



FULCRA CREDIT OPPORTUNITIES FUND

Annual Management Report of Fund Performance

December 31, 2025



This management report of fund performance contains financial highlights but does not contain either interim or annual financial statements of the Fulcra Credit Opportunities Fund (the "Fund").

You can get a copy of the interim or annual financial statements of the Fund at your request, and at no cost, by calling (604) 683-8365, by writing to us at 1201-333 Seymour St., Vancouver B.C. V6B 5A6 or by visiting our website at www.fulcraam.com or SEDAR+ at www.sedarplus.com.

Securityholders may also contact us using one of these methods to request a copy of the Fund's proxy voting policy, proxy voting disclosure record, or quarterly portfolio disclosure.

Forward-Looking Statements

This Management Report of Fund Performance includes certain statements that are forward-looking statements. All statements, other than statements of historical fact, included in this document that address activities, events or developments that the Fund expects or anticipates will or may occur in the future, including such things as anticipated financial performance, are forward looking statements. The words "may", "could", "would", "should", "believe", "plan", "anticipate", "expect", "intend", "forecast", "objective" and similar expressions are intended to identify forward looking statements.

These forward-looking statements are subject to various risks and uncertainties, including the risks described in the simplified prospectus of the Fund, which could cause actual financial performance and expectations to differ materially from the anticipated performance or other expectations expressed.

Readers are cautioned not to place undue reliance on these forward-looking statements. All opinions contained in forward looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

The Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, except as required by securities legislation. Certain research and information about specific holdings in the Fund, including any opinion, is based upon various sources believed to be reliable, but it cannot be guaranteed to be current, accurate or complete. It is for information only and is subject to change without notice.

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Investment Objective and Strategies

The investment objective of the Fulcra Credit Opportunities Fund (the "Fund") is to generate income and long-term capital appreciation by primarily investing in corporate debt securities.

In seeking to achieve the Fund's investment objective, Fulcra Asset Management Inc. ("Fulcra" or the "Manager") employs a value-based fundamental research process. Fulcra believes that private and public securities are priced inefficiently and, as a result, the price of any given security only occasionally coincides with its intrinsic value.

The Manager attempts to identify and exploit these inaccuracies using internal analyses. Fulcra believes that concentrating the portfolio in fewer companies affords the best opportunity to achieve its investment objective of maximizing returns while preserving capital.

Risks

The risks associated with investing in the Fund remain as discussed in its most recent Simplified Prospectus dated July 15, 2025. Interest rate risk and credit risk remain the principal risks associated with the Fund.

Results of Operations

The net assets of the Fund were \$47.6 million as of December 31, 2025, a decrease of \$0.5 million since the beginning of the year. The change in the Fund's net assets was due to comprehensive income of \$3.0 million offset by distributions of \$3.3 million and net redemptions of \$0.2 million.

The returns for each class of the Fund are included in the section *Past Performance*.

During 2025, the Tidewater Midstream 8% bonds due 2029 had the greatest positive impact to Fund performance. Rite Aid Corp 15% bonds due 2031 had the greatest negative impact. As of end of 2025, the Fund is Yielding 8.7% to Maturity with a 1.9-year duration.

The US dollar denominated ICE BofAML US High Yield Index (H0A0) CAD-hedged performed 8.5% for the year, with a duration of 3.8 years at the end of 2025. The ICE BofAML Canada Corporate Index (F0C0) performed 4.3%, with a duration of 5.6 years at the end of 2025.

There were no unusual changes to the components of revenue and expenses of the Fund and there were no unusual events or transactions, economic changes or market conditions that affected performance beyond what would be reasonably expected. The Fund did not borrow any money during the year.

Recent Developments

While credit markets were broadly constructive in 2025, the Fund's return, despite a duration at approximately 2 years, was largely a function of cash income generation and select event-driven investments.

Despite Trump's tariff tantrum last April, spreads remained relatively tight and bond issuance stayed active for refinancings. It was an environment where investors were repeatedly reminded that "things are fine," and the penalty for caution was underperformance.

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Recent Developments (Continued)

When spreads are tight and markets are liquid, borrowers can refinance and roll maturing securities with ease. Defaults remain muted. This can be the point in the cycle when many investors can begin to become less discerning. We do not believe the market is pricing in enough risk. When money is abundant, the difference between a good loan and a bad loan can appear trivial. However, when capital becomes meaningfully more expensive, the difference can become very real. We would view this as a healthy development because mispricing is the source of opportunity. If everything is priced correctly, credit investing becomes a coupon-collection business.

At the end of 2025, we would describe the credit market as closer to complacency than fear. When pricing is expensive, the most important ingredient for long-term success is not aggressiveness, but selectivity. This is why the Fund has maintained a structurally cautious posture: short duration, current yield, and an emphasis on securities with downside protection, rather than relying on continued market confidence.

There have been no changes to the Manager or Portfolio Manager, or change of control of the Manager, or of the Fund in the year. There have been no actual or planned reorganizations, mergers, or similar transactions.

There were no changes to the membership of the Fund's Independent Review Committee ("IRC").

Related Party Transactions

Management Fees

The Fund pays the Manager a monthly management fee, payable in arrears, equal to: (a) 1/12 of 1.15% of the aggregate Net Asset Value of the Class D Units; and (b) 1/12 of 0.75% of the aggregate Net Asset Value of the Class F Units. No management fees are charged to Class I units as those unitholders pay management fees directly to the Manager. The Manager may, at its sole discretion, offer management fee rebates to unitholders, payable in the form of special distributions. Management fees incurred during the year were \$360,356.

Performance Fees

The Fund also pays a performance fee to the Manager equal to 15% of the amount by which the net asset value per Class D or Class F unit as at the last Valuation Date of each year exceeds a threshold increase (or "hurdle rate") of 5% over its High Water Mark. No performance fees are charged to Class I units as those unitholders pay performance fees directly to the Manager.

The High Water Mark for each Class D and Class F unit as at any date means: (i) during the year in which the Class D or Class F unit is issued, its subscription price; and (ii) during all subsequent years, the higher of the net asset value per Class D or Class F unit as at the beginning of such year and any previous High Water Mark. Performance fees incurred during the year were \$118,695.

Unit Holdings

As at December 31, 2025, directors and officers of the Manager owned 57,699 units of the Fund. In addition, the Lysander-Fulcra Corporate Securities Fund, an investment fund for which the Manager acts as portfolio advisor, owned 542,719 Class I units of the Fund as at December 31, 2025.

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the the past five calendar years.

| Class D - Master Series | 2025 | 2024 | 2023 | 2022 | 2021 |
|--|------------------|------------------|------------------|------------------|------------------|
| Net assets per unit⁽¹⁾ | | | | | |
| Net assets, beginning of period ⁽²⁾ | \$ 11.90 | \$ 12.12 | \$ 12.24 | \$ 13.03 | \$ 12.11 |
| Operations: | | | | | |
| Total revenue | \$ 1.06 | \$ 0.89 | \$ 0.83 | \$ 0.84 | \$ 0.87 |
| Total expenses | (0.26) | (0.21) | (0.18) | (0.16) | (0.30) |
| Realized gains (losses) | (1.20) | (0.23) | 0.31 | 0.02 | 0.10 |
| Unrealized gains (losses) | 1.15 | 0.02 | 0.09 | (0.94) | 0.75 |
| Total increase (decrease) from operations⁽³⁾ | \$ 0.75 | \$ 0.47 | \$ 1.05 | \$ (0.24) | \$ 1.42 |
| Distributions: | | | | | |
| From income (excluding dividends) | \$ (0.83) | \$ (0.61) | \$ (0.71) | \$ (0.48) | \$ (0.40) |
| From dividends | - | (0.01) | (0.04) | (0.01) | (0.01) |
| From capital gains | - | - | (0.29) | (0.01) | (0.07) |
| Return of capital | - | - | - | - | (0.03) |
| Total distributions⁽⁴⁾ | \$ (0.83) | \$ (0.62) | \$ (1.03) | \$ (0.50) | \$ (0.52) |
| Net assets, end of period⁽³⁾⁽⁵⁾ | \$ 11.76 | \$ 11.90 | \$ 12.12 | \$ 12.24 | \$ 13.03 |
| Ratios and supplemental data⁽¹⁾ | | | | | |
| Net asset value ⁽⁵⁾ | \$ 1,248,057 | \$ 2,217,917 | \$ 3,860,725 | \$ 3,639,806 | \$ 4,065,387 |
| Units outstanding ⁽⁵⁾ | 106,128 | 186,332 | 318,505 | 297,376 | 311,998 |
| Management expense ratio ⁽⁶⁾ | 2.07% | 1.68% | 1.64% | 1.40% | 2.65% |
| Trading expense ratio ⁽⁷⁾ | 0.05% | 0.03% | 0.02% | 0.00% | 0.00% |
| Fund expense ratio ⁽⁸⁾ | 2.12% | 1.71% | 1.66% | 1.40% | 2.65% |
| Portfolio turnover rate ⁽⁹⁾ | 49.08 | 85.27 | 85.82 | 75.90 | 100.70 |
| Net asset value per unit ⁽⁵⁾ | \$ 11.76 | \$ 11.90 | \$ 12.12 | \$ 12.24 | \$ 13.03 |

| Class F - Master Series | 2025 | 2024 | 2023 | 2022 | 2021 |
|--|------------------|------------------|------------------|------------------|------------------|
| Net assets per unit⁽¹⁾ | | | | | |
| Net assets, beginning of period ⁽²⁾ | \$ 12.22 | \$ 12.42 | \$ 12.60 | \$ 13.36 | \$ 12.37 |
| Operations: | | | | | |
| Total revenue | \$ 1.09 | \$ 0.94 | \$ 0.86 | \$ 0.87 | \$ 0.92 |
| Total expenses | (0.23) | (0.17) | (0.18) | (0.17) | (0.31) |
| Realized gains (losses) | (0.76) | (0.33) | 0.32 | 0.02 | 0.11 |
| Unrealized gains (losses) | 0.72 | 0.10 | 0.10 | (0.97) | 0.79 |
| Total increase (decrease) from operations⁽³⁾ | \$ 0.82 | \$ 0.54 | \$ 1.10 | \$ (0.25) | \$ 1.51 |
| Distributions: | | | | | |
| From income (excluding dividends) | \$ (0.90) | \$ (0.72) | \$ (0.79) | \$ (0.49) | \$ (0.41) |
| From dividends | - | (0.01) | (0.04) | (0.01) | (0.01) |
| From capital gains | - | - | (0.33) | (0.01) | (0.07) |
| Return of capital | - | - | - | - | (0.03) |
| Total distributions⁽⁴⁾ | \$ (0.90) | \$ (0.73) | \$ (1.16) | \$ (0.52) | \$ (0.53) |
| Net assets, end of period⁽³⁾⁽⁵⁾ | \$ 12.11 | \$ 12.22 | \$ 12.42 | \$ 12.60 | \$ 13.36 |
| Ratios and supplemental data⁽¹⁾ | | | | | |
| Net asset value ⁽⁵⁾ | \$ 25,337,297 | \$ 31,516,258 | \$ 29,628,738 | \$ 36,793,480 | \$ 39,093,569 |
| Units outstanding ⁽⁵⁾ | 2,091,413 | 2,580,027 | 2,385,779 | 2,920,324 | 2,926,955 |
| Management expense ratio ⁽⁶⁾ | 1.77% | 1.33% | 1.22% | 0.98% | 2.23% |
| Trading expense ratio ⁽⁷⁾ | 0.05% | 0.03% | 0.02% | 0.00% | 0.00% |
| Fund expense ratio ⁽⁸⁾ | 1.82% | 1.36% | 1.24% | 0.98% | 2.23% |
| Portfolio turnover rate ⁽⁹⁾ | 49.08 | 85.27 | 85.82 | 75.90 | 100.70 |
| Net asset value per unit ⁽⁵⁾ | \$ 12.11 | \$ 12.22 | \$ 12.42 | \$ 12.60 | \$ 13.36 |

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Financial Highlights (Continued)

| Class F - October 2025 Series | 2025 | |
|--|-----------|---------------|
| Net assets per unit⁽¹⁾ | | |
| Net assets, beginning of period ⁽²⁾ | \$ | 10.00 |
| Operations: | | |
| Total revenue | \$ | 0.24 |
| Total expenses | | (0.05) |
| Realized gains (losses) | | 0.14 |
| Unrealized gains (losses) | | (0.22) |
| Total increase (decrease) from operations⁽³⁾ | \$ | 0.11 |
| Distributions: | | |
| From income (excluding dividends) | \$ | (0.20) |
| From dividends | | - |
| From capital gains | | - |
| Return of capital | | - |
| Total distributions⁽⁴⁾ | \$ | (0.20) |
| Net assets, end of period⁽³⁾⁽⁵⁾ | \$ | 12.09 |
| Ratios and supplemental data⁽¹⁾ | | |
| Net asset value ⁽⁵⁾ | \$ | 3,884,836 |
| Units outstanding ⁽⁵⁾ | | 321,234 |
| Management expense ratio ⁽⁶⁾ | | 1.77% |
| Trading expense ratio ⁽⁷⁾ | | 0.05% |
| Fund expense ratio ⁽⁸⁾ | | 1.82% |
| Portfolio turnover rate ⁽⁹⁾ | | 49.08 |
| Net asset value per unit ⁽⁵⁾ | \$ | 12.09 |

| Class I - Master Series | 2025 | 2024 |
|--|------------------|-----------------|
| Net assets per unit⁽¹⁾ | | |
| Net assets, beginning of period ⁽²⁾ | \$ 10.00 | \$ 10.00 |
| Operations: | | |
| Total revenue | \$ 0.89 | \$ - |
| Total expenses | (0.07) | - |
| Realized gains (losses) | (0.58) | - |
| Unrealized gains (losses) | 0.55 | - |
| Total increase (decrease) from operations⁽³⁾ | \$ 0.79 | \$ - |
| Distributions: | | |
| From income (excluding dividends) | \$ (0.82) | \$ - |
| From dividends | - | - |
| From capital gains | - | - |
| Return of capital | - | - |
| Total distributions⁽⁴⁾ | \$ (0.82) | \$ - |
| Net assets, end of period⁽³⁾⁽⁵⁾ | \$ 9.97 | \$ 10.00 |
| Ratios and supplemental data⁽¹⁾ | | |
| Net asset value ⁽⁵⁾ | \$ 5,410,338 | \$ 5,000,000 |
| Units outstanding ⁽⁵⁾ | 542,719 | 500,000 |
| Management expense ratio ⁽⁶⁾ | 0.57% | 0.44% |
| Trading expense ratio ⁽⁷⁾ | 0.05% | 0.03% |
| Fund expense ratio ⁽⁸⁾ | 0.62% | 0.47% |
| Portfolio turnover rate ⁽⁹⁾ | 49.08 | 85.27 |
| Net asset value per unit ⁽⁵⁾ | \$ 9.97 | \$ 10.00 |

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Financial Highlights (Continued)

Notes:

- (1) Information is derived from the Fund's audited annual financial statements. All per unit figures presented are referenced to net assets determined in accordance with IFRS Accounting Standards.
- (2) Information is provided at the beginning of the year shown. In the case where a class is created during the year, the value is the beginning net assets per unit of that class.
- (3) Increase (decrease) from operations per unit is based on the weighted average number of units outstanding over the year. This table is not intended to be a reconciliation of beginning to ending net assets per unit.
- (4) Distributions per unit is based on the actual number of units outstanding at the time the distributions were made. Distributions were paid in cash and/or reinvested in additional units.
- (5) This information is provided at the end of the year shown.
- (6) The management expense ratio is based on the total expenses of the year ended and is expressed as an annualized percentage of average net asset value of the Fund during the year. The Manager has not waived or absorbed any fees or operating expenses of the Fund in the years indicated.
- (7) The trading expense ratio represents total brokerage commissions and other transaction costs incurred by the Fund expressed as an annualized percentage of average net asset value of the Fund during the year.
- (8) The portfolio turnover rate indicates how actively the Manager buys and sells the Fund's investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all the securities in its portfolio once during the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales of securities divided by the weighted average market value of portfolio securities, excluding short term securities.

Past Performance

The Fund commenced operations as a reporting issuer on November 30, 2023. Prior to this date, the Fund offered Class D and Class F units privately since March 1, 2012, and July 1, 2009, respectively. In conjunction with the filing of the Fund's simplified prospectus, the Manager received exemptive regulatory relief to include the Fund's performance as a private issuer prior to November 30, 2023, in the calculation of its returns. The returns below are for master series only because the performance of sub-series are substantially similar.

The performance information assumes that any distributions are reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. Past performance does not necessarily indicate how the class will perform in the future.

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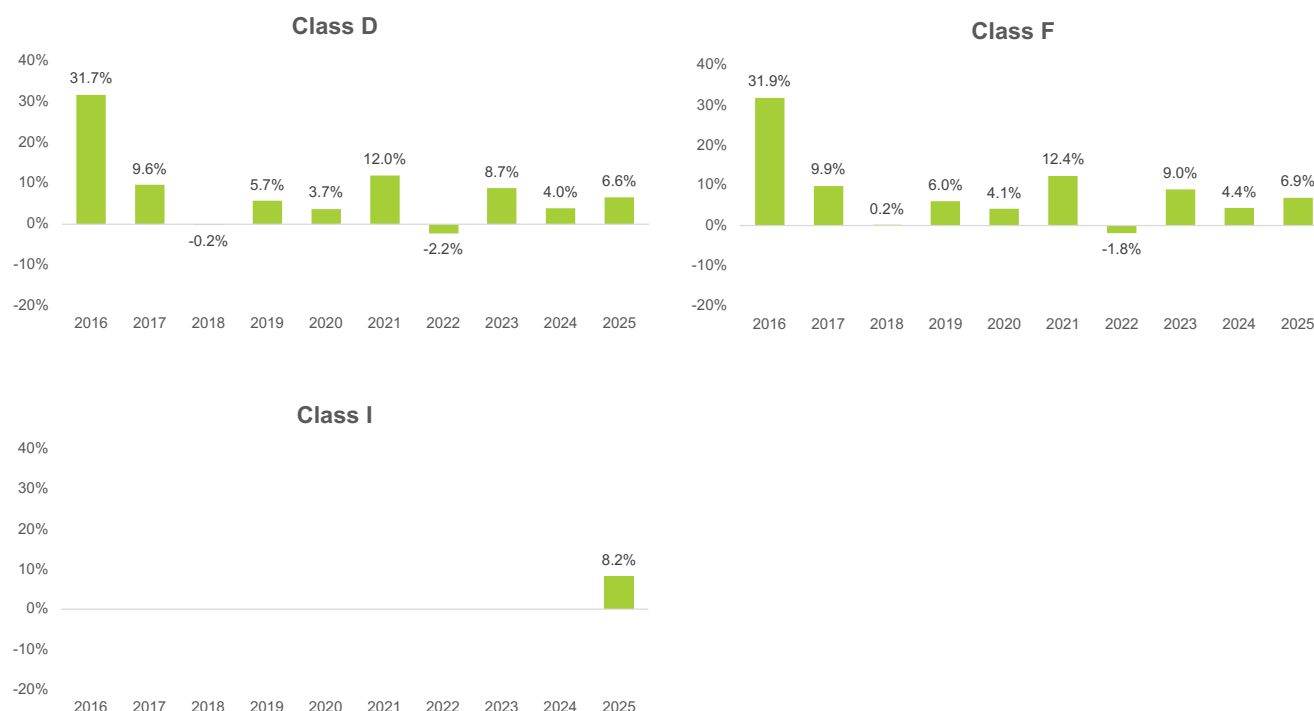
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Past Performance (Continued)

Year by Year Returns

The charts below indicate the Fund's performance for each of the years shown and illustrates how the Fund's performance has changed from year to year. The charts show, in percentage terms, how much an investment made on the first day of each year would have increased or decreased by the last day of each year.



Annual Compound Returns

The following table below shows the Fund's annual compound returns for each period indicated:

| For the periods ended December 31, 2025 ⁽¹⁾ | 1 Year | 3 Year | 5 Year | 10 Year |
|--|--------|--------|--------|---------|
| Class D | 6.6% | 6.4% | 5.7% | 7.6% |
| Class F | 6.9% | 6.8% | 6.1% | 8.0% |
| Class I ⁽²⁾ | 8.2% | - | - | - |
| Index ⁽³⁾ | 5.0% | 5.0% | 5.0% | 5.0% |

Notes:

- (1) Returns are based on the net asset value per unit and assume that all distributions were reinvested. Returns greater than one year are annual compounded returns.
- (2) Because Class I commenced operations on December 31, 2024, annual compound returns for certain periods are not yet available. As at December 31, 2025, Class I had an annualized return since inception of 8.2%.
- (3) The Fund aims to exceed an absolute annual return of 5% per annum; therefore, an annual return of 5% has been used as the Fund's index.

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Summary of Investment Portfolio

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund, and a quarterly update is available on the Fund's website: www.fulcraam.com.

| Top 25 Holdings | % Fund | Asset Mix | % Fund |
|--|--------------|---------------------------|---------------|
| Optiva Inc. 9.75% 20JUL25 | 3.7% | Corporate Bonds | 70.0% |
| Dye & Durham Ltd. 3.75% 01MAR26 | 3.2% | Term Loans | 15.2% |
| Canadian Government Bond 3% 01APR26 | 3.2% | Equities | 5.4% |
| New Flyer Holdings Inc. 9.25% 01JUL30 | 3.1% | Government Bonds | 5.3% |
| eG Global Finance PLC 12% 30NOV28 | 2.8% | Cash and Other Net Assets | 4.1% |
| Premium Brands Holdings Corp. 4.20% 30SEP27 | 2.7% | | |
| WildBrain Ltd 11.28299% 23JUL29 | 2.6% | Total | 100.0% |
| Getty Images Inc. 11.25% 21FEB30 | 2.3% | | |
| NFI Group Inc. 5% 15JAN27 | 2.2% | | |
| Wolfspeed Inc. 13.875% 23JUN30 | 2.2% | | |
| Sherritt International Corp. 9.25% 30NOV31 | 2.1% | | |
| Rogers Communications Inc. 5% 17DEC81 | 2.1% | | |
| Tidewater Midstream and Infrastructure Ltd. 8% 30JUN29 | 2.1% | | |
| Canadian Government Bond 4.50% 01FEB26 | 2.1% | | |
| Gibson Energy Inc. 5.25% 22DEC80 | 2.1% | | |
| CNG Holdings Inc. 16.50% 30JUN31 | 2.0% | | |
| Seaspan Corp. 5.50% 01AUG29 | 1.9% | | |
| JELD-WEN Inc. 6.0733% 28JUL28 | 1.8% | | |
| Getty Images Inc. 10.50% 15NOV30 | 1.7% | | |
| North American Construction Group Ltd. 7.75% 01MAY30 | 1.7% | | |
| WW International Inc. 11.1196% 24JUN30 | 1.6% | | |
| The EW Scripps Co. 10.2216% 30JUN28 | 1.6% | | |
| Tamarack Valley Energy Ltd. 7.25% 10MAY27 | 1.5% | | |
| Venture Global LNG Inc. 9% | 1.5% | | |
| Enova International Inc. 11.25% 15DEC28 | 1.4% | | |
| Total | 55.2% | | |

| Sector Mix | % Fund |
|---------------------------|---------------|
| Energy | 16.8% |
| Communications Services | 15.4% |
| Consumer Discretionary | 13.7% |
| Consumer Staples | 13.4% |
| Information Technology | 11.9% |
| Materials | 7.3% |
| Industrials | 6.2% |
| Financials | 5.8% |
| Government Bonds | 5.3% |
| Cash and Other Net Assets | 4.1% |
| Total | 100.0% |



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