

# Fulcra Credit Opportunities Fund

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Portfolio Commentary & Attribution  
AUGUST 31, 2025

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Return *of* Capital > Return *on* Capital



## COMMENTARY

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Dear Investors,

The Fulcra Credit Opportunities Fund (“the Fund”) returned 1.1%<sup>1</sup> for the month of August and has returned 4.9% year-to-date. Credit markets were very stable in August.

Looking back at the iShares High Yield Corporate Bond ETF (HYG), we see that its rolling 30-day historical volatility reached a 52-week low last month.

The Canadian dollar high-yield bond market saw two new issues in August. GoEasy issued \$175 million, and Peak Athletics (the owner of Bauer Hockey) completed its inaugural issuance, raising \$275 million.

Looking to the Canadian oil patch, a bidding war has emerged. Cenovus Energy and Strathcona Resources are vying to purchase MEG Energy. Currently, Cenovus Energy’s bid is in the lead as MEG Energy’s board has unanimously approved its bid and has recommended that MEG shareholders vote in favour of the deal.

### Portfolio Update

Telesat, a portfolio company that we have talked about in the past, was a top performer and contributed 0.36% to the Fund’s overall performance last month. As a reminder, Telesat was founded in 1969 as a Canadian Crown corporation. The company launched the world’s first domestic communications satellite in geostationary orbit operated by a commercial company. Since 2016, Telesat has pivoted its business from a focus on GEO(Geostationary Earth Orbit) to LEO (Low Earth Orbit) satellites.

From a competition standpoint, Telesat Lightspeed is a wholesale, enterprise-focused LEO satellite network designed for governments and businesses, while SpaceX-owned Starlink is a consumer-focused broadband service. Telesat has several bonds outstanding that are held in a restricted group, which is linked to their declining GEO business and does not have a direct claim on the higher growth LEO business. This has contributed to weakness in the price of Telesat bonds over the past couple of years.

In August, the Telesat bonds owned by the Fund rallied over 10% after the company’s CEO, Daniel Goldberg, noted on The company’s Q2 earnings call stated that while negotiations with creditors have not begun, the company may be able to engage with creditors in the near term, and a deal could be reached by the end of the year.

We continue to see value in Telesat bonds, as a court-supervised bankruptcy will be challenging due to the Telesat Canada Reorganization and Divestiture Act<sup>2</sup>. Also, the company will likely need ongoing funding for the growth of its LEO business, which would require positive relations with capital market participants.

### Outlook

As of August 31st, the Fund’s yield-to-maturity was 10.7% with a duration of 2.3.

We continue to find high conviction investment opportunities in unique situations but remain of the view that being long credit at the index level is unattractive from a risk/reward standpoint. Index-level corporate credit spreads have traded in a narrow sideways range over the past two months, and we may finally get a directional move after the September 17th FOMC rate decision.

Sincerely,

Fulcra Asset Management

<sup>1</sup> Class F units of the fund (net of fees)

<sup>2</sup> 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 AUGUST 31, 2025

### ATTRIBUTION

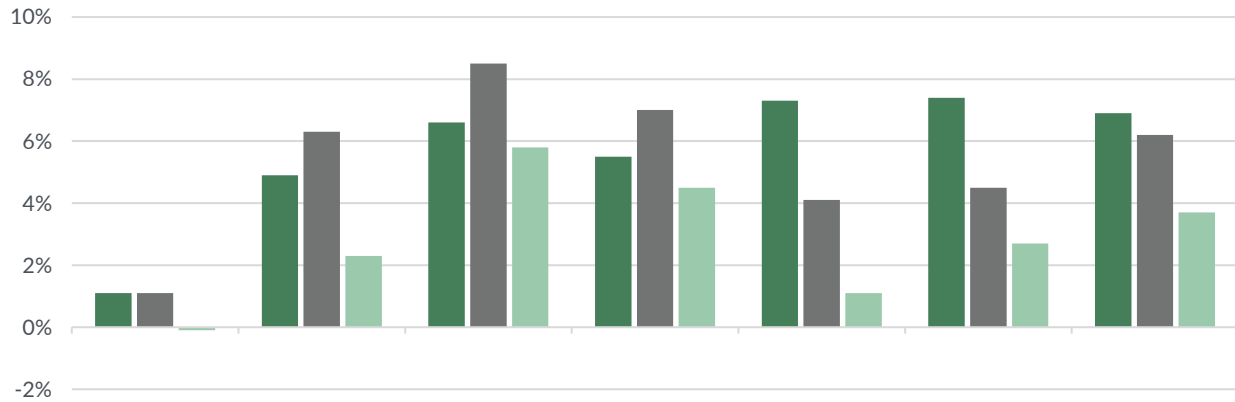
#### FUND PORTFOLIO CHARACTERISTICS

YTM (%)	10.7%
Current Yield (%)	7.7%
Distribution Yield	6.6%
12-M Distribution Yield	6.0%
Average Bond Price (\$)	94.57
Maturity (Yrs.)	3.5
Duration (Yrs.)	2.3

#### TOP 10 ISSUER LIST BY WEIGHTS

Dye & Durham Limited	4.3%
Optiva Inc	4.0%
Pyxus International Inc	3.5%
New Flyer Holdings	3.5%
Premium Brands Holdings Corp	3.4%
EG Global Finance PLC	3.2%
WildBrain Ltd	2.9%
Hertz Corp	2.5%
New Flyer Industries Inc	2.4%
Tamarack Valley Energy	2.4%

#### COMPOUND PERFORMANCE



<sup>1</sup> iShares Iboxx HY Corporate Bond ETF

<sup>2</sup> 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)	0.47	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	0.48	0.51	0.70	1.00	
6 ICE BofA Canada Corporate CAD (F0C0)	0.35	0.32	0.39	0.52	0.83	1.00

Time Period: Since Common Inception - 08/31/2009

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.

Commissions, trailing commissions, management fees and expenses all may be associated with investment fund investments. The indicated rates of return are historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Investment funds are not guaranteed, their values change frequently, and past performance may not be repeated.

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