

# ANNUAL REPORT 2024

Greenskeeper  
ASSET MANAGEMENT



GreensKeeper is an independent, owner-managed asset management company. Our offering is based on a time-tested value-investing methodology.

**greenskeeper.ca**

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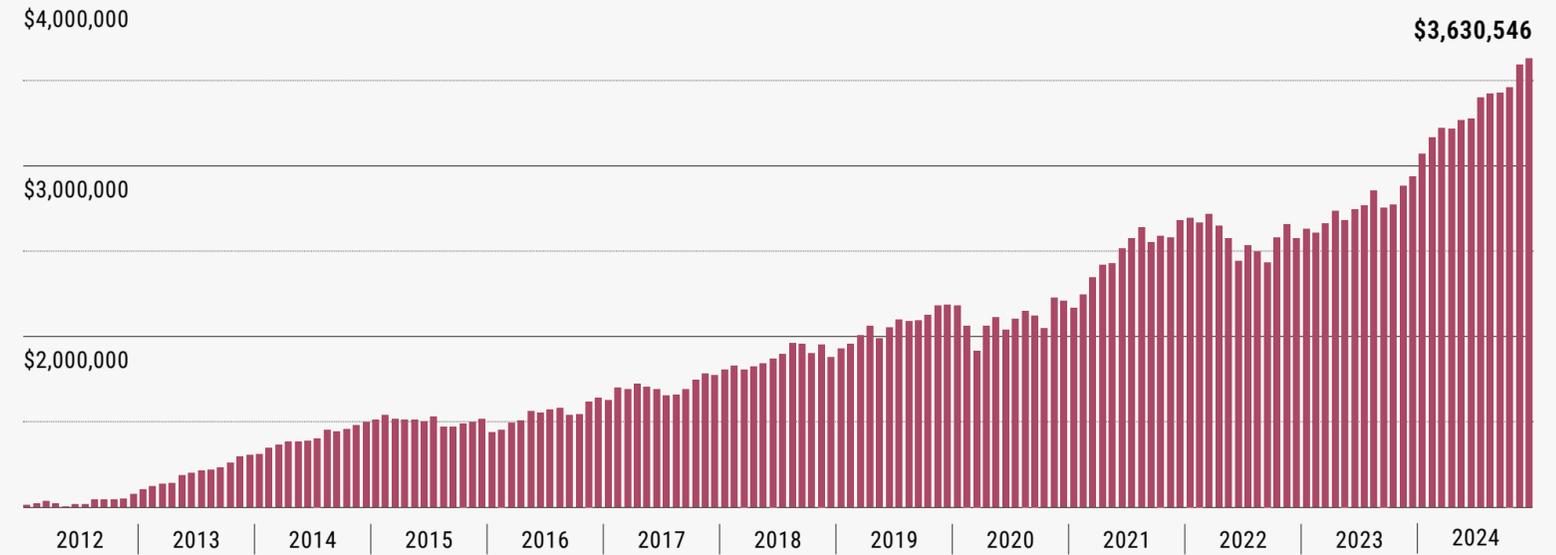
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WHY GREENSKEEPER  
EXISTS

# PERFORMANCE

The Value Fund finished the year **+23.6%** net of fees and expenses. We were well-positioned as the US dollar strengthened against most major currencies, including the Canadian dollar, lifting our returns by approximately 8% for the year.<sup>1</sup>

## GROWTH OF \$1,000,000



## CALENDAR YEAR RETURNS



## ANNUALIZED COMPOUND RETURNS

	1YR	3YR	5YR	10YR	INCEPTION
Value Fund	23.6%	10.7%	10.7%	9.3%	10.3%

1. All returns and Fund details are: (a) based on Class F units; (b) net of all fees; and (c) as of December 31, 2024.

■ We finished the year slightly ahead of the S&P/TSX +21.7%, broadly in line with the DJIA +24.8% and trailing the S&P500 +35.7%.<sup>2</sup> It is worth mentioning that just five technology companies—**NVIDIA** (NVDA), **Apple** (AAPL), **Amazon** (AMZN), **Meta** (META), and **Broadcom** (AVGO)—accounted for almost half (46%) of the S&P500’s returns. Paraphrasing Frank Sinatra, we did it our way in 2024 by deliberately avoiding overpriced securities. We are mindful of risk and manage it by purchasing high-quality companies with a large margin of safety. The current bull market and excitement about artificial intelligence (AI), in particular, have led to high levels of risk-taking. A notable example of unleashed animal spirits is **MicroStrategy** (MSTR), whose business model relies on raising debt and equity capital to purchase Bitcoin. Towards the end of the year, MSTR stock was trading at a 3x premium to the market value of Bitcoin on its balance sheet. We struggle to see how this won’t end badly for MSTR shareholders when risk appetites inevitably contract. As valuations in the US markets have reached elevated levels, we increasingly find ourselves allocating our capital to more attractively

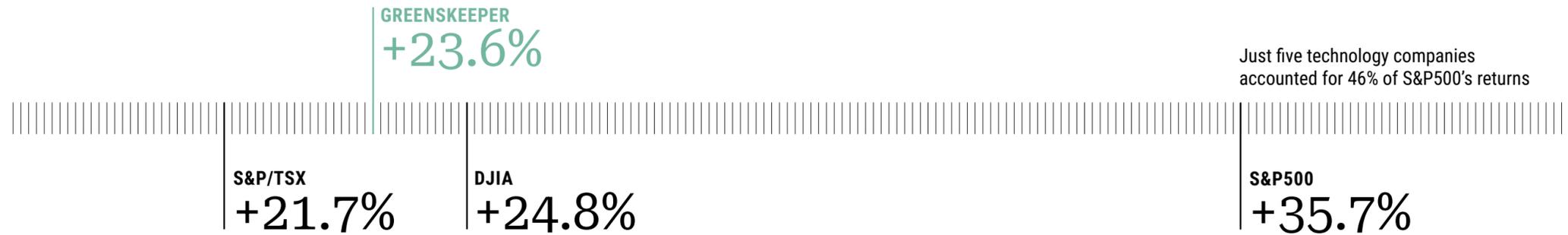
priced businesses domiciled elsewhere. Since late 2023, our largest portfolio additions have been high-quality global businesses headquartered in Canada, France, Israel, Switzerland and the UK. Our portfolios will *often* be heavily US-weighted (that’s where most of the great companies are), but not *always*. We pivot to where we find value. **We don’t follow benchmarks; we follow opportunity.**

We remain agnostic to where our holdings are domiciled, provided that the country respects **the rule of law** and shareholder rights (a.k.a. **“the West”**). It is also worth mentioning that all but one of these latest additions to our portfolios derive their revenues from a global customer base, with minimal reliance on their domestic economies.

Our approach of investing globally provides GreensKeeper with an advantage as we can opportunistically hunt for value when local markets sell-off. For reference, the MSCI Europe index currently trades at a forward P/E ratio of 13.2x compared to the S&P500, which trades at a forward P/E of 23.4x. We spend most of our time hunting in places where stocks are cheap.

“Excellence isn’t about occasional brilliance - it’s about consistent execution.”  
 —SHANE PARRISH (FARNAM STREET)

## Year Returns



2. Index returns are for the total return indexes, including dividends and measured in Canadian dollars, the Value Fund's reporting currency.

## PORTFOLIO UPDATE

■ The top contributors to the Value Fund in 2024 were **American Express** (AXP) +58%, **Alphabet** (GOOG/GOOGL) +35%, **Berkshire Hathaway** (BRK.A/B) +27%, **Fiserv** (FI) +55%, and **Visa** (V) +21%. As we have discussed these positions at length throughout 2024, we will focus our commentary on a few recent investments that made a meaningful contribution to our portfolio in Q4.

Our largest contributor to portfolio returns in Q4 was **Automatic Bank Services** (SHVA) +59%. We initiated our investment in SHVA in August 2023 and haven't previously disclosed it as we were waiting patiently for an opportunity to increase our holdings, which we did in Q3 2024. SHVA operates Israel's local payment network, following a business model similar to portfolio stalwart **Visa** (V). SHVA holds a monopoly position in the Israeli credit card market, powered by a strong network effect of merchants and consumers transacting via SHVA's systems. The Bank of Israel has previously encouraged Visa and **Mastercard** (MA) to enter the

Israeli market. However, SHVA's entrenched position is challenging to disrupt. Ultimately, Visa and Mastercard both chose to invest in SHVA instead, each holding a 10% stake (the maximum permitted by regulation).

Like Visa and Mastercard, SHVA's scale leads to exceptional unit economics as additional transactions flow through their network at near-zero incremental cost. It's an amazing business. However, a few recent challenges provided us with the opportunity to invest at an attractive price. First, SHVA was forced by Israeli regulators to separate from its sister company (inter-bank settlements operator Masab) in 2021. The separation resulted in increased overheads, additional capital spending on technology and increased headcount. The separation costs temporarily reduced SHVA's margins, leading to a stock price decline as we started a position in the company. As we anticipated, the company raised its prices to compensate for its increased operating costs.

Fast forward two years, and more bad news arrived in the form of the 2023 Israel-Hamas war. The conflict resulted in lower transaction volumes across SHVA's card network, putting temporary pressure on SHVA's revenues and profits. However, with the company's \$47 million cash balance (no debt) and highly profitable business model, there was no question that SHVA would weather these challenges. We used the second sell-off as an opportunity to increase our position in September 2024.

Israel's economy is gradually returning to growth, and SHVA's revenues and profits are reaching all-time highs. Following a strong Q3 report, the market finally took notice of the company's earnings power, and the stock re-rated and is now closing in on our estimate of its intrinsic value. We suspect SHVA will continue to compound at attractive rates in the years ahead. We thank fellow VALUExer Shmuel Goldberg for bringing this gem of a company to our attention.

Recent portfolio addition, **Lululemon Athletica** (LULU) +45% was the second largest

### Top 2024 Value Fund Contributors

AMERICAN EXPRESS

+58%

FISERV

+55%

ALPHABET

+35%

BERKSHIRE HATHAWAY INC

+27%

VISA

+21%

contributor to the Value Fund in Q4. As many fellow Canadians know, LULU has built an incredible brand by selling high-quality athleisure apparel. From its humble beginnings as a niche brand targeting Canadian yoga enthusiasts, LULU has expanded to selling a broad range of functional apparel across the United States, Europe, and Asia while adapting to fit local cultures.

LULU has consistently gained market share in North America, growing from less than a 3% share in 2017 to a 6.3% share in 2024 – second to only **Nike** (NKE). This growth has come remarkably efficiently, with returns on invested capital averaging 51% over the past 10 years. The company controls the customer experience by owning its retail stores (wholesale represents less than 10% of sales). At \$1,608 in sales per square foot in 2023, LULU sits atop the rankings for real estate productivity across apparel retailers in the US. Owning distribution also allows the company to manage the brand and avoid discounting. After a weak summer season driven by self-inflicted assortment missteps and a challenged US consumer, investors believed LULU’s best days were behind it as the stock declined 54% from its December 2023 peak. After a deep dive into the company, we came to a different view. With ample room to expand across Asia and Europe (markets that are as profitable as North America), the company should be able

## Largest Q4 Value Fund Contributors



AUTOMATIC BANK SERVICES

↑ +59%

SHVA holds a monopoly position in the Israeli credit card market, powered by a strong network effect of merchants and consumers transacting via SHVA’s systems.



LULULEMON ATHLETICA

↑ +45%

LULU has expanded to selling a broad range of functional apparel across the United States, Europe, and Asia while adapting to fit local cultures.

## Worst Value Fund Performers



ELEVANCE HEALTH

↓ -22%

We are comfortable with our position and feel the market is significantly undervaluing ELV compared with our assessment of the business’s intrinsic value.

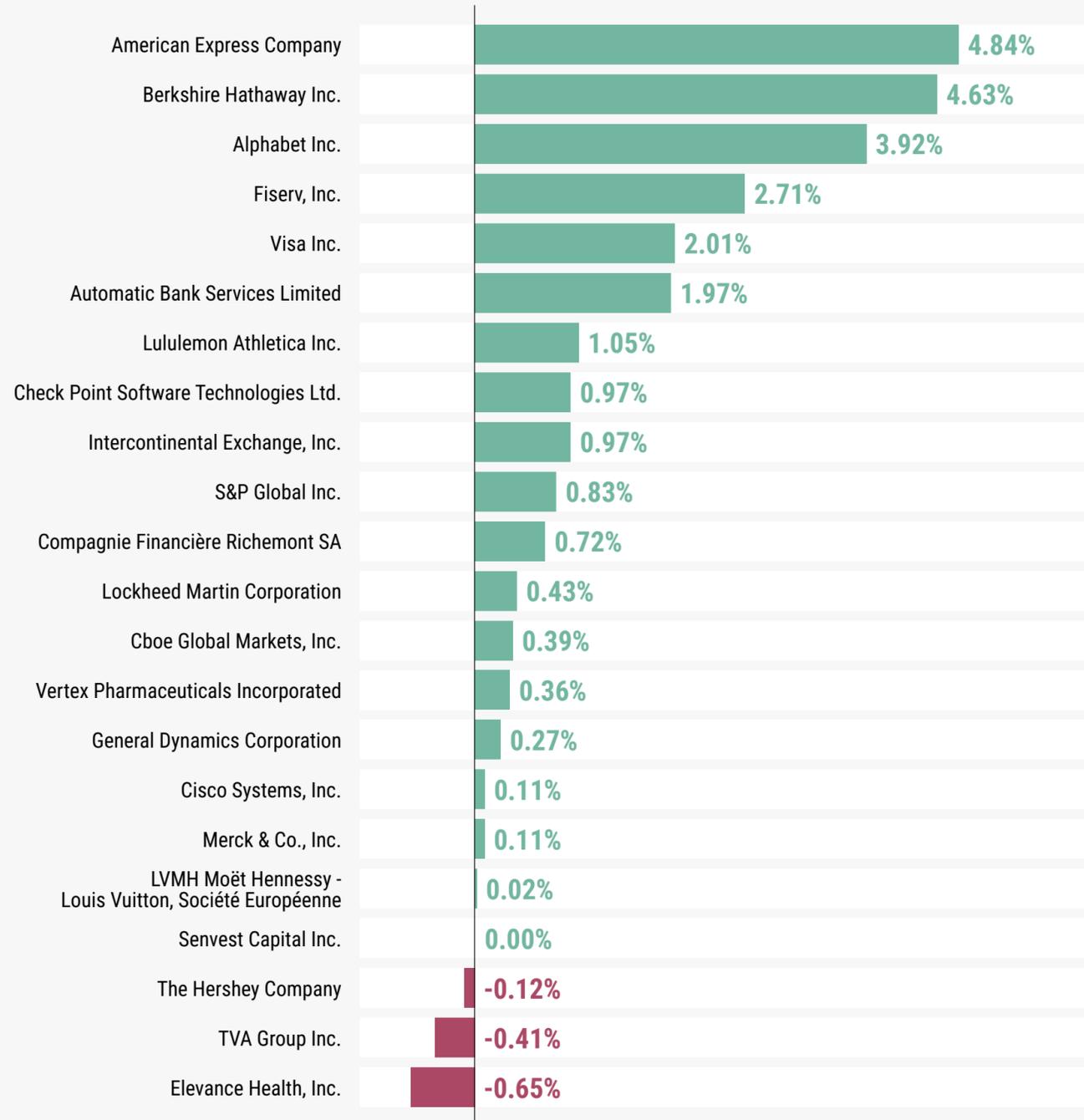


HERSHEY COMPANY

↓ -12%

With a pristine balance sheet and a strong management team, we believe HSY will maintain its leadership position.

## Portfolio Contributions



to increase its store count for years to come. Additionally, brand awareness remains low in the US at 31%. As LULU continues to improve its product breadth and menswear penetration (currently 23% of sales), we expect same-store sales to trend upwards. We thought the stock offered us many ways to win, and we initiated a position at the start of October at \$264. Following a strong Q3 report, the stock quickly re-rated and now trades at \$395.

While the quick +50% gain and adding another Canadian-domiciled company to the portfolio are great, what gets us really excited is our view that the intrinsic value of LULU's business should continue to grow at an attractive rate for many years. Adding a quality compounder to the portfolio at an attractive entry price is difficult and something we consistently strive to achieve.

We weren't perfect in 2024, and **Elevance Health** (ELV) -22% was our worst performer. The American healthcare insurer struggled during the third quarter as the industry grappled with healthcare costs rising significantly above historic levels. On the government side of the business (Medicaid, Medicare Advantage), reimbursement rates are typically set annually based on prior-year data. In periods of sharp cost increases, insurers' margins suffer due to the time lag before reimbursement rates are adjusted to reflect the new environment. ELV is working

with government agencies to match costs with rates, though this will likely take another three to six months to materialize. ELV's commercial segment, which generates the bulk of the company's insurance profits, continues to grow revenues with margins comparable to historical averages. ELV has proven it can adapt to changing government regimes, and we believe it will continue to do so with the incoming Trump administration. We are comfortable with our position and feel the market is significantly undervaluing ELV compared with our assessment of the business's intrinsic value.

Another laggard for the year was **Hershey Company** (HSY) -12%. We purchased HSY in May after the stock came under pressure due to a historic rise in cocoa prices. Cocoa futures surged nearly 300% earlier this year as poor weather conditions and disease outbreaks in West Africa led to significantly reduced harvests. Commodity prices typically revert to the mean over time as farmers respond to high prices by increasing supply. However, increased regulations in Europe and Africa have left farmers hesitant to plant additional cocoa trees, keeping prices elevated. While the supply shock is lasting longer than we initially anticipated, we believe HSY will weather the storm better than competitors who face the same rise in input costs. Putting a stronger emphasis on products with lower

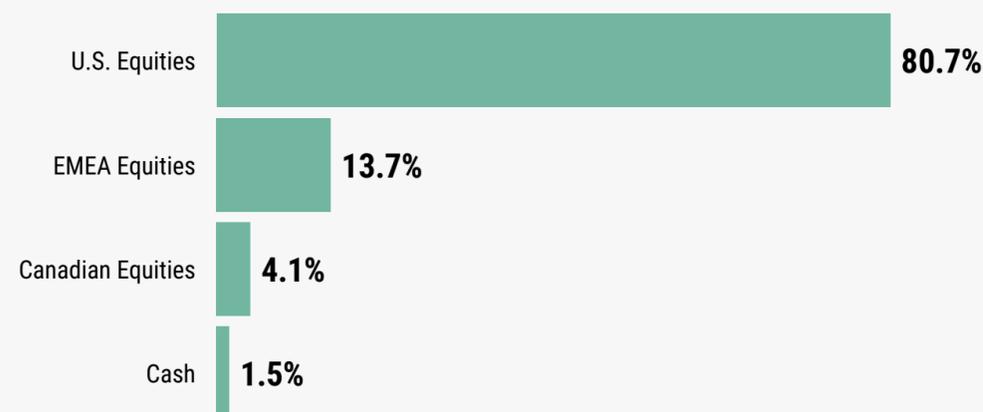
cocoa inputs (e.g., Reese's, Dot's, Twizzlers) and raising prices are a few levers the company can pull. HSY leads the US chocolate aisle with a 36% market share and has been consistently gaining share over the past decade. With a pristine balance sheet and a strong management team, we believe HSY will maintain its leadership position as it waits for supply costs to normalize.

Overall, 2024 was another strong year for the Value Fund. We added three new companies to the portfolio: LULU, a starter position in luxury giant **LVMH Moët Hennessy Louis Vuitton** (MC.PA/LVMU) and HSY. We fully exited **Cisco Systems** (CSCO) as we thought the company was fully valued and were finding more attractive opportunities for our capital.

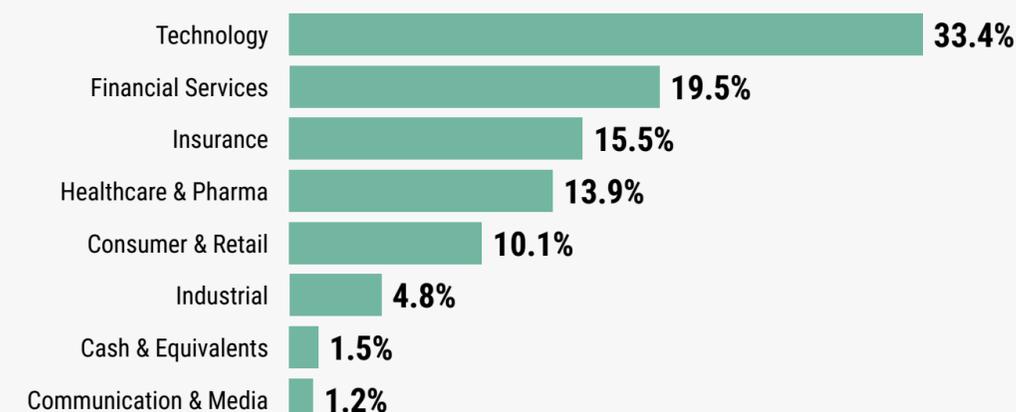
The Value Fund finished the year +23.6% (net) with a 1.5% net cash position and \$33M of unrealized gains on its \$64M of equity investments. Our average portfolio turnover for the past 5 years has been 11.8%, which implies an average holding period of 8.5 years. One of the benefits of our low-turnover portfolio and long-term approach is its tax efficiency. Once again, we were able to shelter all taxable income within the Value Fund in 2024. As a result, there was no year-end distribution and no tax payable by Value Fund clients.

## Portfolio Allocations

### ASSET MIX\*



### SECTOR



## Top 10 Holdings\*\*

	SECTOR	MARKET VALUE	PORTFOLIO WEIGHT	ORIGINAL COST	UNREALIZED GAIN (LOSS) \$	UNREALIZED GAIN (LOSS) %
<b>Berkshire Hathaway Inc.</b>	Insurance	\$10,065,692	15.7%	\$3,133,182	\$6,932,511	221%
<b>Alphabet Inc.</b>	Technology	\$7,483,986	11.7%	\$2,106,556	\$5,377,430	255%
<b>American Express Company</b>	Financial Services	\$5,864,700	9.1%	\$2,129,173	\$3,735,527	175%
<b>Visa Inc.</b>	Technology	\$4,990,527	7.8%	\$1,559,800	\$3,430,727	220%
<b>Fiserv, Inc.</b>	Technology	\$4,102,604	6.4%	\$1,766,173	\$2,336,431	132%
<b>Vertex Pharmaceuticals Incorporated</b>	Healthcare & Pharma	\$3,206,981	5.0%	\$1,636,007	\$1,570,974	96%
<b>Merck &amp; Co., Inc.</b>	Healthcare & Pharma	\$3,032,180	4.7%	\$2,071,479	\$960,701	46%
<b>Elevance Health, Inc.</b>	Healthcare & Pharma	\$2,795,664	4.4%	\$1,842,083	\$953,581	52%
<b>Intercontinental Exchange, Inc.</b>	Financial Services	\$2,751,902	4.3%	\$1,626,243	\$1,125,658	69%
<b>Compagnie Financière Richemont SA</b>	Consumer & Retail	\$2,475,353	3.9%	\$1,870,892	\$604,461	32%

\* Based on corporate domicile

\*\* As of December 31, 2024. The Value Fund's holdings are subject to change and are not recommendations to buy or sell any security.

# THE SURE PATH TO RICHES

■ The ancient Romans had this wonderful adage: *Festina lente* (Make haste slowly). The difference between long-term greatness and mediocrity isn't in the spectacular moments. Yes, they help. But most of the freight is carried by consistent execution and avoiding critical errors.<sup>3</sup> Large and permanent losses impacting one's portfolio put you on the wrong side of the power of compounding and are to be avoided at all costs.

**The formula for getting rich over time is clear and available to almost anyone!** Use debt sparingly. Consistently spend less than you earn, invest the difference prudently and let time and compounding work their magic. But deferred gratification is hard, as demonstrated by the Stanford Marshmallow Experiment. As Shane Parrish said on a recent podcast, many people can't help themselves and ask for trouble when they try to rush things.<sup>4</sup> Instead of following the sure path, we seek a life hack in today's modern world of social media and short attention spans. Speculative assets like Bitcoin are a prime example.

I can't recall the source, but someone once remarked that the real money is in the tail. This means that the power of compounding can lead to mind-blowing results in our later years. Despite being educated in mathematics and finance, I still find myself occasionally surprised about how capital compounds. The human mind has evolved for linear thinking and struggles with power laws. The chart below can help.

As you can see, Buffett accumulated almost all his net worth **after age 60!** Even more remarkable is that these mind-blowing figures don't include his donations to various charities over the years. By our math, his original holdings in Berkshire Hathaway (BRK.A) alone would be worth over \$315 billion. Remarkable.

If you're looking to make a financial New Year's resolution, here's one to try: Avoid the tempting siren call of speculative assets that are hot at the moment and instead invest

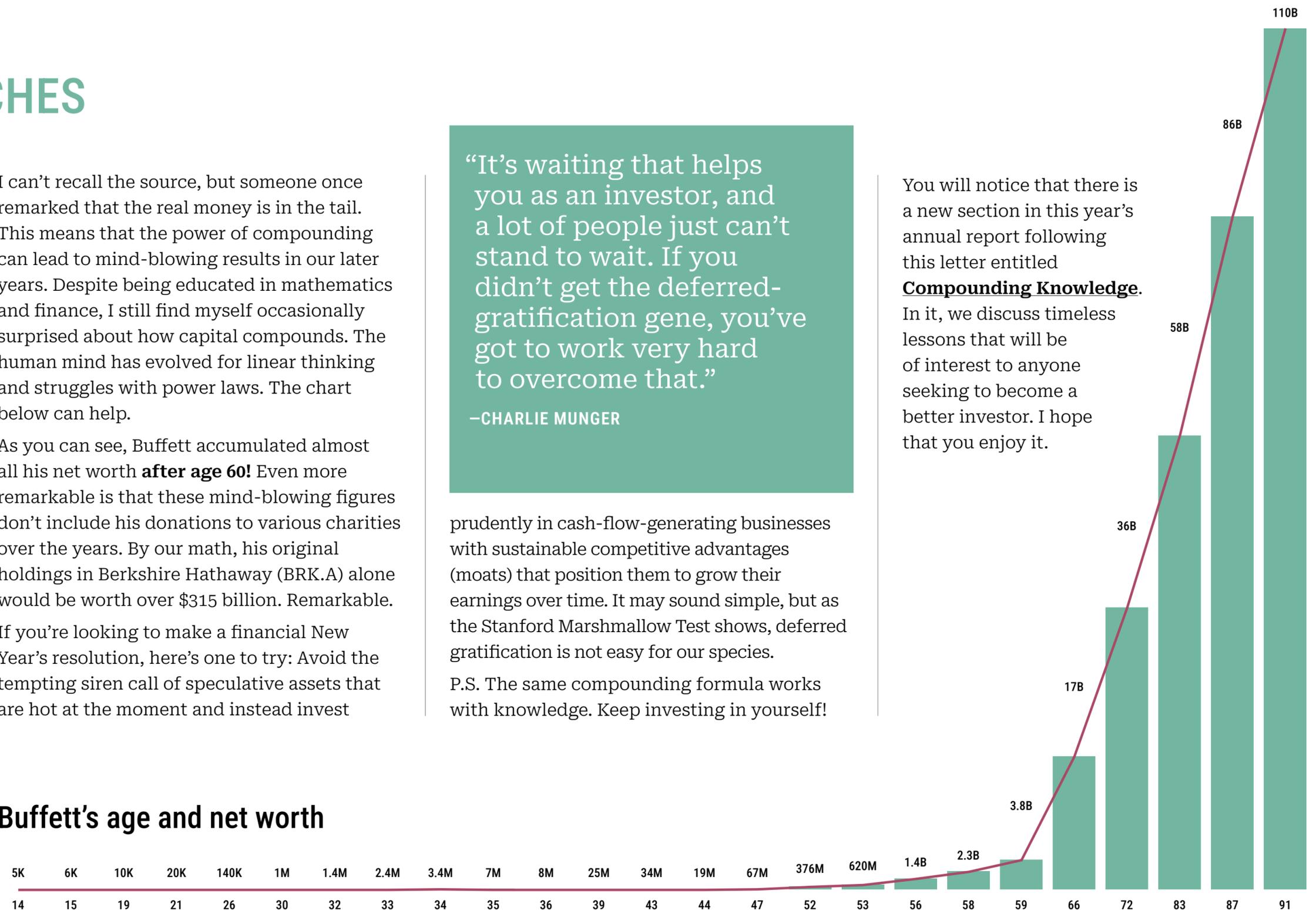
“It's waiting that helps you as an investor, and a lot of people just can't stand to wait. If you didn't get the deferred-gratification gene, you've got to work very hard to overcome that.”  
 —CHARLIE MUNGER

prudently in cash-flow-generating businesses with sustainable competitive advantages (moats) that position them to grow their earnings over time. It may sound simple, but as the Stanford Marshmallow Test shows, deferred gratification is not easy for our species.

P.S. The same compounding formula works with knowledge. Keep investing in yourself!

You will notice that there is a new section in this year's annual report following this letter entitled **Compounding Knowledge**. In it, we discuss timeless lessons that will be of interest to anyone seeking to become a better investor. I hope that you enjoy it.

**Buffett's age and net worth**



3. Inspired by Shane Parrish's free weekly [Brain Food](#) blog, which we highly recommend.  
 4. Inspired by The Knowledge Project Podcast Episode #208: [Ryan Holiday: How to Win the War with Yourself](#)

## WHY GREENSKEEPER EXISTS

■ Some 15 years ago, I decided to leave Bay Street behind and started managing my own money full-time. My sister and brother then gave me *all* of their money to manage. Next came Mom and Dad, and a few close friends. When you manage money for those whom you care about most, it may not guarantee results, but it certainly guarantees focus and effort. Fortunately, they have been happy with the results that flowed from the trust they placed in me.

I created GreensKeeper as a vehicle to allow *others*, to have their money invested in the same way that I manage my own. My wife and I have 100% of my household's investment portfolio invested alongside the firm's clients. In our case, it represents over 70% of our personal net worth. The firm's employees also have their entire investment portfolios invested at the firm. As a result, GreensKeeper's approach is one of *partnership*.

The words of famed French value investor Jean-Marie Eveillard, First Eagle Funds, expresses our attitude better than we can:

*"I would rather lose half our clients ... than lose half of our clients' money."*

From humble beginnings, GreensKeeper has grown from \$3 million in assets under management (AUM) at launch to approximately \$167 million at present and growing fast.

Charlie Munger once remarked that the best way to get what you want is *to deserve it*. Almost all our growth since inception has come from referrals from existing clients. And that small group of original investors keeps growing and picking up speed, like a snowball rolling downhill.

As you can probably tell, like our equity portfolios, our firm is different. If you share our long-term mindset and would like to join our growing client base, please give me a call.

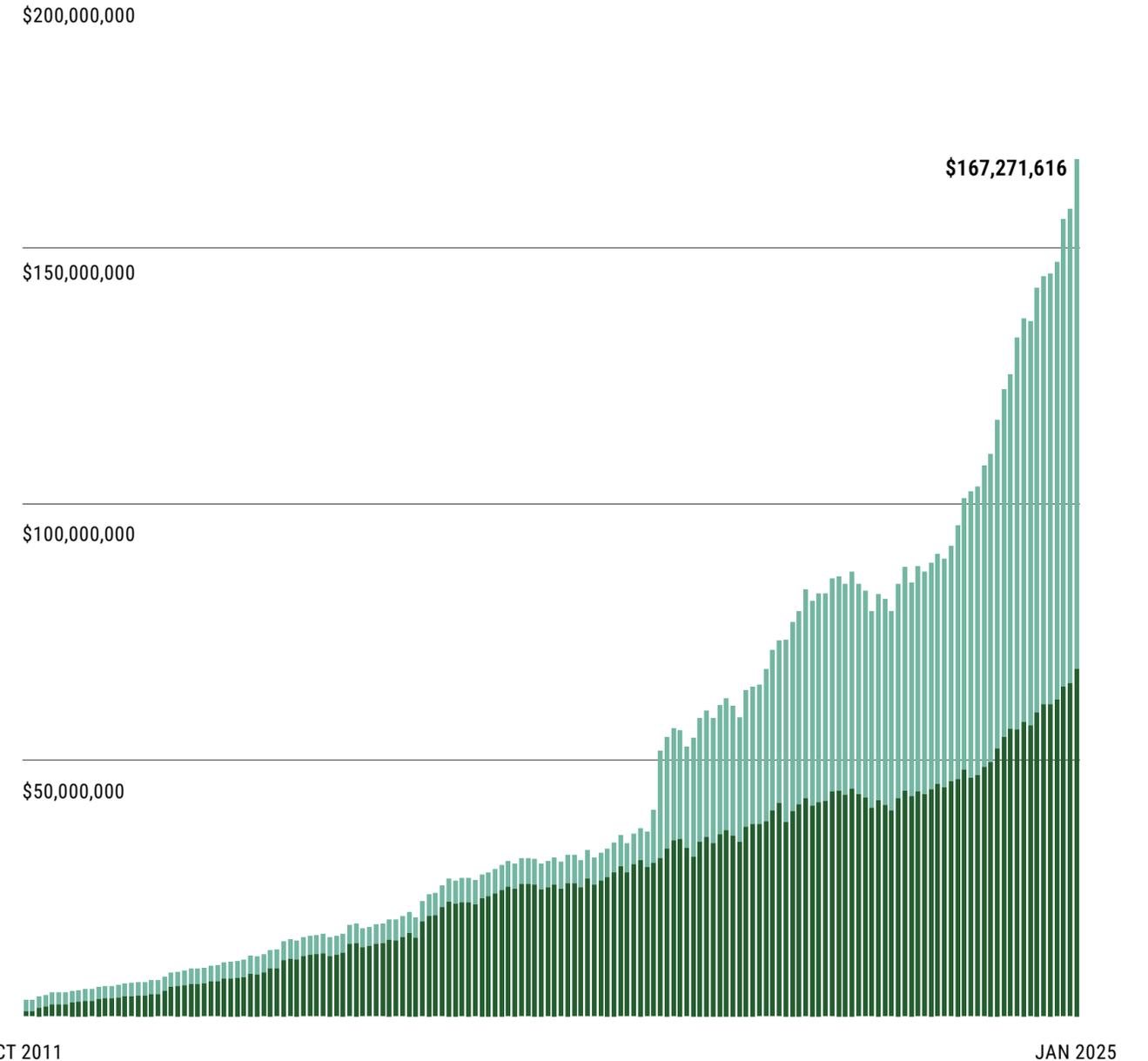
It has been another great year. Thank you for the opportunity to grow your wealth alongside our own.

**Michael McCloskey**

Founder & Chief Investment Officer

## Assets Under Management (AUM)

■ VALUE FUND ■ MANAGED ACCOUNTS



# COMPOUNDING KNOWLEDGE



**Michael McCloskey**  
FOUNDER, PRESIDENT & CHIEF  
INVESTMENT OFFICER

After 30 years in the finance industry, I've picked up a thing or two. Sometimes the hard way.

Rereading GreensKeeper's quarterly Scorecard newsletters since the firm's inception in 2011 was a strange experience. It almost felt like travelling back in time. My early writing made me wince on occasion and revealed how much my former self had yet to learn. But learn I did, and like my investing heroes Warren Buffett and Charlie Munger, I now feel a need to share.

The following is a collection of timeless ideas, mental models and lessons learned that can benefit anyone – not just those interested in becoming a better investor.

I look forward to adding to them in the future as I glean new insights and experience. Knowledge, like capital, compounds if you keep at it. And I'm hopeful that a decade from now, I will once again be surprised by how much more my future self has learned.

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## BEDTIME STORIES

When GreensKeeper’s summer analysts arrive for their first day of work, they aren’t surprised when we discuss discounted cash flows (DCFs) and other standard fundamental stock analysis taught in business school. But little did they expect that the investment curriculum at GreensKeeper would include discussions of childhood Fairy Tales, Greek Mythology, Stoicism, and Zen Buddhism.

Like the reveal in **The Wizard of Oz**, let’s pull back the curtain on the multipronged investment process at GreensKeeper, see what goes on behind the scenes, and ultimately how it benefits the firm’s clients.

## ONE-FOOT HURDLES

“After 25 years of buying and supervising a great variety of businesses, Charlie and I have not learned how to solve difficult business problems. What we have learned is to avoid them. To the extent we have been successful, it is because we concentrated on identifying one-foot hurdles that we could step over rather than because we acquired any ability to clear seven-footers.”

—BERKSHIRE HATHAWAY  
1989 LETTER

■ **Goldilocks** was a very picky eater, not content to settle for the hot or cold porridge. She demanded that things be *just right*. We take the same approach to stocks and restrict our portfolio investments to situations that check all our investment boxes.

For example, before investing, it should be obvious that a stock is undervalued relative to its earnings power and prospects. If we need a detailed DCF model to justify an investment, it probably isn’t cheap enough.

People tend to underestimate and adequately appreciate the amount of randomness in the world. Given the many possible events that can impact a business, investors need to understand that investing is mainly about evaluating probabilities. But even good decisions can result in bad outcomes, and bad decisions can result in good outcomes.<sup>5</sup>

It is difficult to make predictions, especially about the future. - Danish proverb.

Great opportunities—highly mispriced valuations in high-quality, growing businesses—are rare and fleeting. When they present themselves, we can only take advantage of them if we have done the work in advance and are ready to pounce. Consequently, we spend most of our time at GreensKeeper doing that work, not trading. Our preparation also gives us an added

benefit: the conviction to make sizable bets when the right price is on offer.

One investment lesson we learned the hard way is that once we own a great company that is growing at an attractive rate, we should resist the temptation to sell it just because the price has increased. A few large winners can compensate for the mediocre ones and the inevitable mistakes. Some of our biggest mistakes in the past have been selling our compounders because we thought they were fully valued (e.g., Microsoft in 2015).

Buffett is notorious for holding stocks forever, even as a few came to dominate his equity portfolio. He understands that long holding periods come with two added benefits: the deferred realization of capital gains and an ever-improving understanding of a company and its industry over time. This is a lesson that took us some time to learn.

Compounders are like the **Goose that Laid the Golden Eggs**. They are to be nurtured, not culled. That doesn’t mean that we will never sell. If our investment thesis is no longer valid or we have a materially better opportunity for the funds, we won’t hesitate to sell. But we need to be highly confident that we are getting much better value in the new position and not some **bag of magic beans**.

5. Decision making expert and professional poker player Annie Duke refers to this phenomenon as ‘resulting’. We recommend her book *Thinking in Bets: Making Smarter Decisions When You Don’t Have All the Facts*.



## OUR FINANCIAL HOUSE IS MADE OF BRICK

■ To survive Mother Nature's inevitable storms, a house must be built on a solid foundation with quality materials. We teach this to our children via the fable of **The Three Little Pigs**. Yet, especially in bull markets, many adults seem to forget that childhood lesson when it comes to their financial house.

Seeking quick riches and egged on by the media and envy, we see many investment portfolios built of straw (Bitcoin and other speculative assets) and sticks (unprofitable companies trading at insane valuations like **Snapchat** (SNAP)). We prefer our investment portfolios to be constructed of brick.

The risk of the unexpected (e.g., the COVID-19 pandemic) compels us to restrict our portfolio investments to companies with limited debt and solid economics, the **bedrock** that our

portfolios are built upon. As a result, they can cope with inflation, higher interest rates, recessions, and other negative surprises. In other words, they are resilient.

As an added layer of protection, we limit purchases to securities trading at a material discount to their intrinsic value, conservatively calculated. By building in some additional cushion (margin of safety), our portfolios can weather some adversity and the occasional error of judgment.

Trying to predict and successfully time when the next storm will arrive is not a substitute for sturdy construction. Financial storms tend to arrive with little warning, as they did in 2008 and 2022. The key to resilience is to know that they will inevitably come and to prepare in advance.

## MAINTAINING INTELLECTUAL HUMILITY

■ To be successful in the investment game, investors need to have the conviction that their investment thesis is correct. Like **The Little Engine that Could**, one needs to believe. But when that belief becomes immutable, bad things can happen.

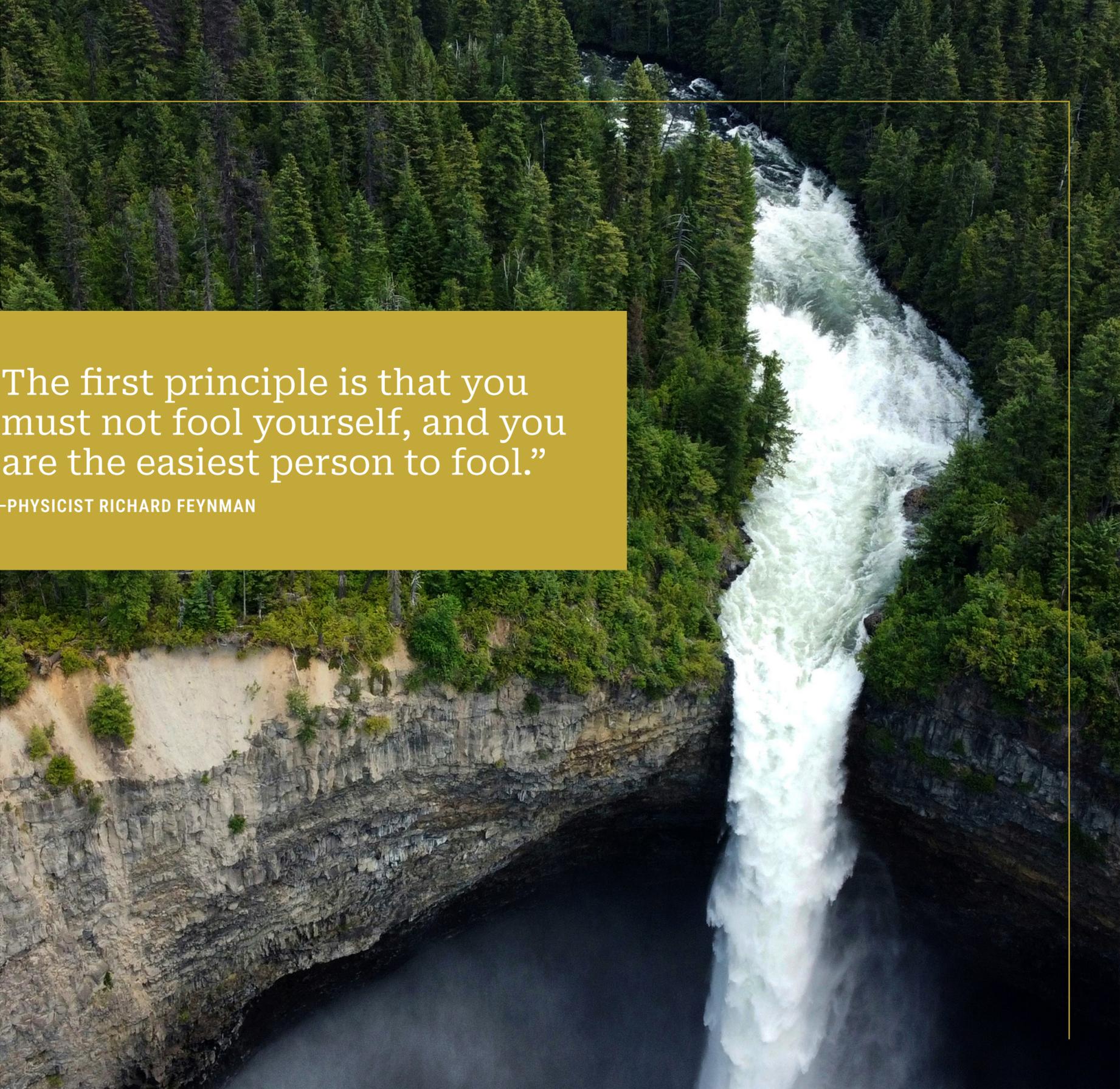
Buying or selling a stock is an inherently arrogant act. In every trade, there is someone on the other side. When you trade, in effect, you are saying that I am right, and my counterparty is wrong. The market eventually humbles every investor. Knowing that you are going to make mistakes when investing is a start.

Another form of helpful investment humility is being brutally honest about the limits of your knowledge. Buffett and Munger call this staying within your 'Circle of Competence.' Investors must ask themselves if

they truly understand what they are doing.

A complex investment thesis makes an investor feel smart but is also fraught with peril. At GreensKeeper, we stick to investing in businesses and industries that we understand and can be reasonably confident about the business' prospects. Unless a company has a moat (sustainable competitive advantage), that isn't easy to do.

As a result of these and other self-imposed constraints, there are many businesses that we won't invest in. Our research team knows there is no shame in admitting that we don't know if a stock is a good investment and simply moving on. We don't need to have an opinion about every stock. We only need to have a few great ideas every so often and to remain invested.



“The first principle is that you must not fool yourself, and you are the easiest person to fool.”

—PHYSICIST RICHARD FEYNMAN

## BEGINNER'S MIND AND CURIOSITY

■ There is a wonderful concept in Zen Buddhism called *Shoshin*, or 'Beginner's Mind.' It means having an attitude of openness, eagerness, and lack of preconceptions when studying, even at an advanced level, just as a beginner would.<sup>6</sup> Beginner's mind is a staple of many yoga practices and is a useful concept to apply to investing.

As the groundbreaking work of the late behavioural economist Daniel Kahneman revealed, humans struggle to change their minds and accept that a prior belief was misguided. Once a person takes a position, multiple forces (confirmation bias, commitment and consistency bias, genetics) conspire to make it very difficult to abandon.

In the context of investing, there is another specific pitfall. Once a person speaks or writes about a stock they own, the endowment effect and ego

become involved, making it even more difficult to pivot.

A beginner's mind, combined with insatiable curiosity, is an effective antidote for the aforementioned mental pitfalls. Great investors learn to master the skill of seeking out opposing views. In fact, we insist on actively studying opposing views (the bear case) on a stock before making any investment. Taking in different perspectives and listening to counterarguments with a genuinely open mind takes practice.

For those seeking wisdom and truth, we recommend asking questions of those who disagree with your positions and listening with an attitude of curiosity. Listening is a skill that is highly underrated in our society.



## LEARNING FROM MISTAKES

■ Even if an investor does everything right (deep research, solid investment rationale, etc.), investing, like golf, is not a game of perfect. Circumstances change, and mistakes will be made. How you respond to these events matters. GreensKeeper's culture is one of constant learning, seeking wisdom and truth, and owning up to mistakes. It is impossible to learn from mistakes unless you admit to them and ensure that they are not soon forgotten. Twenty-five years ago, I purchased shares in a speculative company, which quickly went to \$0 when the dot-com bubble burst. Despite repeated requests, I refuse to allow my broker

to remove the shares from my investment statement. Additionally, I share this story openly with the firm's employees (and now our clients) to reinforce our firm's culture.

Staring at that market value of \$0 constantly reminds me of what can happen if I get careless. Some things cannot be taught; they must be experienced. Never again.

We also find it helpful to keep a written investment journal documenting our reasons for making an investment decision. The timestamped journal helps us to fight hindsight bias and to look back objectively when doing a post-mortem on an investment.

“This is a profession that is as demanding as any other, including medicine or law. But too many individuals approach investing more like it’s a salad bar. They hear a bunch of ideas, and then they go pick certain ones out. But we can’t stress enough how hard one really has to work at this.”

—LASZLO BIRINYI, FOUNDER, BIRINYI ASSOCIATES

## TEMPERAMENT

■ Every investment style falls out of favour at times as market conditions change. However, over the long term, value investing has been shown to work *if consistently applied*. Yet it has been estimated that less than 5% of all investors are true value investors.

Our hypothesis for that surprising statistic is that most people lack the temperament demanded. When value is out of favour, the temptation to switch to another investing style or to trade portfolio holdings becomes too strong to resist. Much like the enchanting songs of the **Sirens** of Greek mythology, most captains can’t stay the course.

But flitting from one strategy to another based on market conditions is a fool’s game as it requires consistently making well-timed pivots. We believe that this is impossible to do consistently.

Success in investing requires matching your temperament with your investment style: they must be in harmony. Value investors need to be comfortable taking the path less travelled as their stock picks are often at odds with market popularity. A contrarian streak helps.

Being comfortable with inactivity is another asset for value investors. There have been years when we made no material changes to the Value Fund’s holdings. Our team doesn’t require the constant dopamine hit craved by day traders and the TikTok generation. When there is ‘nothing to do’ in the markets, our research team is content to study new businesses and update our models and watchlists.

In our experience, many investors lack interest in doing more than a cursory analysis of a company. Sometimes, a convincing narrative

at a cocktail party is sufficient. Being great at investing means putting in deep work every day over decades and constantly improving your craft. Being obsessed with markets and stocks and analyzing businesses helps. However, that intensity is only sustainable when someone truly loves what they do.

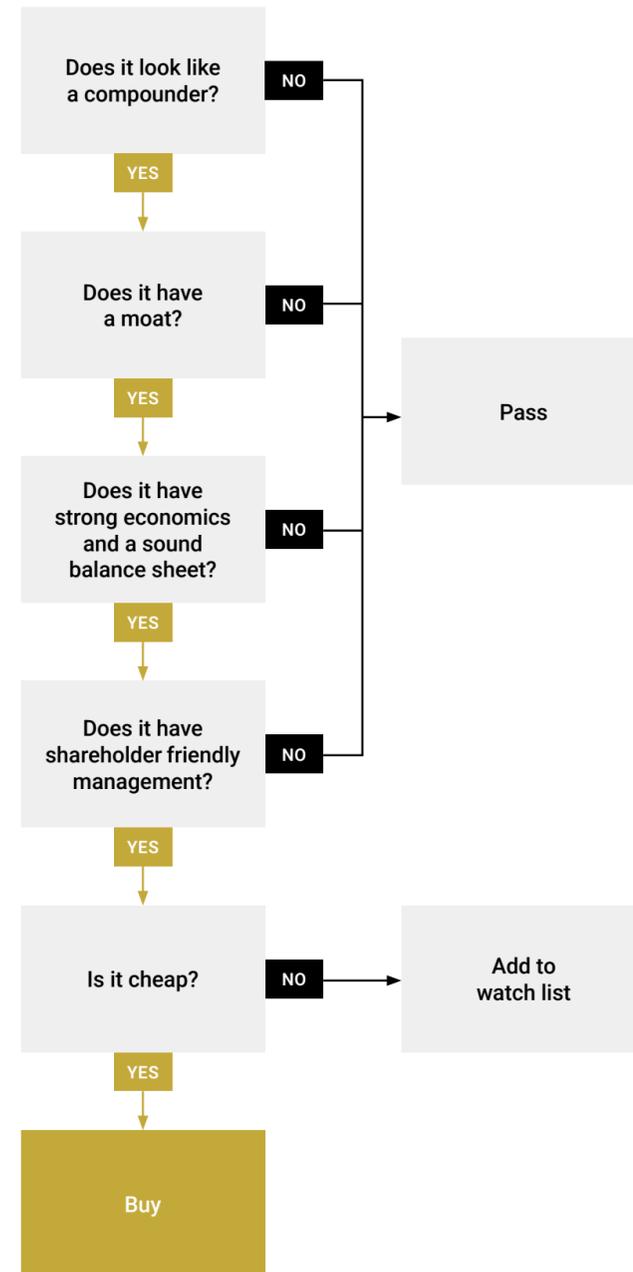
Most people can force themselves to do unpleasant things for only so long. To be great at this amazing game, it needs to be play, not work. Fortunately, our research team is endowed with the right wiring.

It also helps to be competitive. We know that we are competing daily against the best in the world. This is a high-stakes game, and we play to win. If you don’t love this game and give it your very best, you are roadkill.

# CONSISTENCY

■ We are all familiar with Aesop’s fable of **The Tortoise and the Hare**. The slow but steady tortoise is our investing hero. He ignores the hare’s taunts, puts his head down and relentlessly focuses on the task at hand. Value investing, done well, requires the tortoise’s consistency, long-term mindset and a willingness to look foolish in the short term. Value investors usually buy things hated by the market (and hence cheap).

One way to ensure consistency is to have a repeatable investment process. Our investment process at GreensKeeper incorporates numerous checklists that are rigorously consulted and constantly improved upon over time.<sup>7</sup>



7. We highly recommend the book The Checklist Manifesto by Dr. Atul Gawande.



“The two most powerful warriors are patience and time.”  
 —LEO TOLSTOY



## USING OUR TIME WISELY

■ Like **Cinderella** at the ball, we only have a limited amount of time, and we need to make the best use of it. Yet we are constantly baffled by the amount of time and energy that is squandered by the investment industry.

Turn on the television, and you will repeatedly hear the same questions discussed ad nauseam: ‘What will the markets do over the next month/year?’ ‘What will the stock price of X do over the next year?’ ‘Will the Fed cut interest rates two or three times this year?’

The answer to each of these questions is the same: we don’t know, and neither does the talking head on TV. We believe these are the wrong questions for those seeking long-term investment success.

Successful investors should be constantly asking an entirely different question. Namely, **‘What is this Stock Worth?’** In many cases, the answer to that question is knowable with effort.

Our research team spends its time answering that question for as many quality businesses as we are able to understand. Once we know

what a stock is worth, we anchor to it. The market quote is only relevant if we choose to take advantage of it by transacting with the market (buying or selling). When the current stock quote is attractive, we act. If it isn’t, we refine our estimate of intrinsic value, add the stock to our watchlist and move on to analyzing the next company.

Investors would benefit by constantly asking themselves, “What is this Stock Worth?” With the answer to that question in hand, the investing game becomes much more rewarding.

## CONTROLLING OUR EMOTIONS

■ Every investor can benefit from studying Stoic philosophy. One of its core tenets is embracing logic and rational thought over emotion.

While controlling our emotions is an essential investing skill, being aware of them is also important as they often provide a signal. Parents read bedtime stories to very young children to calm them and to help them outgrow their fear of imaginary things hiding in the dark. But in the investing world, the Boogeyman is all too real and is better known by another name: **risk**. We can assure you that it is always lurking. During periods of frothy markets, investors tend to forget the Boogeyman. It is worth remembering that risk is ever present and only becomes visible once euphoria fades and panic overwhelms investors.

In addition to pursuing rationality, the Stoics also advise that it is essential to divide the world into things that are within our control and things that are not. As investors, we must accept that ill fortune and challenges will sometimes befall every life and business. When they do, all that we can control is how we respond. The ability to maintain a sense of equanimity while under stress is a very valuable skill.

Market panics reveal those who have prepared and can remain calm and measured and those who quickly lose their heads when adversity strikes. Since our founding over 14 years ago, tough times are when we have been at our best. The Stoics teach us how to be resilient and their mental models are useful tools to add to every investor’s toolbox.



“All the effort that goes into unknowable questions comes at the expense of things we can know.”

—SHANE PARRISH, FARNAM STREET

## INVESTING'S GOLDEN RULE

■ The Golden Rule of “do unto others ...” has a less-well-known parallel in the investment world which was coined by the Oracle of Omaha:

### **RULE #1**

Don't lose money.

### **RULE #2**

Don't forget Rule #1.

Investing's Golden Rule incorporates a concept that the human mind struggles to comprehend—power laws and the mathematics of uninterrupted compounding. Albert Einstein was on to something when he called compound interest the eighth wonder of the world.

Investing's Golden Rule sounds simple enough. But in practice, it is often forgotten, especially when stock markets are bullish and risk taking becomes widespread.

## MY PAINTING

■ Despite my mother's protestations to the contrary, I was never any good at art. It just wasn't my thing. But I did find my passion and talent when it came to investing.

Warren Buffett gave a speech in his native Omaha in 2003 and spoke about why he continued to work despite his enormous wealth. His answer was simple – he loved managing money and running Berkshire Hathaway:

*“I mean, I feel like I'm on my back, and there's the Sistine Chapel, and I'm painting away; it's my painting, and somebody says, ‘Why don't you use more red instead of blue?’ Goodbye. It's my painting. And I don't care what they sell it for. That's not part of it. The painting itself will never be finished. That's one of the great things about it.”*

—WARREN BUFFETT, SPEECH AT THE OQUIRRH CLUB, “AN EVENING WITH WARREN BUFFETT”, OCTOBER 2003.

While I can't paint with my hands, I can paint with my mind. The equity portfolio that we constantly create at GreensKeeper is that painting. I am truly blessed to be able to wake up in the morning and do what I love to do for a living.

## INVESTING IS HARD

■ Will AI take our jobs? Hardly. For those who made it this far, I suspect you have a better sense that investing done well is about much more than mechanical number crunching. If math were the only thing that mattered, then yes, AI would be a threat to active managers like GreensKeeper. But the math is the easy part. The real art of investing lies in the judgment involved in predicting the future with any degree of certainty.

*“Within capitalism, some businesses will flourish for a very long time while others will prove to be sinkholes. It’s harder than you would think to predict which will be the winners and losers.”*

—BERKSHIRE HATHAWAY  
2023 ANNUAL REPORT

This quote comes from the guy with one of the best investment track records in history. The Oracle of Omaha once said that

value investing is simple but not easy. As usual, he is right. Investing is hard!

Our commonsense approach to equity investing has not changed since GreensKeeper’s inception and it never will. These core value investing principles are deeply imbedded in our culture, and are timeless:

- Focus on fundamentals and valuations, not trying to predict market movements
- Stay invested
- Invest in quality companies
- Avoid leverage and be prepared to act when opportunity knocks

Given the unpredictability of the world and our own fallibility, accept that you will make some mistakes. Keep learning from them and working at it. Knowledge, like interest, compounds over time. Enjoy the journey!



“[Investing] is not supposed to be easy. Anyone who finds it easy is stupid.”

—CHARLIE MUNGER

# AUDITOR'S REPORT & FINANCIAL STATEMENTS

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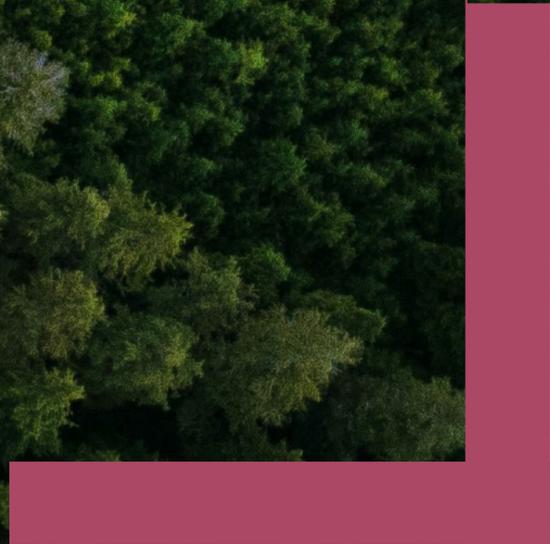
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# INDEPENDENT AUDITOR'S REPORT

For the years ended December 31, 2024 and 2023



## Independent Auditor's Report

To the Unitholders of GreensKeeper Value Fund:

### Opinion

We have audited the financial statements of GreensKeeper Value Fund (the "Fund"), which comprise the statements of financial position as at December 31, 2024 and December 31, 2023, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units 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 Fund as at December 31, 2024 and December 31, 2023, 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 Fund 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.

### Other Information

Management is responsible for the other information. The other information comprises the annual report. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

# INDEPENDENT AUDITOR'S REPORT (CONTINUED)

For the years ended December 31, 2024 and 2023

## 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 Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund'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 Fund'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 Fund'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 Fund 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.

Waterloo, Ontario

March 14, 2025

*MNP* LLP

Chartered Professional Accountants

Licensed Public Accountants

**MNP**

**MNP**

# FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

The accompanying notes are an integral part of these financial statements

## STATEMENTS OF FINANCIAL POSITION

As at December 31, 2024 and 2023

	2024	2023
<b>Assets</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,509,348	\$ 2,062,881
Interest and dividends receivable	20,986	26,499
Subscription receivable (note 13)	407,720	1,096,075
Investments (note 11)	64,108,898	47,562,160
	<u>66,046,952</u>	<u>50,747,615</u>
<b>Liabilities</b>		
<b>CURRENT LIABILITIES</b>		
Management fees payable (note 7)	16,685	21,463
Accounts payable and accrued liabilities	52,528	48,824
Redemptions payable (note 14)	744,529	1,128,887
Performance fee payable (note 7)	467,446	-
	<u>1,281,188</u>	<u>1,199,174</u>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>	<b>\$ <u>64,765,764</u></b>	<b>\$ <u>49,548,441</u></b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER CLASS</b>		
Class A	\$ 10,106,686	\$ 12,087,966
Class F	3,218,854	3,856,573
Class G	51,440,224	33,603,902
	<u>\$ 64,765,764</u>	<u>\$ 49,548,441</u>
<b>NUMBER OF REDEEMABLE UNITS OUTSTANDING PER CLASS (NOTE 8)</b>		
Class A	369,744	546,905
Class F	109,699	162,434
Class G	2,049,621	1,751,356
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER CLASS AND UNIT</b>		
Class A	\$ 27.33	\$ 22.10
Class F	29.34	23.74
Class G	25.10	19.19

Approved on behalf of the Trust:



Manager-Trustee, GreensKeeper Asset Management Inc.

# FINANCIAL STATEMENTS (CONTINUED)

For the years ended December 31, 2024 and 2023

## STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2024 and 2023

	2024	2023
<b>INCOME</b>		
Dividends	\$ 551,841	\$ 359,733
Interest income for distribution purposes	68,866	131,866
Net realized gain on sale of investments	1,575,642	303,131
Net change in unrealized appreciation on financial assets at fair value through profit or loss	13,390,288	6,060,151
Net foreign exchange gain (loss)	14,168	(19,727)
Other income	281	283
	<u>15,601,086</u>	<u>6,835,437</u>
<b>EXPENSES</b>		
Performance fees (note 7)	614,838	–
Management fees (note 7)	232,655	251,752
Operating costs	163,162	152,091
Withholding tax	98,210	53,960
Commissions and other portfolio transaction costs	1,287	3,325
	<u>1,110,152</u>	<u>461,128</u>
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>	<b>\$ 14,490,934</b>	<b>\$ 6,374,309</b>
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER CLASS</b>		
Class A	\$ 2,463,535	\$ 1,589,558
Class F	702,829	456,092
Class G	11,324,570	4,328,659
	<u>\$ 14,490,934</u>	<u>\$ 6,374,309</u>
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT (NOTE 12)</b>		
Class A	\$ 5.33	\$ 2.62
Class F	5.97	2.95
Class G	5.84	2.57

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31, 2024 and 2023

	Net assets attributable to holders of redeemable units, beginning of year	Proceeds from redeemable units issued*	Redemption of redeemable units*	Increase in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of year
<b>2024</b>					
Class A	\$ 12,087,966	\$ 1,608,388	\$ (6,053,203)	\$ 2,463,535	\$ 10,106,686
Class F	3,856,573	521,461	(1,862,009)	702,829	3,218,854
Class G	33,603,902	9,679,300	(3,167,548)	11,324,570	51,440,224
	<u>\$ 49,548,441</u>	<u>\$ 11,809,149</u>	<u>\$ (11,082,760)</u>	<u>\$ 14,490,934</u>	<u>\$ 64,765,764</u>
<b>2023</b>					
Class A	\$ 12,572,052	\$ 849,182	\$ (2,922,826)	\$ 1,589,558	\$ 12,087,966
Class F	2,779,101	621,380	–	456,092	3,856,573
Class G	27,575,426	2,337,460	(637,643)	4,328,659	33,603,902
	<u>\$ 42,926,579</u>	<u>\$ 3,808,022</u>	<u>\$ (3,560,469)</u>	<u>\$ 6,374,309</u>	<u>\$ 49,548,441</u>

\* Total proceeds from redeemable units relating to switch-ins and redemptions of redeemable units relating to switch-outs for the year ended December 31, 2024 were \$5,850,683 and \$(5,850,683), respectively.

\*\* Total proceeds from redeemable units relating to switch-ins and redemptions of redeemable units relating to switch-outs for the year ended December 31, 2023 were \$1,644,084 and \$(1,644,084), respectively.

# FINANCIAL STATEMENTS (CONTINUED)

For the years ended December 31, 2024 and 2023

## STATEMENTS OF CASH FLOWS

For the years ended December 31, 2024 and 2023

	2024	2023
Cash provided by (used in):		
<b>OPERATING ACTIVITIES</b>		
Increase in net assets attributable to holders of redeemable units	\$ 14,490,934	\$ 6,374,309
Adjustments for non-cash items		
Net realized gain on sale of investments	(1,575,642)	(303,131)
Net change in unrealized appreciation on financial assets at fair value through profit or loss	(13,390,288)	(6,060,151)
Net realized foreign exchange loss on cash	5,018	167,077
Net foreign exchange (gain) loss	(14,168)	19,727
Change in non-cash balances		
Decrease (increase) in interest and dividends receivable	5,513	(8,689)
(Decrease) increase in management fees payable	(4,778)	1,818
Increase in accounts payable and accrued liabilities	3,704	2,487
Increase in performance fee payable	467,446	-
Proceeds from sale of investments	3,156,986	549,645
Purchase of investments	(4,737,794)	(4,665,086)
Cash used in operating activities	(1,593,069)	(3,921,994)
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of redeemable units	12,497,504	2,714,447
Amount paid on redemption of redeemable units	(11,467,118)	(2,469,369)
Cash provided by financing activities	1,030,386	245,078
Decrease in cash during the year	(562,683)	(3,676,916)
Foreign exchange gain (loss) on cash	9,150	(186,804)
Cash, beginning of year	2,062,881	5,926,601
Cash, end of year	\$ <u>1,509,348</u>	\$ <u>2,062,881</u>
<b>SUPPLEMENTAL INFORMATION*</b>		
Interest received	\$ 76,983	\$ 123,748
Dividends received, net of withholding taxes	451,027	305,201

\*Included as a part of cash flows from operating activities

## SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2024

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
<b>CANADIAN EQUITY</b>				
789,800	TVA Group Inc.	\$ 1,755,213	\$ 813,494	1.26
<b>ISRAELI EQUITY</b>				
281,107	Automatic Bank Services Ltd.	1,591,759	2,743,592	4.24
<b>U.S. EQUITIES</b>				
26,380	Alphabet Inc.	1,987,472	7,222,979	11.15
959	Alphabet Inc.	119,084	261,007	0.40
13,744	American Express Co.	2,129,173	5,864,700	9.06
13,943	Berkshire Hathaway Inc.	2,812,570	9,086,699	14.03
1	Berkshire Hathaway Inc.	320,612	978,993	1.51
5,103	Cboe Global Markets Inc.	559,696	1,433,618	2.21
8,995	Check Point Software Technologies Ltd.	1,265,775	2,414,509	3.73
113,418	Cie Financiere Richemont SA	1,870,892	2,475,353	3.82
5,271	Elevance Health Inc.	1,842,083	2,795,664	4.32
13,891	Fiserv Inc.	1,766,173	4,102,604	6.33
4,000	General Dynamics Corp.	737,757	1,515,331	2.34
12,845	Intercontinental Exchange Inc.	1,626,243	2,751,902	4.25
2,350	Lockheed Martin Corp.	998,130	1,641,852	2.54
3,331	lululemon athletica Inc.	1,187,867	1,831,417	2.83
6,718	LVMH Moet Hennessy Louis Vuitton SA	1,258,136	1,262,309	1.95
21,200	Merck & Co Inc.	2,071,479	3,032,180	4.68
3,700	S&P Global Inc.	545,144	2,649,358	4.09
4,246	The Hershey Co.	1,127,939	1,033,829	1.60
5,539	Vertex Pharmaceuticals Inc.	1,636,007	3,206,981	4.95
10,983	Visa Inc.	1,559,800	4,990,527	7.71
		27,422,032	60,551,812	93.50
<b>TOTAL INVESTMENTS OWNED</b>		30,769,004	64,108,898	99.00
Commissions and other portfolio transaction costs		(12,150)	-	-
<b>NET INVESTMENTS OWNED</b>		\$ <u>30,756,854</u>	64,108,898	99.00
<b>OTHER ASSETS, NET</b>			656,866	1.00
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>			\$ <u>64,765,764</u>	100.00

# NOTES TO THE FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023



## 1. NATURE OF OPERATIONS:

GreensKeeper Value Fund (the “Trust”) is an investment trust which was created under the laws of the Province of Ontario pursuant to a declaration of trust dated January 1, 2011 and amended and restated as of November 11, 2019 (the “Trust Agreement”). GreensKeeper Asset Management Inc., a company incorporated under the laws of Canada, is the trustee, manager and investment advisor of the Trust (the “Trustee” or “Manager” or “Investment Advisor”). The Manager is responsible for approving and monitoring the Trust’s various service providers, including the Investment Advisor, in accordance with the terms of the Trust Agreement. The Trust has engaged the Investment Advisor to direct the day-to-day business, operations and affairs of the Trust, including management of the Trust’s portfolio on a discretionary basis and distribution of the redeemable units of the Trust pursuant to a management agreement dated as of January 17, 2014, as amended and restated November 11, 2019. The Trust’s place of business is 2010 Winston Park Drive, Suite 200, Oakville, Ontario L6H 5R7.

The investment objective of the Trust is to deliver absolute returns to unitholders (net of all fees) in excess of both the S&P/TSX Index and the S&P500 Index (measured in Canadian dollars) over the long term. The Trust seeks to achieve its objective through investments in a concentrated portfolio, primarily in equities from any sector and capitalization scale.

The success of the Trust depends on the continued services of the Manager and will be influenced by a number of risk factors associated with investments in equities, options, and other instruments, including derivative hedge risk, market liquidity, portfolio turnover, foreign currency exposure, foreign market exposure, and interest rate fluctuations.

## 2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE:

### (A) STATEMENT OF COMPLIANCE:

These financial statements have been prepared in compliance with IFRS® Accounting Standards (“IFRS”) as published by the International Accounting Standards Board (“IASB”).

These financial statements were authorized for issue by the Trustee on March 14, 2025.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the years ended December 31, 2024 and 2023

## 2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE (CONTINUED):

### (B) BASIS OF MEASUREMENT:

These financial statements have been prepared on a historical cost basis, except for investments, which are measured and presented at fair value.

### (C) FUNCTIONAL AND PRESENTATION CURRENCY:

The Trust's financial statements are presented in Canadian dollars, which is the functional currency of the Trust.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION:

### (A) FINANCIAL ASSETS AND FINANCIAL LIABILITIES: RECOGNITION AND INITIAL MEASUREMENT:

Financial assets or liabilities at financial assets at fair value through profit or loss ("FVTPL") are initially recognized on the trade date, which is the date the Trust becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

Financial assets and financial liabilities at FVTPL are initially measured at fair value, with transaction costs recognized in profit or loss. Financial assets and financial liabilities not at FVTPL are initially measured at fair value plus transaction costs that are directly attributable to their acquisition or issue.

#### **Derecognition:**

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire or the Trust transfers the financial asset and substantially all the risks and rewards of the ownership of the asset to another entity. The Trust derecognizes financial liabilities when its obligations are discharged, cancelled or expired.

### (B) CLASSIFICATION:

The Trust classifies its investments at FVTPL based on the Trust's business model for managing those financial assets in accordance with the Trust's documented investment strategy. The portfolio of investments is managed and performance is evaluated on a fair value basis and the portfolio of

investments is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The Trust is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Refer to [note 3\(m\)](#) for the classification of the Trust's other financial instruments apart from investments.

### (C) FAIR VALUE MEASUREMENT:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Trust has access at that date. The fair value of a liability reflects its non-performance risk.

The Trust measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Trust measures instruments quoted in an active market at last sale or close price, where the close price falls within the day's bid-ask spread. In circumstances where the close price is not within the day's bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on specific facts and circumstances.

Investments measured at fair value are classified into one of three fair value hierarchy levels, based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The three fair value hierarchy levels are as follows:

- a. Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b. Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- c. Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to [note 11](#) for fair value measurement analysis.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the years ended December 31, 2024 and 2023

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED):

### (D) OFFSETTING FINANCIAL INSTRUMENTS:

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Trust may enter into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the related amounts to be offset in certain circumstances, such as bankruptcy or termination of the contracts.

Income and expenses are presented on a net basis for gains and losses from financial instruments at fair value through profit or loss and foreign exchange gains and losses.

### (E) COMMISSIONS AND OTHER PORTFOLIO TRANSACTION COSTS:

Commissions and other portfolio transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Such costs are expensed and are included in commissions and other portfolio transaction costs in the statements of comprehensive income.

### (F) COST OF INVESTMENTS:

The cost of investments represents the amount paid for each security and is determined on an average cost basis, excluding commissions and other portfolio transaction costs.

### (G) INVESTMENT TRANSACTIONS AND INCOME:

Investment transactions are accounted for on trade date. Interest income is accrued daily and dividend income is recognized on the ex-dividend date.

The Trust generally incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the statements of comprehensive income. The interest income for distribution purposes shown on the statements of comprehensive income represents the coupon interest received by the Trust accounted for

on an accrual basis. The Trust does not amortize premiums paid or discounts received on the purchase of fixed income securities, except for zero coupon bonds, which are amortized on a straight-line basis.

Net realized gain on sale of investments and net change in unrealized appreciation in value of investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds.

### (H) TRANSLATION OF FOREIGN CURRENCY:

Transactions in foreign currencies are translated into Canadian dollars at the spot exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the closing spot exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in foreign currencies are also translated at the spot exchange rate at the reporting date.

Foreign currency differences arising on translation are recognized in profit or loss as net foreign exchange gain/losses, except for those arising on financial instruments at FVTPL, which are recognized as a component of net realized gain on sale of investments, including foreign exchange adjustments.

### (I) NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT:

The net assets attributable to holders of redeemable units per unit is calculated by dividing the net assets attributable to holders of redeemable units of a particular class of redeemable units by the total number of redeemable units of that particular class outstanding at the end of the year.

Expenses directly attributable to a class are charged directly to that class. Income, realized and change in unrealized gains and losses from investments and other expenses are allocated proportionately to each class based upon the relative net assets attributable to holders of redeemable units of each class

### (J) INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT:

Increase in net assets attributable to holders of redeemable units per unit is based on the Increase in net assets attributable to holders of redeemable units attributed to each class of redeemable units, divided by the weighted average number of redeemable units outstanding of that class during the year. Refer to [note 12](#) for the calculation.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the years ended December 31, 2024 and 2023

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED):

### (K) REDEEMABLE UNITS:

For each Trust unit sold, the Trust receives an amount equal to the net asset value per unit at the date of sale, which amount is included in net assets attributable to holders of redeemable units. Units are redeemable at the option of unitholders at their Net Asset Value on the redemption date. For each unit redeemed, net assets attributable to holders of redeemable units are reduced by the Net Asset Value of the unit at the date of redemption. The redeemable units are measured at the current value of the Trust's net assets and are considered a residual amount of the net assets attributable to holders of redeemable units. These units are classified as financial liabilities due to multiple classes with non-identical features.

### (L) CASH AND CASH EQUIVALENTS:

Cash and cash equivalents comprise of cash on deposit and are classified as financial assets and reported at amortized cost.

### (M) OTHER ASSETS AND LIABILITIES:

Interest and dividends receivable and subscription receivable are classified as amortized cost and measured at amortized cost. A financial asset is classified as subsequently measured at amortized cost only if both of the following criteria are met:

- i. the asset is held within a business model whose objective is to hold assets to collect contractual cash flows, and
- ii. the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Management fees payable, performance fees payable, accounts payable and accrued liabilities and redemptions payable are categorized as financial liabilities and measured at amortized cost. Financial liabilities are generally settled within three months of issuance. Other assets and liabilities are short-term in nature, and are carried at amortized cost, which approximates fair value.

## 4. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE AFTER JANUARY 1, 2024 AND THAT HAVE NOT BEEN EARLY ADOPTED:

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2024 and have not been early adopted in preparing these financial statements.

The Trust's assessment of the impact of these new standards and amendments is set out below:

- i. Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after January 1, 2026)

The IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. Among other amendments, the IASB clarified the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.

- ii. IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after January 1, 2027)

The IASB issued the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- the requirement to determine the most useful structured summary for presenting expenses in the statement of profit or loss;
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Trust is currently still assessing the effect of the forthcoming standard and amendments.

No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Trust.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the years ended December 31, 2024 and 2023

## 5. DUE FROM BROKER:

The Trust has a prime brokerage agreement with its broker National Bank Independent Network (the “broker”) to carry its accounts as a customer. The broker has custody of the Trust’s securities and, from time to time, cash balances which may be due from the broker.

Financial instruments and/or cash positions serve as collateral for any amounts due to broker or as collateral for any securities sold, not yet purchased or securities purchased on margin. The securities and/or cash positions also serve as collateral for potential defaults of the Trust.

The Trust is subject to credit risk if the broker is unable to repay balances due or deliver securities in their custody.

## 6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS:

The preparation of financial statements requires management to use accounting estimates. It also requires management to exercise its judgment in the process of applying the Trust’s accounting policies. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

There are no material estimates or judgments in these financial statements.

## 7. RELATED PARTY TRANSACTIONS:

### (A) MANAGEMENT FEES:

The Trust pays the Manager management fees based on a percentage of the Net Asset Value of the Trust calculated and accrued monthly, in arrears, as of the last business day of each month, plus applicable taxes. The Manager can absorb expenses, at its sole option. The management fees applicable to each class are as follows:

CLASS A	1.5%
CLASS D	1.5%
CLASS F	1.0%

Class G units are not charged a management fee by the Trust as investors in Class G units pay negotiated management fees directly to the Manager pursuant to an investment management agreement.

### (B) PERFORMANCE FEE:

The Trust pays the Manager an annual performance fee (the “Performance Fee”) equal to 20% of any gain on each class over a hurdle of 6% (the “Hurdle Rate”), plus applicable taxes. Class G units are not charged a performance fee by the Trust as investors in Class G units pay negotiated performance fees directly to the Manager pursuant to an investment management agreement. The gain is calculated as the difference between the Net Asset Value before the Performance Fee on each class and the unitholders’ equity in the class. Unitholders’ equity is calculated by taking the Net Asset Value of the class at the start of the current fiscal year, plus the value of all contributions made in that class during the fiscal year and subtracting a pro rata share of equity on every redemption of units in the class. The hurdle amount is calculated on the unitholders’ equity, on an annualized basis, and subtracted from the gain as defined above. The Performance Fee is calculated and accrued monthly and paid annually, and on redemption of a unit. If at any time the gain for a fiscal year is less than the Hurdle Rate, then no Performance Fee will be payable. Any deficiency will be carried forward to the following period. Any deficiency will be reduced pro-rata for any redemptions made in the period a deficiency exists.

## 8. REDEEMABLE UNITS OF THE TRUST:

The Trust is authorized to issue an unlimited number of redeemable units, issuable in an unlimited number of classes, each of which represents an equal, undivided, beneficial interest in the Net Asset Value of the Trust. Each unit of each class entitles the holder to vote, with one vote for each whole unit held and to participate equally with respect to any and all distributions made by the Trust. Redeemable units of a class may be consolidated, subdivided and/or re-designated by the Manager.

If, after an investment has been made, a unitholder ceases to satisfy the criteria for holding a particular class of units, then such class of units will be reclassified by the Manager on the next valuation date into another class of units that the unitholder is qualified to hold. However, a unit will not be reclassified if an investor fails to satisfy the criteria for holding a particular class as a result of negative performance returns by the Manager.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the years ended December 31, 2024 and 2023

## 8. REDEEMABLE UNITS OF THE TRUST (CONTINUED):

Unitholders may redeem all or any portion of their units on the last business day of each month or on such other date as the Manager in its sole discretion may decide (a “Redemption Date”) by giving the Manager at least 30 days prior written notice to the applicable Redemption Date. The redemption price per unit shall be equal to the Net Asset Value per unit for the applicable class less an amount which represents an estimate by the Manager of that unitholder’s proportionate share of the costs of disposition. A redemption of redeemable units within 12 months of the initial subscription date applicable to a unitholder’s investment in the Trust may be subject to an early redemption penalty of up to 5% of the aggregate Net Asset Value per unit. There is no difference between net assets attributable to holders of redeemable units and net asset value attributable to holders of redeemable units.

The redeemable unit activity during the years ended December 31, 2024 and 2023, is as follows:

	Redeemable Units, beginning of year	Redeemable Units, issued	Redemption of Redeemable Units	Redeemable Units, end of year
<b>2024</b>				
CLASS A	546,905	63,798	(240,959)	369,744
CLASS F	162,434	19,121	(71,856)	109,699
CLASS G	1,751,356	443,871	(145,606)	2,049,621
<b>2023</b>				
CLASS A	645,619	40,859	(139,573)	546,905
CLASS F	133,604	28,830	–	162,434
CLASS G	1,659,046	127,890	(35,580)	1,751,356

### Capital disclosure:

The capital of the Trust is represented by issued and redeemable units. The units are entitled to distributions, if any, and to payment of a proportionate share based on the Trust’s Net Asset Value per unit upon redemption. The Trust has no restrictions or specific capital requirements on the subscriptions and redemptions of units. The relevant movements are shown on the statements of changes in net assets attributable to holders of redeemable units. In accordance with its investment objectives and strategies, and the risk management practices

outlined in note 9, the Trust endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments, where necessary.

## 9. FINANCIAL INSTRUMENTS:

### Management of financial instrument risks:

The Trust is exposed to a variety of financial risks from the use of financial instruments: credit risk, liquidity risk and market risk (including interest rate risk, other price risk, currency risk and concentration risk). The value of investments within the Trust’s portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, the market and company news related to specific securities within the Trust. The level of risk depends on the Trust’s investment objective and the type of securities it invests in.

### (A) CREDIT RISK:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Trust.

All transactions executed by the Trust in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. The maximum credit exposure of the Trust is the carrying amount of the assets disclosed on the statements of financial position. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. All counterparties are creditworthy.

As at December 31, 2024 and 2023, the Trust did not hold any long term debt securities and is not exposed to significant credit risk.

Cash and cash equivalents are held with reputable banks in Canada. As such, the Trust determined the credit risk on cash and cash equivalents is insignificant.

### (B) LIQUIDITY RISK:

Liquidity risk is defined as the risk that the Trust may not be able to settle or meet its obligations on time or at a reasonable price.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the years ended December 31, 2024 and 2023

## 9. FINANCIAL INSTRUMENTS (CONTINUED):

The Trust's exposure to liquidity risk is concentrated in the periodic cash redemptions of units. The Trust primarily invests in securities that are traded in active markets and can be readily disposed of. In addition, the Trust generally retains sufficient cash positions to maintain liquidity. All financial liabilities of the Trust are due within 30 days.

### (C) MARKET RISK:

#### i. Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments.

Interest rate risk arises when the Trust invests in interest-bearing financial instruments. The Trust is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. There is minimal sensitivity to interest rate fluctuations on any cash invested at short-term market interest rates.

#### ii. Other price risk:

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

All investments represent a risk of loss of capital. The Manager aims to moderate this risk through careful selection and diversification of securities and other financial instruments in accordance with the Trust's investment objective and strategy. The Trust's overall market positions are monitored on a regular basis by the Manager. Financial instruments held by the Trust are susceptible to market price risk arising from uncertainties about future prices of the instruments.

As at December 31, 2024, 99% (2023 - 96%) of the Trust's net assets attributable to holders of redeemable units were invested in securities traded mainly on Canadian, U.S. and/or Israel stock exchanges. If security prices on the Canadian, U.S. and/or Israel stock exchanges had increased or decreased by 10% as at the year end, with all other factors remaining constant, net assets attributable to holders of redeemable units could possibly have increased or decreased by approximately \$6,410,890 (2023 - \$4,756,216), respectively. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

#### iii. Currency risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Currency risk arises from financial instruments (including cash) that are denominated in a currency other than the Canadian dollar, which represents the functional currency of the Trust.

Currency to which the Trust had exposure as at December 31, 2024 and 2023 is as follows:

Currency	Exposure			Impact if CAD strengthened or weakened by 5% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
<b>DECEMBER 31, 2024</b>						
U.S. DOLLAR	\$ 423,736	\$ 60,551,812	\$ 60,975,548	\$ 21,187	\$ 3,027,591	\$ 3,048,778
ISRAELI NEW SHEKEL	-	2,743,592	2,743,592	-	137,180	137,180
	<u>\$ 423,736</u>	<u>\$ 63,295,404</u>	<u>\$ 63,719,140</u>	<u>\$ 21,187</u>	<u>\$ 3,164,771</u>	<u>\$ 3,185,958</u>
% OF NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS						
	0.65	97.73	98.38	0.03	4.89	4.92

Currency	Exposure			Impact if CAD strengthened or weakened by 5% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
<b>DECEMBER 31, 2023</b>						
U.S. DOLLAR	\$ 1,151,286	\$ 45,269,593	\$ 46,420,879	\$ 57,564	\$ 2,263,480	\$ 2,321,044
ISRAELI NEW SHEKEL	-	1,102,337	1,102,337	-	55,117	55,117
	<u>\$ 1,151,286</u>	<u>\$ 46,371,930</u>	<u>\$ 47,523,216</u>	<u>\$ 57,564</u>	<u>\$ 2,318,597</u>	<u>\$ 2,376,161</u>
% OF NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS						
	2.32	93.59	95.91	0.12	4.68	4.80

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the years ended December 31, 2024 and 2023

## 9. FINANCIAL INSTRUMENTS (CONTINUED):

The amounts in the above tables are based on the fair value of the Trust's financial instruments (including cash). Other financial assets (including interest and dividends receivable and subscription receivable) and financial liabilities (including redemption payable and performance fee payable) that are denominated in foreign currencies do not expose the Trust to significant currency risk.

As at December 31, 2024, if the Canadian dollar had strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased, respectively, by approximately \$3,185,958 (2023 - \$2,376,161). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

### iv. Concentration risk:

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type.

As at December 31, 2024 and 2023, the Trust's investments are concentrated in the following industries:

	December 31, 2024	December 31, 2023
COMMUNICATION AND MEDIA	1.27%	2.24%
CONSUMER	10.30%	4.35%
FINANCIAL SERVICES	19.81%	20.43%
HEALTHCARE & PHARMA	14.09%	18.04%
INDUSTRIAL	4.92%	5.86%
INSURANCE	15.70%	15.81%
TECHNOLOGY	33.90%	33.27%

## 10. EXPENSES:

The Manager has the power to incur and make payment out of the Trust's property, any charges or expenses which, in the opinion of the Manager, are necessary or incidental to, or proper for, carrying out any of the purposes of the Trust Agreement, including without limitation all fees and expenses relating to the management and administration of the Trust. The Trust is responsible for any income or excise taxes and brokerage commissions on portfolio transactions.

## 11. CLASSIFICATION OF FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENTS:

The following tables summarize the levels within the fair value hierarchy in which the fair value measurements of the Trust's investments fall as of:

### December 31, 2024

Assets	Level 1	Level 2	Level 3	Level 4
COMMON STOCKS	\$ 64,10,898	\$ -	\$ -	\$ 64,108,898
	\$ 64,10,898	\$ -	\$ -	\$ 64,108,898

### December 31, 2023

Assets	Level 1	Level 2	Level 3	Level 4
COMMON STOCKS	\$ 47,562,160	\$ -	\$ -	\$ 47,562,160
	\$ 47,562,160	\$ -	\$ -	\$ 47,562,160

There were no transfers between levels during the years ended December 31, 2024 and 2023.

## 12. INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT:

The increase in net assets attributable to holders of redeemable units per unit for the years ended December 31, is calculated as follows:

	Increase in net assets attributable to holders of redeemable units per class	Weighted average of redeemable units outstanding during the year	Increase in net assets attributable to holders of redeemable units per unit
<b>December 31, 2024</b>			
CLASS A	\$ 2,463,535	461,804	\$ 5.33
CLASS F	702,829	117,784	5.97
CLASS G	11,324,570	1,940,099	5.84
<b>December 31, 2023</b>			
CLASS A	\$ 1,589,558	606,168	\$ 2.62
CLASS F	456,092	154,869	2.95
CLASS G	4,328,659	1,686,085	2.57

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the years ended December 31, 2024 and 2023

## 13. SUBSCRIPTION RECEIVABLE:

The subscription receivable comprises subscription requests made along with subscription proceeds before December 31, 2024 for which redeemable units have been issued. As at December 31, 2024, the consideration for the subscription received by the Trust is \$407,720 (2023 - \$1,096,075). Redeemable units will be settled on the business day following December 31, 2024.

## 14. REDEMPTIONS PAYABLE:

Redemptions payable comprise redemption requests received by the Manager on or before December 31, 2024, for which units have been redeemed but the payment to unitholders remains outstanding. As of December 31, 2024, the total amount of redemptions payable was \$744,529 (2023 - \$1,128,887).

## 15. INCOME TAXES:

The Trust qualifies as a unit trust under the provisions of the Income Tax Act (Canada) and, accordingly, is not subject to tax on its net taxable income for the tax year which ends in December, including net realized capital gains, which is paid or payable to its unitholders as at the end of the tax year. However, such part of the Trust's net income and net realized capital gains not paid or payable is subject to income taxes. It is the intention of the Trust to distribute all of its income and sufficient net realized capital gains so that the Trust will not be subject to income taxes. The Trust may be subject to alternative minimum tax, which is potentially recoverable.

Non-capital losses are available to be carried forward for 20 years and applied against future taxable income. Capital losses for income tax purposes may be carried forward indefinitely and applied against future capital gains.

As at December 31, 2024 and 2023, the Trust had \$79,326 (2023 - \$79,326) non-capital losses carrying forward.

## 16. FILING EXEMPTION:

The financial statements of the Trust have not been filed with the provincial regulators pursuant to the exemption under Section 2.11 of National Instrument 81-106 Investment Fund Continuous Disclosure. This exemption is available when the financial statements have been sent to the investors by the Trust as required under the National Instrument.

# APPENDIX

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GREENSKEEPER TEAM

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ACKNOWLEDGEMENTS

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DISCLOSURES



# GREENSKEEPER TEAM



## Michael McCloskey

FOUNDER, PRESIDENT & CHIEF INVESTMENT OFFICER

*"I have 100% of my family's investable assets invested alongside our clients."*

Michael founded GreensKeeper Asset Management in 2010 and has more than 30 years of industry experience.



## James McCloskey

PRIVATE CLIENT SALES

James is an award-winning Sales Representative who prides himself on knowing clients on a personal level to help them achieve their financial goals.



## Michael Van Loon

FINANCIAL ANALYST

Michael is an integral part of the research team at GreensKeeper as a Financial Analyst. He is working towards a CFA professional designation with the goal of becoming a licensed Portfolio Manager.



## Michelle Tait

EXECUTIVE ASSISTANT

Michelle is a core part of GreensKeeper's foundation leading our client-service initiatives and assisting with the firm's regulatory activities since joining in 2017.

Learn more about GreensKeeper and our team [here](#)



# ACKNOWLEDGEMENTS

GreensKeeper owes its growth and success to the help that we have received (and continue to receive) from so many people. I want to thank:

My wife **Marie France** and children **Alex** and **Sarah** for their sacrifice when GreensKeeper required my considerable time, focus and attention.

My parents, **Bob** and **Gabriella**, for being two of the firm’s first clients. More importantly, thank you for instilling the right values in your children and for your support and guidance.

My sister **Jacqueline** and brother **James**, for entrusting me to manage your *entire* investment portfolio. And for being there whenever I need help.

Our talented and hard-working employees (**Michelle, Michael, James**) for looking after our clients, doing amazing work and helping the firm to grow.

**Charlie, Jackie, Joe, Richard**, and my amazing “Chief of Staff” **Jacqueline**, for your advice and support.

**Our clients**, for the trust that they place in us with their hard-earned savings and for all the referrals that they send us.

**Warren Buffett** and the late **Charlie Munger**, who selflessly shared the roadmap to riches (and living a rich life).

**Guy, Chantal** and the **Aquamarine** team for creating and fostering the VALUEx community, which improves my life and our client’s returns.

The many **VALUExers** who sharpen my thinking and enrich my life.

The amazing **Paul Mumby**, whose artistry and vision brought this Annual Report to life.

And finally, our many service providers.

Michael McCloskey

## SERVICE PROVIDERS

### FUND ADMINISTRATOR & RECORDKEEPER



Dennis MacPherson  
Malini Patel  
Rizza Bonachita  
Salvatore Selvaggio  
Yana Yakovleva

### CUSTODIAN



John Palamiotis  
Paulo Demarco

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### AUDITOR



Duncan Wilson  
Ian Marshall  
Jas Chahal  
Stephanie Pottruff

### LEGAL COUNSEL



Ron Kosonic

“We know it well  
that none of us  
acting alone can  
achieve success.”

–NELSON MANDELA

# DISCLOSURES

(1) All returns are as of December 31, 2024, for Class F Units. (2) GreensKeeper Asset Management Inc. (GKAM) assumed the investment management responsibilities of the Value Fund on January 17, 2014. Before that date, the Value Fund was managed by Lightwater Partners Ltd., while Mr. McCloskey was employed by that firm. (3) Where applicable, all figures are annualized and based on Class F monthly returns since inception. The risk-free rate was calculated using the 90-day CDN T-bill rate. Class F Units are available to purchasers participating in fee-based programs through eligible registered dealers. \*\* Class G Units are for purchasers who have over \$1 million managed by GreensKeeper and enter into a Class G Agreement with us. Class G Units are not charged a management or performance fee by the Fund as Fees are paid directly to the Manager under the Class G Agreement.

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