JZechner ASSOCIATES INC.

INCREASE YOUR FUTURE WEALTH POTENTIAL

J ZECHNER ASSOCIATES CANADIAN UNION PARTNERSHIP FUND

PORTFOLIO MANAGERS: JOHN ZECHNER, MA, CFA AND DAX LETHAM

There was a world of difference between how the second quarter began and how it ended. The much anticipated 'Liberation Day' announcement of tariffs on all U.S. trading partners on April 2nd shook investor confidence in the markets and sent stocks plunging. However, just as quickly, the decision to put off these new tariffs for another three months while potential trade deals were negotiated lead to a sharp reversal of stocks back to the upside. That surprising strength continued unabated for the rest of the quarter despite increased geo-political risks from the Israel-Iran missile exchanges and no cessation of the Ukraine-Russia conflict. Canadian markets outperformed the U.S. in the first half of the year, driven by a record-breaking gold rally. The S&P/TSX Composite Index climbed 8.6% for the year to June 30, higher than the S&P 500's 5.5% advance over the same period.

Bonds have not provided much hedge so far this year as inflation has been sticky at higher levels and economic growth more resilient than expected. Economic uncertainty dominated the outlook as investors in bonds were torn between the potential inflationary impact of the U.S. tariffs versus the deflationary economic slowdown risk. The FTSE Bond Index in Canada reflected this as the long bond index dropped 0.5% in the first half while the universe FTSE index was up 1.4%, helped in by a continued narrowing of corporate bond spreads, which allowed the corporate index to gain 2.3%.

The JZA Canadian Union Partnership Fund had a very strong second quarter driven largely by stocks in the industrial and consumer sectors that were hit hardest on tariff worries in the first quarter but had strong recoveries on optimism that some agreements would be reached and tariffs would not ultimately reach those excessive levels. The Fund recovered all the deficit to its benchmark in the first quarter. Moreover, as of June 30th, the Fund now has a 10-year track record, which we highlight in the accompanying table.

Once again, not all stocks participated in the advance, with the oil and gas and telecom sectors lagging. We did have some notable stock winners in the portfolios over the past quarter that had a big overall impact. Those included Cameco Corp, up 70% and AtkinsRealis rising 37% on eased nuclear regulatory rules for both, Hudbay Minerals up 33% on stronger copper prices, MDA Space up 29% on a rising backlog and strong interest in satellite growth, NFI Group ahead 48% on strong operational results and Bombardier rising 43% on strong earnings and backlog growth and a belief that they may be exempt from tariffs under the USMCA agreement. Air Canada was up 43% on good quarterly numbers and less worries about Canadian travel while auto parts company Martinrea up 20% despite ongoing tariff worries.

In terms of the Fund's investment strategy going into the 3rd quarter, we reduced equity weights slightly on recent strength and added to defensive holdings. Despite the impressive recovery from the early April lows, we see some cracks in the quality of this advance that suggests the risks are still more to the downside as potential economic weakness from the tariffs is not factored into earnings expectations. Defensive stocks are outperforming cyclical stocks; large stocks are outperforming small caps and financial sectors are lagging the overall market. All of these are warning signs in what should be a recovering market.

On the economic outlook, the biggest reasons for our concern about growth are related to expected reductions in capital investment and employment due to trade uncertainty. While the full impact of the tariffs has yet to show up in the actual economic data, investors should remember that after the first round of 'Trump tariffs' in 2018, it took a few quarters before the data started to effectively reflect the negative impact and there is no reason to believe that won't happen again. Another reason for the impact to appear only slowly is because tariffs often don't typically ramp up to full strength immediately, due to delays in the collection of levies or pauses tied to pending trade talks. This is currently the case. Based on actual federal tariff revenue, the average effective rate in April was about 4.5% and preliminary data for May suggests it was around 6.5%. Current tariff policy, even after the China "pause," suggests an average rate of 16% to 18%. In other words, tariffs weren't biting at full strength in April or May. Now, despite U.S. reciprocal tariffs falling to a blanket level of 10% for most countries, the U.S. effective tariff rate on US imports has gone through a tenfold increase. A slowing in growth outside the U.S. is already underway and more softness should be expected due to tightening financial conditions and reduced U.S. imports. In terms of stock market exposure, we continue to overweight defensive names not subject to excessive tariff risk such as pipelines and telecom and we also continue to like the gold stocks on a weaker U.S. dollar.

June 30, 2025	Quarter	One Year	10-Year Annualized
JZA Canadian Union Partnership Fund*	**6.04%**	**13.15%**	**7.17%**
Fund Benchmark	3.93%	15.95%	5.87%

Notes:

*Returns are Net of Fees.

*All indices are total return.

*Past performance is not indicative of future results.

*Index returns are shown for comparative purposes only. Securities held in the portfolio do not replicate the index. No guarantee is given that performance will match the index indicated.

Categorization: **Canadian Neutral Balanced**

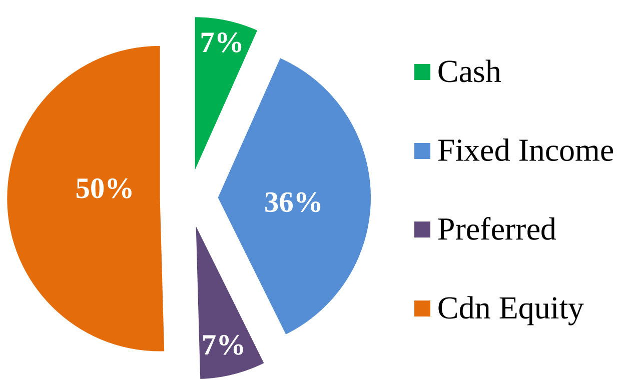
The Fund has been categorized according to the Canadian Investment Funds Standards Committee criteria.

Fund Objective: **Long-Term Growth at Moderate Risk**

The Fund is designed to generate consistent returns that are commensurate with a moderate degree of investment risk. The manager focuses on global indicators to assess macro-economic trends in global stock, fixed income and commodity markets that are most impacted by those trends. The Fund is suitable for pension funds, health and welfare trust funds, general and corporate accounts. It is diversified and will only hold securities that make the "union friendly" qualification. Over time, investors should experience a moderate degree of risk and volatility.

Investment Strategy: ESG/SRI: Canadian Focus

J Zechner Associates Inc. has introduced the first fund of its kind in Canada. One that is focused entirely on investing in Canadian publicly traded corporations and government entities that employ a meaningful number of Canadian unionized workers. This pro-Canadian union fund is focused on supporting the Canadian unions and the companies that employ them. The fund is actively managed using a proprietary screen of eligible stocks and bonds and rigorous fundamental analysis in determining the asset mix and security selection.



Top 5 Stock Holdings:

Securities	Stock Sector	Weight
Pembina Pipeline Corp	Energy	2.46%
TC Energy Corp.	Energy	2.33%
Rogers Communications Cl. B	Telecom	2.17%
BCE. Inc.	Utilities	2.04%
CargoJet Inc.	Industrials	1.71%

(as of June 30, 2025)

Benefits of our Pooled Funds

The J Zechner Associates Pooled Funds offer professional money management, varied investment choices, the potential for above average returns and lower management fees so you keep more of your accumulated wealth.

A pooled fund is a unit trust that operates like a mutual fund but is not required to have a prospectus under securities law. A pooled fund is sold through an Offering Memorandum.

J Zechner Pooled Funds are available only to Canadian investors and require a minimum investment of $150,000; unless the investor is an Accredited Investor. Units of the Funds are qualified investments for certain registered plans.

Solid Partnership Foundation

Eligibility for Investment

The Fund will only invest in securities that will be qualified investments under the Income Tax Act (Canada) for a trust governed by a registered retirement savings plan (an "RRSP"), registered retirement income fund (a "RRIF), or tax-free savings account (a "TFSA").

Performance Disclosures

Performance data quoted represents past performance and does not guarantee future results. Investment returns and principal value will fluctuate so that when withdrawals are made by the investor the shares or units may be worth less than their original cost. Unless specified, all performance quoted is gross of fees and expenses.

Benchmarks: Index returns are provided for comparative purposes only to show how the companies returns compare to a broad-based index of securities. As the indices do not have costs, fees or other expenses associated with their performance. In addition, securities held in the indices may not be similar to securities held in the composite's accounts.

For more information please contact:

David Cohen, President
Tel 416-867-8649
dcohen@jzechner.com

John Zechner, Chairman and Founder
Tel 647-601-0606