

Fulcra Credit Opportunities Fund

Portfolio Commentary & Attribution
JUNE 30, 2025



Return *of* Capital > Return *on* Capital



COMMENTARY

Dear Investors,

We're now halfway through the year, and as of June 30th, the Class F units of the Fulcrum Credit Opportunities Fund have returned 3.1% for 2025.

Credit markets continued to recover from the initial shock of Trump's tariff actions. The Bloomberg US Corporate High Yield Index ended the month at an option-adjusted spread to treasuries of +292 basis points, back to levels last seen in March.

June's primary market activity was the busiest it has been all year for sub-investment grade issuers.

Of note, commodity markets have jumped into focus for several reasons. Gold has been very strong in 2025 on US dollar weakness, copper continues to benefit from the structural trend of electrification, rare earth metals gained attention from Chinese retaliatory tariffs, and energy prices rose on US military tensions with Iran.

At a sector level, high yield bonds in metals & mining and energy rallied the most in June.

Portfolio Update

On June 24th, portfolio company WeightWatchers had its Chapter 11 reorganization plan put into effect. The company converted \$1.15 billion of debt into \$465 million of new debt, and pre-bankruptcy first lien lenders received 91% of the reorganized equity.

On July 1st, WeightWatchers and Novo Nordisk announced an expanded collaboration whereby Wegovy, Novo Nordisk's semaglutide injection, would be offered to WeightWatchers Clinic members for US\$299 in July, a \$200 savings offer.

The market viewed this development as a major positive, and the valuation of the reorganized equity increased to nearly \$400 million.

For reference, financial advisor PJT Partners gave a range of \$103 million and \$503 million as their estimate for the value of WeightWatchers' equity at emergence from restructuring.

Outlook

Market sentiment has significantly improved as we head into the summer months.

This is now reflected in a return to expensive equity market valuations and declining corporate credit spreads.

Interest rates will continue to be a focus for investors as inflation concerns and increased US government spending, fueled by the enactment of the One Big Beautiful Bill, impact the market for US treasuries.

Barring a negative macro event, the summer "grind" could be on for risk assets. If sentiment remains strong and primary market demand remains high, we expect companies with high leverage will continue to actively refinance their near-term maturities.

Sincerely,

Fulcrum Asset Management



Fulcrum Credit Opportunities Fund

AS OF JUNE 30, 2025

ATTRIBUTION

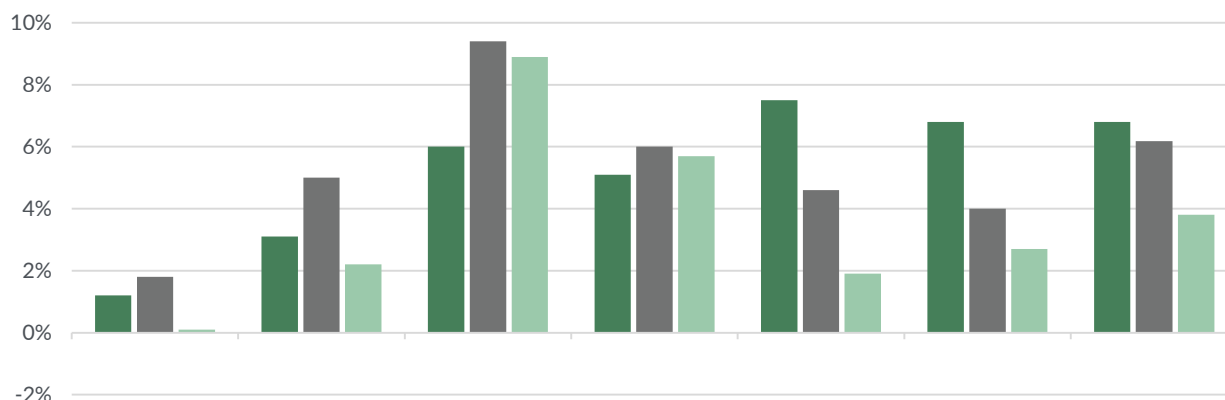
FUND PORTFOLIO CHARACTERISTICS

YTM (%)	11.1%
Current Yield (%)	8.1%
Distribution Yield	6.6%
12-M Distribution Yield	6.0%
Average Bond Price (\$)	94.74
Maturity (Yrs.)	3.7
Duration (Yrs.)	2.5

TOP 10 ISSUER LIST BY WEIGHTS

Optiva Inc	4.6%
Dye & Durham Limited	4.3%
Pyxus International Inc	3.5%
New Flyer Holdings	3.4%
Premium Brands Holdings Corp	3.3%
EG Global Finance PLC	3.2%
WildBrain Ltd	3.0%
New Flyer Industries Inc	2.9%
Bausch Health Americas	2.6%
Tamarack Valley Energy	2.6%

COMPOUND PERFORMANCE



	1 Month	YTD	1 Year*	3 Year*	5 Year*	10 Year*	Incep.*
FCOF	1.2%	3.1%	6.0%	5.1%	7.5%	6.8%	6.8%
HYG ¹	1.8%	5.0%	9.4%	6.0%	4.6%	4.0%	6.2%
XCB ²	0.1%	2.2%	8.9%	5.7%	1.9%	2.7%	3.8%

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 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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