



California First Leasing Corporation

Semi-Annual Financial Report December 31, 2025

California First Leasing Corporation, (OTCID: CFNB, “CalFirstLease” or “Company”), headquartered in Newport Beach, California, is an internally managed non-diversified closed-end investment company under the Investment Company Act of 1940, as amended (the “1940 Act”). The Company invests in public equities and other investments to generate capital appreciation and maximize current income, while retaining the balance of its lease portfolio.

An investment in the Company’s common stock involves certain risks, including the risk of loss. The shares of common stock are not deposits or obligations of or guaranteed by any federal or other government agency. A registration statement dated July 20, 2022 (the “Registration Statement”) containing additional information about the Company has been filed with the Securities and Exchange Commission (the “SEC”). Investors should carefully consider the Company’s objectives and risks detailed in the Registration Statement and the Annual Report on Form N-CSR for the year ended June 30, 2025 filed on August 14, 2025, that may adversely affect the Company’s shareholders’ equity and stock price and may make an investment in the Company not appropriate for all investors.

Statements made in this report that are not strictly historical in nature constitute “forward-looking statements.” Forward-looking statements involve management judgment and assumptions, risks and uncertainties and include, but are not limited to, beliefs regarding investments in equity securities, swings in stock prices and the potential for significant volatility in reported net earnings and net asset value, the impact of external events on business activities and portfolios, estimates of expected tax rates applicable to future periods, impact of changes in interest rates and equity and fixed income markets. Such forward-looking statements involve known and unknown risks and uncertainties and factors that could cause actual results to differ materially, including political, economic, market, regulatory and other risks. Consequently, if management assumptions prove to be incorrect or such risks or uncertainties materialize, the Company’s actual results could differ materially from the results forecast in the forward-looking statements. All forward-looking statements are qualified in their entirety by this cautionary statement, and the Company undertakes no obligation to revise or update this information to reflect events or circumstances arising after the date hereof (February 5, 2026).

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As permitted by regulations adopted by the SEC, paper copies of the Company’s annual and semiannual shareholder reports will not be sent by mail unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Company’s website (www.calfirstlease.com), and you will be notified each time a report is posted and provided with a website link to access the report. To elect to receive all future reports on paper free of charge, please send an email request to invest@calfirstlease.com or you may call 800-460-4640.

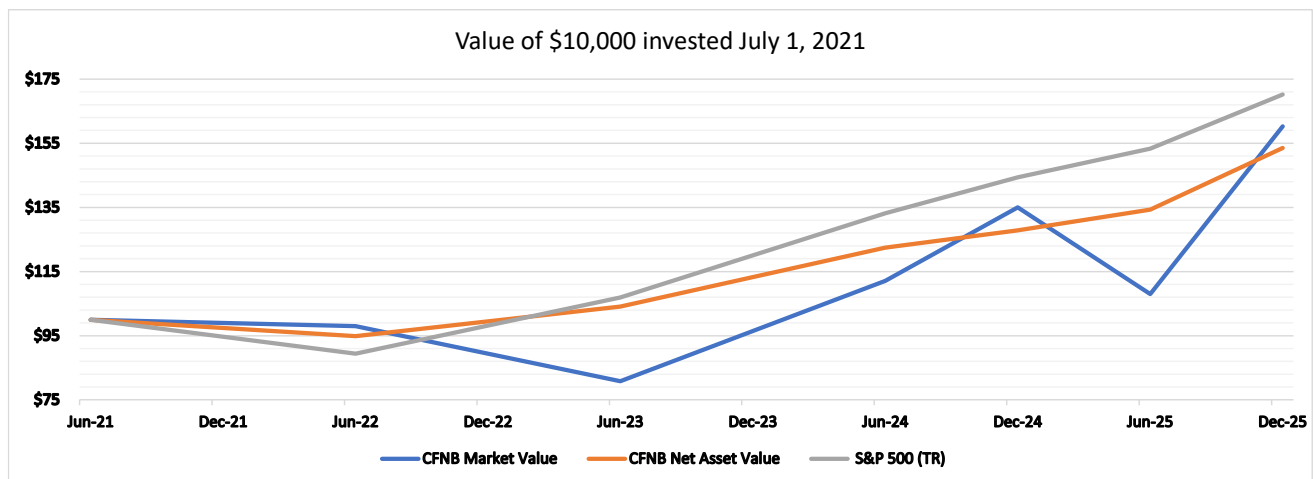


Overview

The following table sets forth selected financial data that should be read in conjunction with the unaudited financial statements and notes thereto contained elsewhere herein as well as the annual report on Form N-CSR for the year ended June 30, 2025.

<u>Selected Income Data</u>	<u>Six Months Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Dividend and interest income	\$ 2,068,889	\$ 2,500,322
Lease income	412,859	3,489,509
Operating expenses	<u>(1,069,433)</u>	<u>(1,442,152)</u>
Net investment and lease income	1,412,314	4,547,680
Net realized loss on sale of investments	(1,352,681)	(528,419)
Increase in unrealized appreciation of investments	<u>50,764,697</u>	<u>8,945,411</u>
Earnings before income taxes	50,824,330	12,964,672
Less: Income taxes	<u>(14,040,986)</u>	<u>(3,136,000)</u>
Net earnings	<u>\$ 36,783,344</u>	<u>\$ 9,828,672</u>
Basic earnings per share	<u>\$4.10</u>	<u>\$1.06</u>
Shares of Common Stock outstanding	8,979,387	9,309,387
<u>Selected Asset Data</u>	<u>Dec. 31, 2025</u>	<u>June 30, 2025</u>
Short-term Investments	\$ 17,507,664	\$ 32,812,205
Equity securities	307,946,265	240,517,313
Lease and loan assets	4,736,627	7,007,803
Total assets	<u>\$331,402,961</u>	<u>\$281,543,198</u>
Stockholders' equity (Net asset value)	<u>\$293,478,197</u>	<u>\$256,755,902</u>
Net asset value per share	<u>\$32.68</u>	<u>\$28.59</u>
Total return		
CFNB, based on NAV	14.3%	4.07%
S&P 500 (TR) Index	11.0%	8.41%

The chart below illustrates the value of \$10,000 invested in the Company's stock in comparison to the performance of the S&P 500(TR)[®] ("S&P 500"), an unmanaged index that covers 500 leading companies that approximate 80% of the available market capitalization. Results for the Company based on net asset value are an after-tax amount. The S&P index is an unmanaged benchmark that assumes reinvestment of all distributions and includes capital gains and distributions in the calculation but does not include a deduction for expenses or taxes. It is not possible to invest directly in an index. Performance data shown represents past performance and there is no guarantee of future results.





Performance Review

The Company focuses on investing in fair or undervalued stocks of public companies that we expect to deliver sustained earnings and cash flow growth that can be reinvested to continue substantial growth or be returned to shareholders via share repurchases or dividends.

Average Total Return through December 31, 2025

	<u>Six Months</u>	<u>1 Year</u>	<u>3 Year</u>
CFNB Equity Securities	20.2%	27.3%	22.7%
S&P (TR) Index	11.0%	18.0%	23.0%

During the six months ending December 31, 2025, stocks continued their upward trajectory since late spring, buoyed by strong corporate earnings, capital spending on artificial intelligence, and economic momentum sustained by three Federal Reserve interest-rate cuts. The S&P 500 advance of 11.0% for the six months put it near all-time highs, but its total return was below the NASDAQ Composite and Russell 2000 as the market broadened beyond mega-cap technology stocks into smaller cap and value stock sectors.

The Company's equity portfolio return of 20.2% for the first six months beat the S&P 500 return of 11.0% largely due to the accelerated valuation of semiconductor stocks that are a significant part of the Company's portfolio and accounted for over 50% of the unrealized appreciation during the period. For the six months ended December 31, 2025, the top contributor to performance was Alphabet followed closely by Micron Technology, with Applied Materials, Advanced Micro Devices and Goldman Sachs rounding out the top 5. On a percentage basis, the top performing stocks for the first six months of fiscal 2026 also included Comfort Systems USA and Digital Ocean Holdings.

The largest detractors to the six-month performance came from the pullback in crypto currencies that impacted the new ETF investments, and Meta and Netflix which had enjoyed large gains in fiscal 2025.

Over half of the Company's equity portfolio is invested in U.S. large capitalization equities and the Company generally retains measurable funds in short-term liquid investments in order to take advantage of investment opportunities as they arise. The Company does not specialize in any specific industry but may hold large positions in certain sectors that it believes offer the opportunity for long-term returns.

<u>Allocation of Securities</u>	<u>12/31/2025</u>	
	<i>(\$ in 000's)</i>	
US Large Cap Equities	\$ 177,531	54.5%
US Mid Cap Equities	64,997	20.0%
US Small Cap Equities	39,553	12.2%
Emerging Market Equities	11,825	3.6%
Developed Markets, Non-	7,479	2.3%
Commodities	6,561	2.0%
Equity Securities	<u>307,746</u>	<u>94.6%</u>
Money market funds	17,508	5.4%
Investment Securities	<u>\$ 325,454</u>	<u>100.0%</u>

* Equity Securities classified based on information from Wells Fargo Advisors

Ten Largest Equity Holdings at December 31, 2025 as a percent of net assets:

ALPHABET INC	11.04%
MICRON TECHNOLOGY INC	8.27%
APPLIED MATERIALS INC	8.01%
GOLDMAN SACHS GROUP INC	6.84%
EXXON MOBIL CORP	6.49%
META PLATFORMS INC	4.02%
ADVANCED MICRO	3.88%
MARVELL TECHNOLOGY INC	3.73%
TAIWAN SEMICONDUCTOR	3.73%
QUALCOMM INC	3.37%



The equity portfolio at December 31, 2025 included common stock holdings in 42 public companies and three exchange-traded funds (ETF), all with readily available stock prices, compared to 43 public companies and one ETF at June 30, 2025. Two of the exchange-traded funds are targeted investments in Bitcoin and Ethereum, respectively. The top 5 equity holdings at December 31, 2025 make up 39% of the portfolio, up from 34% at June 30, 2025. Semiconductor related stocks at December 31, 2025 accounted for 31% of the portfolio, up from 23% a year earlier and from 26% at June 30, 2025.

The distribution of the Company's equity securities and gains or losses across segments at December 31, 2025 is summarized below, and compared to the distribution at June 30, 2025:

(in thousands)	Cost Basis	Unrealized		Fair Value	Fair Value at June 30, 2025
		Gains	(Losses)		
<u>December 31, 2025</u>					
Commercial / Industrial	\$ 101,303	\$ 110,483	\$ (661)	\$ 211,125	\$ 153,918
Consumer	16,781	5,108	(3,182)	18,706	22,641
Financial	24,854	24,338	(1,240)	47,952	40,790
Healthcare	14,703	1,812	(226)	16,289	16,758
Exchange Traded Funds	15,458	831	(2,416)	13,873	6,410
	<u>\$ 173,098</u>	<u>\$ 142,572</u>	<u>\$ (7,724)</u>	<u>\$ 307,946</u>	<u>\$ 240,517</u>

During the first six months of fiscal 2025, the Company invested \$23.7 million in equity securities, including \$17.0 million in 4 new positions and the balance in 8 existing holdings. The Company also sold 2 full positions and part of another for \$5.7 million during the period, realizing a net loss of \$1.4 million.

Lease Operations, Expenses and Taxes

Only one new lease for less than \$500,000 was booked and retained during the first six months of fiscal 2026, with the lease and loan portfolio declining to \$4.7 million, 1.4% of total assets, while total lease and loan income declined 88% to less than 1% of operating income.

The Company's operating expenses for the six months ended December 31, 2025 decreased by 25.8% to \$1.01 million from \$1.44 million the year before. The decline was due to lower performance bonus compensation as compared to prior year.

The Company's effective income tax rate varies between periods due to changes in the mix of pre-tax earnings, the benefit the Company receives from the dividends received exclusion, and the magnitude of gains or losses from equity securities included in earnings. For the first six months ending December 31, 2025, the tax provision of \$14.0 million represented an effective rate of 27.6%, up from 24.2% for the first six months of fiscal 2025, as dividends were a smaller proportion of reported earnings.

**STATEMENT OF INVESTMENTS - DECEMBER 31, 2025**

(Unaudited)

Industry - Percent of Net Assets		Shares	Value
	Common Stocks-- 100.20%		
Auto & Truck Dealerships-- 1.22%	LITHIA MTRS INC	10,759	\$ 3,575,538
Auto Parts-- 1.41%	ALLISON TRANSMISSION	42,290	4,140,191
Banks - Diversified-- 6.06%	WELLS FARGO & CO NEW	106,400	9,916,480
	BANK OF AMERICA CORP	117,500	6,462,500
	JPMORGAN CHASE & CO	4,380	1,411,324
			<u>17,790,304</u>
Banks - Regional-- 0.57%	BANCORP INC DEL (1)	24,701	1,667,812
Capital Markets-- 6.95%	GOLDMAN SACHS GROUP INC	23,200	20,392,800
Credit Services-- 1.29%	PAYPAL HOLDINGS INC	55,550	3,243,009
	CREDIT ACCEPTANCE CORP (1)	1,220	541,021
			<u>3,784,030</u>
Education & Training Services-- 0.10%	STRIDE INC (1)	4,455	289,263
Engineering & Construction-- 3.76%	COMFORT SYS USA INC	8,720	8,138,289
	EMCOR GROUP INC	4,748	2,904,779
			<u>11,043,068</u>
Entertainment -- 0.85	NETFLIX INC (1)	26,500	2,484,640
Footwear & Accessories-- 1.00%	ON HOLDING AG (1)	63,100	2,932,888
Healthcare Plans-- 3.16%	THE CIGNA GROUP	30,710	8,452,313
	UNITEDHEALTH GROUP	2,489	821,644
			<u>9,273,957</u>
Information Tech Services-- 1.18%	LEIDOS HOLDINGS INC	19,231	3,469,272
Insurance - Diversified-- 0.58%	BERKSHIRE HATHAWAY INC (1)	3,364	1,690,915
Insurance - Reinsurance-- 0.89%	EVEREST GROUP LTD	7,740	2,626,569
Internet Content & Information-- 15.83%	ALPHABET INC VOTING	105,100	32,896,300
	META PLATFORMS INC	18,164	11,989,875
	FIVERR INTL LTD (1)	79,610	1,573,094
			<u>46,459,268</u>
Internet Retail-- 0.24%	ALIBABA GRP HLDG LTD ADR	4,900	718,242
Medical Instruments & Supplies-- 2.39%	ALIGN TECH INC (1)	44,925	7,015,039
Oil & Gas Equip & Services -- 1.69%	SLB LTD (pka Schlumberger)	129,000	4,951,020
Oil & Gas Integrated-- 6.59%	EXXON MOBIL CORP	160,800	19,350,672
Resorts & Casinos-- 1.07%	VAIL RESORTS INC	23,708	3,148,422
Semiconductor Equip & Materials-- 8.88%	APPLIED MATERIALS INC	92,836	23,857,924
	QNTY ELECTRONICS	26,970	2,202,101
			<u>26,060,024</u>
Semiconductors-- 23.33%	MICRON TECHNOLOGY INC	86,400	24,659,424
	ADVANCED MICRO (1)	54,000	11,564,640
	MARVELL TECHNOLOGY INC	130,800	11,115,384
	TAIWAN SEMICONDUCTOR	36,550	11,107,180
	QUALCOMM INC	58,650	10,032,083
			<u>68,478,710</u>
Software - Infrastructure-- 5.32%	TWILIO INC (1)	44,000	6,258,560
	ZETA GLOBAL HOLDINGS (1)	253,163	5,151,867
	DIGITALOCEAN HOLDINGS (1)	87,600	4,215,312
			<u>15,625,739</u>
Specialty Chemicals-- 0.74%	DUPONT DE NEMOURS	53,940	2,168,388
Telecom Services-- 0.88%	CHARTER COMMUNICATIONS (1)	12,382	2,584,743
Thermal Coal-- 0.85%	CORE NAT RES INC	28,200	2,495,982
Tobacco-- 1.01%	BRITISH AMER TOB PLC	52,500	2,972,550
Travel Services-- 2.35%	AIRBNB INC (1)	50,715	6,883,040
			<u>294,073,086</u>
	Common Stocks (cost: \$157,640,710)		\$ 294,073,086
	Exchange Traded Funds-- 4.73%		
Small-Cap Core-- 2.49%	ISHARES RUSSELL 2000 ETF	29,705	7,312,183
Commodities-- 2.24%	ISHARES ETHEREUM TR ETF (1)	192,900	4,326,747
	ISHARES BITCOIN TR ETF (1)	45,000	2,234,250
			<u>13,873,180</u>
	Exchange-Traded Funds (cost: \$15,457,578)		\$ 13,873,180
Short-Term Investments-- 5.97%	JPMorgan Prime (3.80%)		14,119,113
	Fidelity MM Treasury (3.70%)		3,388,551
			<u>17,507,664</u>
	Short-Term Investments (cost: \$17,507,664)		\$ 17,507,664
	Total Investments (cost: \$190,605,952)		\$ 325,453,929
	Net Assets at December 31, 2025		\$ 293,478,197

(1) Non-income producing security

* Rate is the annualized seven-day yield of the fund at period end.

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



STATEMENT OF ASSETS, LIABILITIES AND STOCKHOLDERS' EQUITY
(unaudited)

	December 31
	2025
<u>ASSETS</u>	
Equity securities	\$ 307,946,265
Money market mutual funds	17,507,664
Bank deposits	725,394
Net investment in leases and loan	4,736,627
Income taxes receivable	102,684
Other assets	<u>384,327</u>
Total Assets	<u>\$ 331,402,961</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>	
<i>Liabilities</i>	
Accounts payable	\$ 27,780
Accrued liabilities	450,679
Lease deposits	22,551
Deferred income taxes	<u>37,423,755</u>
	<u>37,924,764</u>
<i>Stockholders' equity</i>	
Preferred stock	-
Common stock	89,794
Additional paid in capital	1,506,489
Retained earnings	<u>291,881,914</u>
	<u>293,478,197</u>
Total Liabilities & Stockholders' Equity	<u>\$ 331,402,961</u>

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

**STATEMENT OF OPERATIONS***(Unaudited)*

	Six Months Ended December 31, 2025
<u>Investment and lease income</u>	
Dividend income	\$ 1,594,116
Interest income	474,773
Direct finance and loan income	211,622
Other lease income	<u>201,237</u>
Total investment and lease income	<u>2,481,747</u>
<u>Operating expenses</u>	
Compensation & benefits	761,537
Director fees	54,000
Occupancy expense	57,136
Other	<u>196,761</u>
Total operating expenses	<u>1,069,433</u>
Net investment and lease income	<u>1,412,314</u>
<u>Net Realized and Unrealized Gain (Loss) on Securities</u>	
Net realized loss on equity securities	(1,352,681)
Change in unrealized appreciation of securities	<u>50,764,697</u>
Net gain on investment securities	<u>49,412,016</u>
Earnings before income taxes (Oper Income)	50,824,330
Income taxes	<u>14,040,986</u>
Net earnings	<u>\$ 36,783,344</u>
Basic earnings per share	\$4.10
Weighted avg. common shares outstanding	8,979,387

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

**STATEMENTS OF STOCKHOLDERS' EQUITY**

(Unaudited)

	Common Stock		Additional Paid in Capital	Retained Earnings	Total
	Shares	Amount			
<u>Six months ended December 31, 2024</u>					
Balance, June 30, 2024	9,309,387	\$ 93,094	\$ 1,625,157	\$ 240,940,604	\$ 242,658,855
Net earnings	-	-	-	9,828,672	9,828,672
Balance, December 31, 2024	<u>9,309,387</u>	<u>\$ 93,094</u>	<u>\$ 1,625,157</u>	<u>\$ 250,769,276</u>	<u>\$ 252,487,527</u>
<u>Six months ended December 31, 2025</u>					
Balance, June 30, 2025	8,979,387	\$ 89,794	\$ 1,567,539	\$ 255,098,569	\$ 256,755,902
Excise tax due on share repurchase			(61,050)		(61,050)
Net earnings	-	-	-	36,783,345	36,783,345
Balance, December 31, 2025	<u>8,979,387</u>	<u>\$ 89,794</u>	<u>\$ 1,506,489</u>	<u>\$ 291,881,914</u>	<u>\$ 293,478,197</u>

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

**STATEMENT OF CASH FLOWS***(Unaudited)*

	Six Months Ended December 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net earnings	\$ 36,783,344
Adjustments to net earnings from operating activities:	
Net realized loss on securities	1,352,681
Purchase of equity securities	(23,689,775)
Proceeds from sale of equity securities	5,672,839
Net change in unrealized (appreciation) on securities	(50,764,697)
Net decrease in short-term investments	15,304,541
Gain on sale of leased property and sales-type lease income	(100,054)
Deferred income taxes, including income taxes payable	13,826,258
Decrease in income taxes receivable	93,550
Depreciation and net amortization (accretion)	(292,110)
Net (decrease) in accounts payable & accrued liabilities	(622,257)
Other, net	(112,727)
Net cash used for operating activities	<u>\$ (2,548,408)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net payments from (invest in) leases and loans	1,941,515
Proceeds from sales of leased property	-
Proceeds from sales and assignments of leases	769,533
Net (increase) decrease in other assets	(1,436)
Net cash provided by (used for) investing activities	<u>\$ 2,709,612</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Payments to repurchase common stock	(61,050)
Dividends to stockholders	-
Net cash used for financing activities	<u>\$ (61,050)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	\$ 99,771
CASH AT BEGINNING OF PERIOD	<u>\$ 625,623</u>
CASH AT END OF PERIOD	<u>\$ 725,394</u>

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

**FINANCIAL HIGHLIGHTS***(Unaudited)*

	Six Months Ended December 31,	
	<u>2025</u>	<u>2024</u>
Per Share Operating Performance		
Net Asset Value, beginning of period	\$ 28.59	\$ 26.07
Net income	4.10	1.06
Less: Dividends paid	-	-
Net gain on share repurchase	-	-
Net Asset Value, end of period	<u>\$ 32.69</u>	<u>\$ 27.13</u>
Market price, end of period	<u>\$ 27.90</u>	<u>\$ 23.50</u>
Return to Shareholders (1)		
Based on net asset value	14.33%	4.07%
Based on market price	48.40%	20.45%
Ratios, Supplemental Data		
Expenses per share	\$ 0.12	\$ 0.15
Expenses plus taxes per share	\$ 1.68	\$ 0.49
Average Book Value per share	\$ 30.64	\$ 26.64
Expenses to Average Book Value	0.39%	0.58%
Net income to Average Book Value	13.37%	3.96%
Portfolio turnover rate	2.08%	4.69%

- (1) Return on market price assumes a purchase on the first day and sale on the last day of each period reported. Dividends and distributions are assumed to be reinvested. Total return on book value uses the same methodology, using book value for the beginning and ending values, and dividend reinvestment at the closing price on the day of distribution. Returns for periods of less than one year are not annualized.

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

**NOTES TO FINANCIAL STATEMENTS****Note 1 – Basis of Presentation**

The accompanying unaudited financial statements of California First Leasing Corporation, (“CFNB” or the “Company”), have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and do not include all of the information and footnotes required for complete financial statements. These financial statements should be read in conjunction with the financial statements and notes thereto included in the Annual report on Form N-CSR for the year ended June 30, 2025.

In the opinion of management, the unaudited financial statements contain all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of investments as of December 31, 2025 and the related statements of operations, stockholders’ equity and cash flows for the periods presented. The results of operations for the six-month periods ended December 31, 2025 are not necessarily indicative of the results of operations to be expected for the entire fiscal year ending June 30, 2026. Certain reclassifications have been made to the fiscal 2025 financial statements to conform to the presentation of the fiscal 2026 financial statements.

Note 2 –Fair Value Measurement:

ASC Topic 820: “Fair Value Measurements and Disclosures” defines fair value as the price that would be received in an orderly transaction between market participants in the principal or most advantageous market. ASC Topic 820 establishes a three-tiered value hierarchy that prioritizes inputs that are observable in the market and requires the maximum use of observable inputs and minimum use of unobservable inputs. The three levels of inputs are defined as follows:

- Level 1 - Based upon unadjusted quoted prices for identical instruments traded in active markets;
- Level 2 - Based upon significant observable inputs, for example quoted prices for similar instruments in active markets, or quoted prices for identical instruments in markets that are not active;
- Level 3 - Valuation is generated using inputs not observable in the market and based on the Company’s own judgment. Level 3 valuation techniques could include the use of discounted cash flow models and similar techniques that rely on assumptions that market participants would use in pricing the asset or liability.

ASC 820 applies whenever other accounting pronouncements require presentation of fair value measurements but does not change existing guidance as to whether or not an instrument is carried at fair value.

The following table summarizes the Company’s assets carried at fair value as of December 31, 2025:

Description of Assets	Total Fair Value	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of December 31, 2025				
Equity securities	\$ 307,946,265	\$ 307,946,265	\$ -	\$ -
Money-market accounts	17,507,66	17,507,664	-	-
	<u>\$ 325,453,929</u>	<u>\$ 325,453,929</u>	<u>\$ -</u>	<u>\$ -</u>

The net investment in leases in Note 4 of \$3.2 million approximates fair value. Leases consist of aggregate lease payments receivable, net of unearned income, with unearned income amortized on an internal rate of return method into income to achieve a level yield over the lease term, the “*implicit rate*”. As long as the current market rate is below the *implicit rate*, there is no fair value adjustment to the carrying value of Leases.

The Company’s one loan is not carried at fair value, but in accordance with the fair value disclosure requirements of ASC 825-50, the estimated fair value of the loan as of December 31, 2025 is based on discounted cash flow analysis using interest rates currently offered for loans with similar terms to borrowers of similar credit quality, and would be classified as Level 3 in the fair value hierarchy. Loan fair value has been adjusted for credit risk.

	December 31, 2025	
	Carrying Amount	Estimated Fair Value
Commercial real estate loan	\$ 1,319,659	\$ 1,263,154

Fair value estimates are based on relevant market information, however, they are subjective in nature, involve uncertainties and cannot be determined with precision. Different assumptions could significantly affect the estimated values.

**Note 3 – Investment Transactions and Compensation:**

For the six months ending December 31, 2025, purchases and sales of investments, excluding short-term investments, were \$23,689,775 and \$5,672,839, respectively.

The aggregate remuneration paid to all officers and directors during the six months ended December 31, 2025 was \$585,177 and \$54,000, respectively.

Note 4 – Leases and Loan:

The Company's net investment in leases and loan consists of the following:

	December 31, 2025
Minimum lease payments receivable	\$ 3,749,669
Estimated residual value	65,517
Commercial real estate loan	1,439,551
Less unearned income	<u>(418,111)</u>
	4,836,626
Less allowance for credit losses	<u>(100,000)</u>
Net investment in leases and loan	<u>\$ 4,736,627</u>

The minimum lease payments receivable and estimated residual value are discounted using the internal rate of return ("implicit rate") related to each specific lease. The weighted average maturity of lease payments at December 31, 2025 is 16 months, and the weighted average yield is 6.7%. There were no past due credits at December 31, 2025 and no increase in non-performing assets during the period.