

Fulcra Credit Opportunities Fund

Portfolio Commentary & Attribution
JULY 31, 2025



Return *of* Capital > Return *on* Capital



COMMENTARY

Dear Investors,

The Fulcrum Credit Opportunities Fund returned 0.7%¹ for the month of July; year-to-date, the fund has returned 3.8%¹.

At the index level, high-yield bond prices exhibited relatively low volatility in July. The option-adjusted spread² of the Bloomberg US Corporate High Yield Total Return Index ranged from +270 basis points to +290 basis points throughout the month.

Under the surface, we continue to see interesting developments as companies continue to issue new debt and take advantage of strong investor demand for high-yield bonds.

For example, Tamarack Valley Energy, a Canadian oil and natural gas exploration company, issued a \$325 million bond due in 2030 and used the proceeds to repay its credit facility and partially redeem its existing \$300 million bond that matures in 2027.

These opportunistic refinancings are prudent in our view, and we expect companies that can take advantage of these strong market conditions to term out upcoming debt maturities even if due in more than one year.

Portfolio Update

Our position in the March 2026 maturity bond of Dye and Durham Limited gained nearly 2 points in July after a key shareholder renewed calls for a sale process of the company. The company announced that its board of directors initiated a review of strategic alternatives at the end of the month.

Also, we added to our position in Borr Drilling secured bonds. Borr is an offshore shallow-water drilling contractor that operates across the globe.

While the offshore drilling business is highly cyclical, Borr's young fleet allows it to operate more cost-effectively and benefit through higher day rates from a pickup in utilization.

In our view, index-level credit spreads remain unattractive, but we continue to find unique opportunities in which to deploy capital into situations and companies that are flying under the radar of other investment funds and institutional investors.

Outlook

In August, we will get earnings updates from management teams for the second quarter of 2025 and receive clarity on how various companies are being impacted by the new U.S. trade policies.

Canadian companies have been pushing for government financial support to weather the tariff-induced storm. The Carney government has already announced support for Canada's softwood lumber industry, and we expect further supportive measures to be taken in other industries of national importance.

Sincerely,

Fulcrum Asset Management

¹ Class F units of the fund (net of fees)

² The difference between a bond's yield and the risk-free rate (after adjusting for the impact of the bond's embedded option)



Fulcrum Credit Opportunities Fund

AS OF JULY 31, 2025

ATTRIBUTION

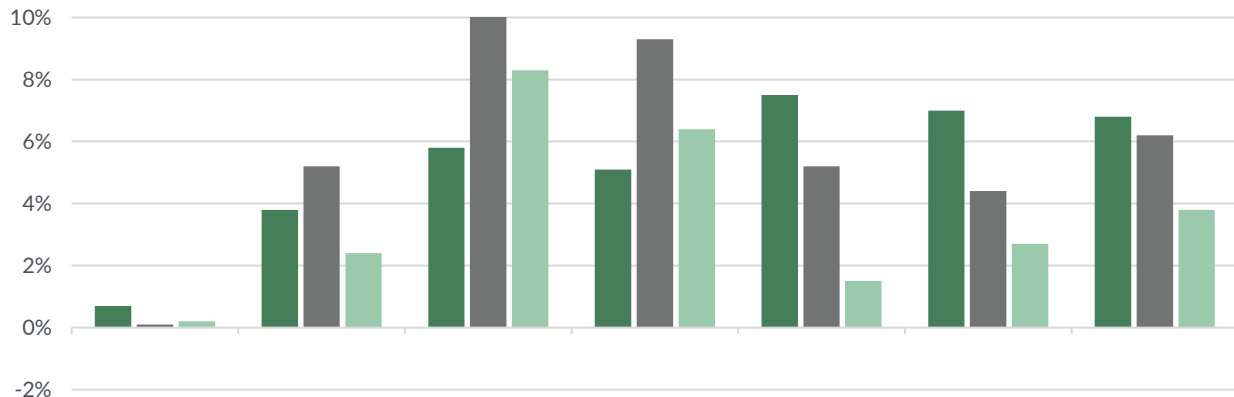
FUND PORTFOLIO CHARACTERISTICS

YTM (%)	11.2%
Current Yield (%)	8.2%
Distribution Yield	6.6%
12-M Distribution Yield	6.0%
Average Bond Price (\$)	94.61
Maturity (Yrs.)	3.6
Duration (Yrs.)	2.4

TOP 10 ISSUER LIST BY WEIGHTS

Optiva Inc	4.3%
Dye & Durham Limited	4.3%
Pyxus International Inc	3.5%
New Flyer Holdings	3.5%
Premium Brands Holdings Corp	3.4%
EG Global Finance PLC	3.3%
WildBrain Ltd	3.0%
BAUSCH HEALTH AMERICAS	2.7%
Hertz Corp	2.5%
New Flyer Industries Inc	2.4%

COMPOUND PERFORMANCE



¹ iShares Iboxx HY Corporate Bond ETF

² iShares Core Canadian Corporate Bond Index ETF

* Annualized
Inception date June 30, 2009

RETURN CORRELATION MATRIX

	1	2	3	4	5	6
1 Fulcrum Credit Opportunities Fund (Class F)	1.00					
2 S&P 500 CAD (SPXHCD)	0.46	1.00				
3 S&P/TSX Capped Composite CAD (T00CAR)	0.58	0.82	1.00			
4 ICE BofA US High Yield Index USD (H0A0)	0.64	0.77	0.75	1.00		
5 ICE BofA US Corporate USD (C0A0)	0.39	0.47	0.51	0.70	1.00	
6 ICE BofA Canada Corporate CAD (F0C0)	0.35	0.32	0.40	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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