

# Fulcra Credit Opportunities Fund

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Portfolio Commentary & Attribution  
APR 30, 2025

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Return *of* Capital > Return *on* Capital



## COMMENTARY

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Dear Investors,

“Liberation Day” tariff proclamations made by the White House on April 2nd kicked off an epic bout of volatility for global financial markets.

The “Trump Put” was activated on April 7th as the U.S. administration began walking back tariff levels and clarifying which countries and industries would be exempt. However, we have yet to see the full effect of the new trade policies on corporate income statements.

Recent quarterly financial updates have been mixed. We’ve heard from management teams in the automotive manufacturing sector that they have pulled 2025 guidance due to heightened uncertainty.

It will likely take another couple of quarters for the true effect of new tariffs to be seen across industries as existing inventory is sold and must be replaced with products at higher costs for tariff-exposed companies.

On April 28, it was announced that 68.7% of eligible Canadians — the highest turnout since 1993 — voted to extend Liberal Party control for another four years. The result could benefit Canadian natural resource companies, as the party campaigned on support for domestic infrastructure projects to develop and transport our country’s fossil fuel and mineral resources.

### Portfolio Update

We began deploying capital into new and existing positions during the first two weeks of April and were very active on the worst days of the market sell-off.

An equipment rental company we’ve been monitoring saw its debt price drop sharply. The regional U.S. operator, active in the Northeast and Florida, splits revenue between construction and material handling. Its rent-to-sell model offers capital flexibility across market cycles.

This is a potential acquisition target as the business has been trading at an attractive ~5.5x EV/EBITDA multiple compared to Herc’s announcement to acquire H&E Equipment Rentals for ~7x earlier this year.

Their 9% 06/01/2029 bond traded down from the high 90s in February to a low in the high 70s in April. We began to purchase this bond in the mid 80s with a low print of \$81.8.

### Outlook

As the impact of US-instigated tariff talks likely influence corporate level decisions and interest rates remain elevated the opportunity set in both low dollar high quality high yield (BB) / lower quality investment grade corporates (BBB) has expanded dramatically. To be clear, despite the recent snapback in credit and equity indices over the last couple of weeks, under the surface the current macro backdrop is providing an opportunity to invest in quality businesses at attractive yields.

Sincerely,

Fulcra Asset Management



## Fulcrum Credit Opportunities Fund

AS OF APR 30, 2025

### ATTRIBUTION

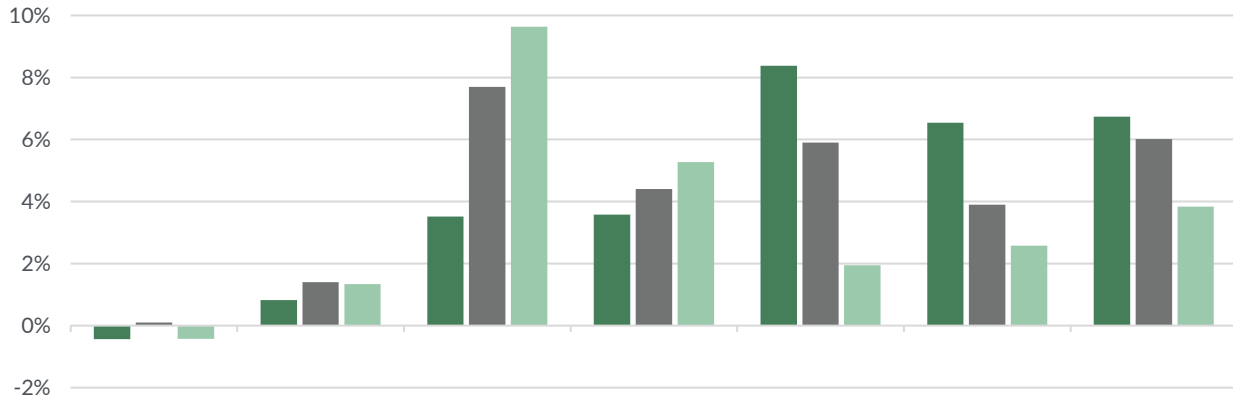
#### FUND PORTFOLIO CHARACTERISTICS

YTM (%)	11.2%
Current Yield (%)	7.9%
Distribution Yield	6.6%
12-M Distribution Yield	6.0%
Average Bond Price (\$)	92.47
Maturity (Yrs.)	3.3
Duration (Yrs.)	2.2

#### TOP 10 ISSUER LIST BY WEIGHTS

Optiva Inc	4.5%
Premium Brands Holdings Corp	3.4%
Pyxus International Inc	3.3%
Dye & Durham Limited	3.3%
EG Global Finance PLC	3.2%
CNG Holdings Inc	2.9%
WildBrain Ltd	2.8%
New Flyer Industries Inc	2.6%
Tidewater Midstream and Infrastructure Ltd	2.6%
Tamarack Valley Energy	2.5%

#### COMPOUND PERFORMANCE



	1 Month	YTD	1 Year*	3 Year*	5 Year*	10 Year*	Incep.*
FCOF	-0.4%	0.8%	3.5%	3.6%	8.4%	6.5%	6.7%
HYG <sup>1</sup>	0.1%	1.4%	7.7%	4.4%	5.9%	3.9%	6.0%
XCB <sup>2</sup>	-0.4%	1.3%	9.6%	5.3%	2.0%	2.6%	3.8%

<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 B)	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	0.48	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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