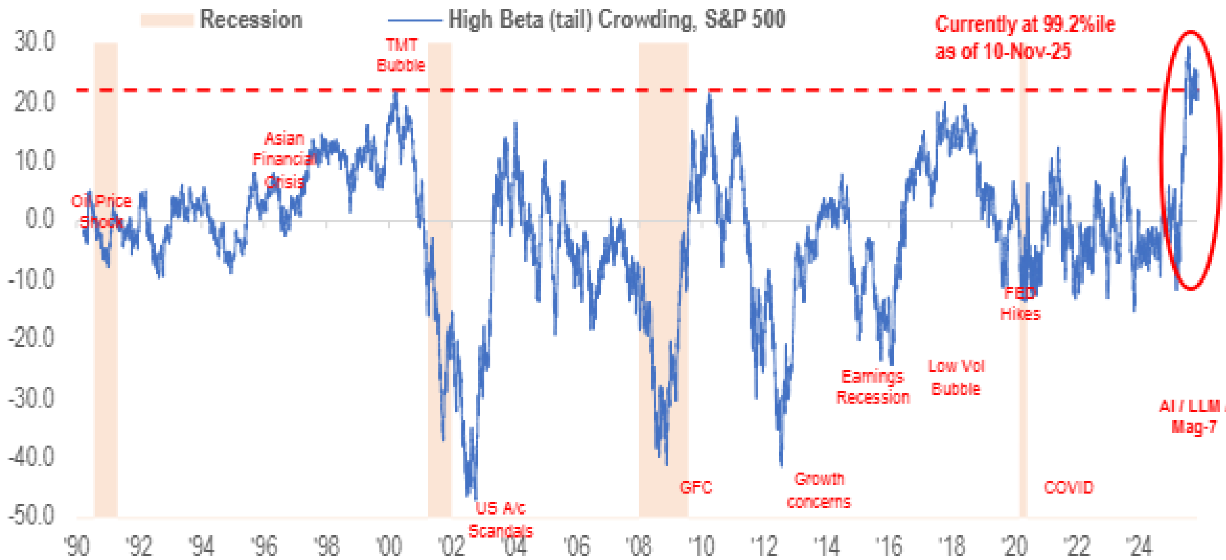
The Class F Lead Series of the Multi Strategy LP returned 1.73% in November, while the Class F Lead Series of the Long Short LP returned 1.22%, both net of fees. The difference between the two is largely reflected by higher relative exposure levels in the Long Short LP, offset by positive performance from credit strategies in the Multi Strategy LP. Beta-adjusted net equity exposure was 64% in the Multi Strategy LP and 52% in the Long Short LP. Net credit exposure was 31% in the Multi Strategy LP and remained at 0% for our Long Short LP. Beta-adjusted net equity exposure was approximately 9% and 18% higher in each respective fund since October month-end. The increase in net equity exposure was driven by increases in conviction long positions and lower deltas on equity index put options. Net equity exposure was highest in the Technology, Consumer and Industrial sectors.

						-----------------Annualized-----------------			
As of November 30, 2025	**YTD**	**1-mo**	**3-mo**	**6-mo**	**1-year**	**3-year**	**5-year**	**10-year**	**Inception**
Forge First Long Short LP (Class F Lead Series)	2.24%	1.22%	0.50%	2.88%	3.38%	7.31%	7.65%	8.10%	12.47%
Forge First Multi Strategy LP (Class F Lead Series)	3.99%	1.73%	0.82%	4.20%	6.17%	9.97%	9.24%	7.77%	10.68%
S&P/TSX Composite Total Return Index	29.96%	3.86%	10.53%	21.41%	25.71%	18.88%	16.18%	12.16%	11.00%
S&P 500 Total Return Index (C$)	14.41%	-0.08%	8.22%	18.42%	14.80%	21.87%	17.00%	15.15%	17.76%

Note: Returns for the Forge First funds are based on the August 2012 Class F Lead Series and are net of all fees and expenses. In a year, up to 12 series can be created within a Class of units. Unitholders are advised to refer to their monthly statement for the net return of their respective Class and Series. All returns are in local currencies.

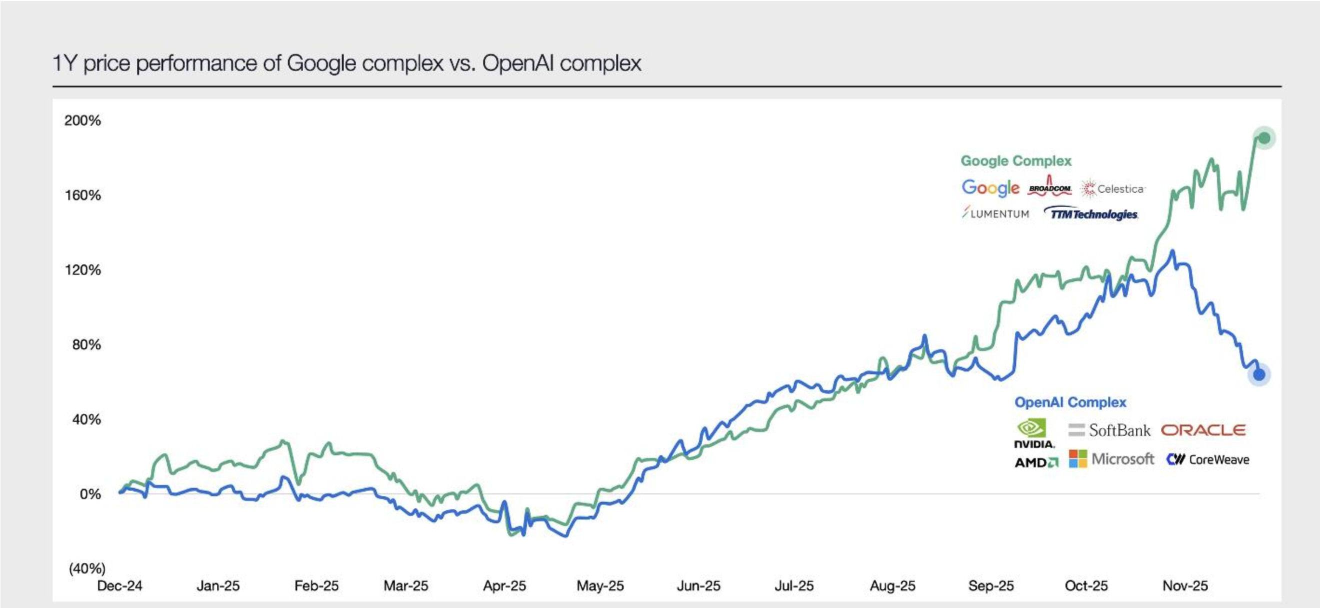
Performance across the funds improved in November amid meaningful factor rotation and a short-term increase in market-wide volatility. Long positions in the Energy sector led performance attribution for the month. Equity and equity option positions in Baytex Energy Corp. (“Baytex”) benefited from the company’s announced divestiture of its U.S. Eagle Ford assets for C$3.25 billion gross proceeds or closer to C$3 billion when accounting for a September 1st effective date. Pro forma the divestiture, Baytex will have a net cash position of over C$900 million, a notable reversal from leverage levels that were elevated versus peers. Long exposure in Topaz Energy Corp. (“Topaz”) benefited from an improvement in natural gas prices, which drives higher revenue and cash flow to Topaz from overriding royalties, as well as outperformance from royalties on underlying heavy oil assets. We remain positive on the outlook for high-single or better medium-term cash flow compounding at Topaz, while we believe that the company’s high-single digit FCF yield does not appropriately reflect the quality of its underlying royalty exposure and growth optionality. Long positions in gold exploration and producing equities benefited performance during the month, as gold prices stabilized above $4,000 per ounce following a sharp pullback in late September. Attribution from the Technology sector was neutral during the month, despite the decline in the Nasdaq and high-beta momentum factor. Positive performance from long equity and equity option positions in Alphabet Inc. and Broadcom Inc. offset negative performance from equity and equity option positions in NVIDIA Corp. and Advanced Micro Devices Inc. Lastly, the funds opportunistically monetized a portion of the equity index put options owned near market lows towards the end of November.

Net equity exposure reflects idiosyncratic idea generation, as well as constructive views on the policy trajectory into 2026. On balance, U.S. monetary policy looks likely to tilt easier over time through reductions to the policy rate, MBS paydowns reinvested in U.S. T-Bills and likely temporary open market operations to support liquidity in funding markets. At the same time, ongoing fiscal accommodation and “stealth QE” that manages duration issuance should keep nominal growth resilient. This backdrop should support continued growth in next-twelve-months S&P 500 EPS, with breadth likely to improve beyond a narrow handful of leaders as revisions disperse more evenly across sectors. We have previously highlighted reasons to be cautious from elevated positioning levels across U.S. systematic and fundamental asset managers. Using Goldman Sachs and J.P. Morgan Chase & Co. prime brokerage data, as well as third party data providers, we have seen net positioning levels modestly reduced alongside higher levels of realized volatility. However, net positioning levels in high beta factors remain elevated and crowded. In the month of November, J.P. Morgan Equity Strategy & Quantitative Research reported that high beta factor crowding was in the ~100th percentile, or all-time highs, using a 35-year lookback window. As a result, we continue to expect volatility and factor rotation. Crowding in year-to-date winning factors, concentration in AI-linked leaders and elevated index-level valuations create fragile tape conditions when narratives wobble. Our strategy remains the same: keep nets disciplined, use index/factor hedges where dispersion is extreme and lean into single-name idiosyncrasy with positive fundamental revisions.



Source: J.P. Morgan Equity Strategy & Quantitative Research

Given the concentration of the AI thematic in the S&P 500, it is difficult to discuss markets without touching on the most recent developments within the theme. November featured a notable divergence between equities, with exposure to Google's tech stack and those with exposure to OpenAI's funding requirements, as can be seen in the below chart from Coatue Management. The November divergence in AI-exposed equities was driven by the Google Gemini 3.0 release. Gemini 3.0 is reported to be heavily trained on the company's proprietary TPU silicon, which has long been co-developed by Broadcom Inc. We agree with the revaluation in Alphabet Inc. and Broadcom Inc. and have noted our exposure in prior commentaries. We see a growing stack advantage at Google: proprietary model technology, TPU silicon, distribution, hyperscale compute capacity and balance sheet depth, integrated with unique data and workflow assets. We expect Google Cloud growth to accelerate in 2026 as Gemini 3.0 rolls out across products and as TPU rentals widen the monetization surface. Further upside exists if rented compute meaningfully penetrates third-party training or inference demand. In the near term, we would expect some mean reversion following the recent outperformance and have partially hedged our Alphabet Inc. exposure. Across the thematic, we will focus exposure on high-quality platforms with attractive risk/reward setups and avoid speculative exposures lacking earnings support or valuation discipline. Funding mechanics across the ecosystem, including capex vs. operating cash flow and external financing dependence, are now a central driver of forward returns. With this in mind, we think the post Q3 drawdown in Meta Platforms Inc. offers an attractive risk/reward setup with lowered expectations and a material compression in forward valuation.



Source: Coatue Management

In December, we will be watching the Fed meeting, the Bank of Japan meeting and any decision from the U.S. Supreme Court regarding the legality of International Emergency Economic Powers Act ("IEEPA"). The Federal Reserve Open Market Committee is becoming increasingly divided, which we expect to continue through 2026 with the appointment of a new Fed Chairman that is likely to advocate for a continued policy-easing cycle. The Bank of Japan is expected to hike policy rates in December which, alongside potential fiscal stimulus, is driving long-end JGBs higher. There has, so far, been minimal impact on U.S. Treasury markets, but it remains worth watching. Trade and legal experts see a high probability that the Supreme Court will rule against the use of emergency powers (IEEPA) to authorize tariffs before year-end. This should benefit consumer discretionary stocks with embedded tariff headwinds the most, while steepening the U.S. yield curve and increasing U.S. fiscal concerns until the tariffs are replaced under other statutes. The fund has recently taken modest exposure that would benefit from a removal of the IEEPA tariffs.

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

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