Fulcra Credit Opportunities Fund

Portfolio Commentary & Attribution
JUN 30, 2026

FULCRA
ASSET MANAGEMENT INC.

Fulcra Credit Opportunities Fund
AS OF JUN 30, 2026

COMMENTARY

Dear Investors,

The Fulcra Credit Opportunities Fund (the “Fund”) returned -0.39%[1] for the month of June.

	June 2026 Return
Fulcra Credit Opportunities Fund	-0.39%[1]
ICE BofA US High Yield Index	0.25%

[1] Class F units of the Fund, net of fees. Past performance is not indicative of future results.

Portfolio Update

Credit markets this month capped off a strong quarter at the high yield index level and traded with relatively low volatility.
Under the surface, however, we continue to see spreads in the CCC-rated index widen, liquidity issues in private credit funds and rising investor concern over sticky inflation.

Restructured Securities

The fund had strong performance last month in several securities received via restructuring; including those of Main Street Sports Group, WW International, and Guitar Center Inc.

Distressed debt investments are a natural fit with our patient style of investing, contrarian nature and focus on the value of a corporation’s assets. At times the return profile can be volatile due to illiquid markets and extreme sentiment or technical driven trading; however, these positions can generate strong returns on capital when the fundamental value of the business is realized.

Getty Images

We first invested in Getty Images debt last summer. At the time, Getty was in the process of acquiring Shutterstock – a major competitor. Our thesis was that the pro-forma combined business of Getty and Shutterstock would generate a stronger credit profile than Getty alone and that market sentiment towards the stock image and editorial businesses had become too negative.

We added to our position in Getty when the company issued a 10.5% bond maturing in 2030 to fund the acquisition. This specific bond was repriced from above par into the mid 80’s after the U.S. Department of Justice (DOJ) blessed the merger. However, the United Kingdom’s Competition and Markets Authority (CMA) had not yet approved the merger.

A unique feature in the legal document governing the 10.5% 2030 Getty bond required the company to repay investors at par if the merger was called off. This technicality provided us with an option to benefit from either our initial thesis proving correct or, the failure of the merger. So, we rolled most of our position in another Getty bond into the 10.5% 2030 bond at a nearly equal price between March and May this year.

After the market closed on June 30th, Getty announced they would terminate the merger based on the CMA’s requirement for Getty to divest several Shutterstock business lines prior to approval of the merger. The 10.5% 2030 bond was a top holding in the fund and generated negative performance in June but generated significant positive performance in July when it was called at par.

Outlook

Thematically, the growth of the AI industry has made its way into the credit markets. Google, Amazon, Meta, Oracle and SpaceX are some examples of companies who have raised money in the global bond markets to fund rising capital expenditures this year.

Concentration risk to the theme has spilled over from the equity markets into the credit markets, creating the conditions for a particularly painful re-pricing of risk if profits fail to materialize from the immense amount of money funding the growth in data centres, AI models and power generation.

No alarm bells are ringing yet, however, parallels to previous economic downturns like internet businesses in 1999, US housing in 2007, and oil & gas production in 2014 are becoming stronger.

Sincerely,

Fulcra Asset Management

ATTRIBUTION

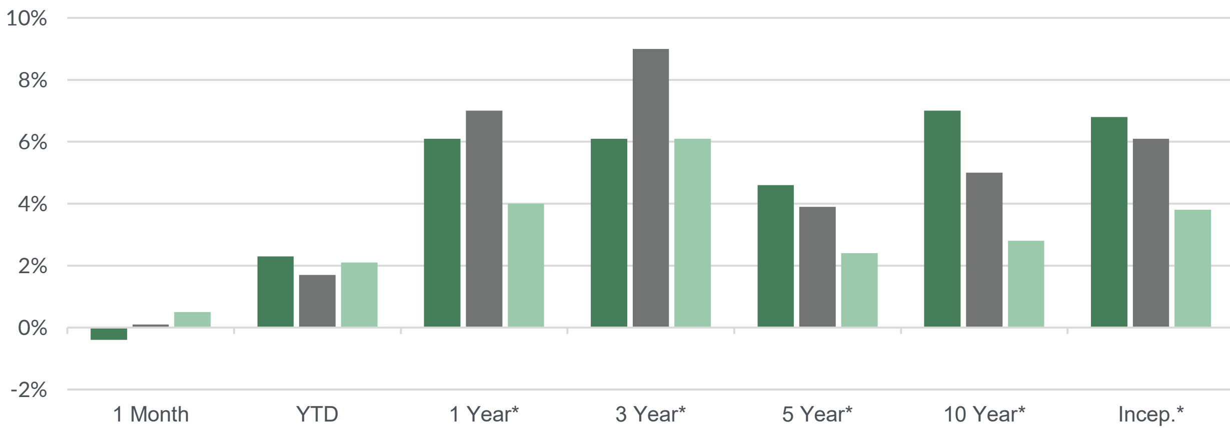
FUND PORTFOLIO CHARACTERISTICS

YTM (%)	10.9%
Current Yield (%)	8.2%
Distribution Yield	6.6%
12-M Distribution Yield	6.0%
Average Bond Price ($)	$ 89.10
Maturity (Yrs.)	3.4
Duration (Yrs.)	2.5

TOP 10 ISSUER LIST BY WEIGHTS

New Flyer Industries Inc	6.0%
Getty Images Inc	5.0%
Rogers Communications Inc	4.8%
Pyxus International Inc	4.3%
Jeld-Wen Inc	4.3%
Qvantel Oy	3.8%
Bausch Health	3.6%
Wolfspeed Inc	3.6%
Dye & Durham Limited	3.1%
Guitar Center Inc	2.9%

COMPOUND PERFORMANCE



	1 Month	YTD	1 Year*	3 Year*	5 Year*	10 Year*	Incep.*
FCOF	-0.4%	2.3%	6.1%	6.1%	4.6%	7.0%	6.8%
HYG [1]	0.1%	1.7%	7.0%	9.0%	3.9%	5.0%	6.1%
XCB [2]	0.5%	2.1%	4.0%	6.1%	2.4%	2.8%	3.8%

* Annualized
Inception date June 30, 2009

[1] iShares Iboxx HY Corporate Bond ETF
[2] iShares Core Canadian Corporate Bond Index ETF

RETURN CORRELATION MATRIX

		1	2	3	4	5	6
1	Fulcra Credit Opportunities Fund (Class F)	1.00					
2	S&P 500 CAD (SPXHCD)	0.47	1.00				
3	S&P/TSX Capped Composite CAD (T00CAR)	0.57	0.80	1.00			
4	ICE BofA US High Yield Index USD (H0A0)	0.64	0.77	0.74	1.00		
5	ICE BofA US Corporate USD (C0A0)	0.39	0.48	0.52	0.70	1.00	
6	ICE BofA Canada Corporate CAD (F0C0)	0.35	0.33	0.41	0.52	0.83	1.00

Time Period: Since Common Inception - 06/30/2009
Source: Bloomberg LP

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The indices are used for broad market performance comparisons. The ICE BofA Canada Corporate Index is comprised of Canadian investment grade corporate bonds. The ICE BofA Canada High Yield Index is comprised of a basket of Canadian dollar issued high yield bonds. The ICE BofA US Corporate Index is comprised of US IG corporate bonds. The ICE BofA US High Yield Index is comprised of US High Yield bonds. The S&P 500 Index is comprised of a basket of US equities. The S&P/TSX Capped Composite is comprised of a basket of Canadian equities. The indices are presented on a total return basis.

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