

Unaudited Financial Statements of

**FULCRA CREDIT  
OPPORTUNITIES FUND**

Six months ended June 30, 2024

# FULCRA CREDIT OPPORTUNITIES FUND

## Statement of Financial Position (unaudited)

June 30, 2024, with comparative information for December 31, 2023

	June 30, 2024	December 31, 2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 2,599,302	\$ 1,655,434
Subscriptions receivable	50,000	15,185,000
Interest receivable	718,553	595,875
Prepaid expenses	4,737	–
Investments	60,086,742	47,395,618
Derivatives: Forward contracts (note 9)	–	99,529
	<u>63,459,334</u>	<u>64,931,456</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Due to brokers	1,493,257	818,201
Distributions payable	124,375	642,861
Management fees payable (note 5)	53,481	49,874
Other accrued liabilities	48,322	49,979
Derivatives: Forward contracts (note 9)	44,890	–
Performance fees payable (note 5)	–	112,167
	<u>1,764,325</u>	<u>1,673,082</u>
<b>Net assets attributable to holders of redeemable units</b>	<u>\$ 61,695,009</u>	<u>\$ 63,258,374</u>

# FULCRA CREDIT OPPORTUNITIES FUND

## Statement of Financial Position (unaudited) (continued)

June 30, 2024, with comparative information for December 31, 2023

	June 30, 2024	December 31, 2023
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class A - Master Series	\$ 9,993,105	\$ 10,121,986
Class B - Master Series	31,558,239	29,628,738
Class B - January 2022 Series	–	107,051
Class B - February 2022 Series	1,040,782	1,024,607
Class B - March 2022 Series	–	372,598
Class B - May 2022 Series	–	44,241
Class B - September 2022 Series	–	964,271
Class B - October 2022 Series	–	104,600
Class B - January 2023 Series	–	21,733
Class B - April 2023 Series	–	1,069,676
Class B - September 2023 Series	–	29,831
Class B - October 2023 Series	–	102,109
Class B - December 2023 Series	–	202,577
Class B - January 2024 Series	15,394,394	15,160,000
Class B - February 2024 Series	86,009	–
Class B - March 2024 Series	15,052	–
Class B - April 2024 Series	12,527	–
Class B - May 2024 Series	9,990	–
Class B - June 2024 Series	297,550	–
Class B - July 2024 Series	50,000	–
Class C - Master Series	284,146	300,897
Class D - Master Series	2,928,497	3,860,725
Class D - May 2023 Series	–	23,334
Class D - July 2023 Series	–	94,400
Class D - January 2024 Series	24,718	25,000
	<u>\$ 61,695,009</u>	<u>\$ 63,258,374</u>

Approved on behalf of the Manager:  
Fulcra Asset Management Inc.

"Matt Shandro" (signed) Director

# FULCRA CREDIT OPPORTUNITIES FUND

## Statement of Comprehensive Income (unaudited)

Six months ended June 30, 2024, with comparative information for 2023

	2024	2023
<b>Income</b>		
Interest income	\$ 1,948,895	\$ 2,062,154
Dividend income	31,195	29,893
Net foreign currency gains (losses)	8,545	(338,367)
Net realized gains (losses) on investments	388,833	1,094,998
Net change in unrealized appreciation (depreciation) on investments	<u>(990,558)</u>	<u>(330,243)</u>
	<u>1,386,910</u>	<u>2,518,435</u>
<b>Expenses</b>		
Management fees (note 5)	279,168	255,576
Operating expenses	90,388	75,951
Audit fees	28,825	20,938
Professional fees	13,750	–
Custodian fees	11,106	7,898
Brokerage commissions	5,015	6,192
Trustee fees	4,972	4,095
Performance fees (note 5)	–	2,183
Withholding taxes (note 4)	–	45,338
	<u>433,224</u>	<u>418,171</u>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<u>\$ 953,686</u>	<u>\$ 2,100,264</u>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class:</b>		
Class A - Master Series	\$ 137,379	\$ 371,376
Class B - Master Series	502,987	1,439,959
Class B - January 2022 Series	–	4,061
Class B - February 2022 Series	16,175	38,863
Class B - March 2022 Series	–	14,130
Class B - May 2022 Series	–	1,675
Class B - September 2022 Series	3	39,641
Class B - October 2022 Series	–	3,742
Class B - January 2023 Series	–	776
Class B - April 2023 Series	3	22,573
Class B - December 2023 Series	1	–
Class B - January 2024 Series	234,784	–
Class B - February 2024 Series	559	–
Class B - March 2024 Series	52	–
Class B - April 2024 Series	27	–
Class B - May 2024 Series	(10)	–
Class B - June 2024 Series	(993)	–
Class C - Master Series	3,584	20,797
Class D - Master Series	58,792	142,245
Class D - May 2023 Series	–	114
Class D - July 2023 Series	–	312
Class D - January 2024 Series	<u>343</u>	<u>–</u>
	<u>\$ 953,686</u>	<u>\$ 2,100,264</u>

# FULCRA CREDIT OPPORTUNITIES FUND

## Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (unaudited)

Six months ended June 30, 2024, with comparative information for 2023

	Net assets January 1, 2024	Increase / (decrease) in net assets attributable to holders of redeemable units	Proceeds from units issued	Reinvestment of distribution	Cost of units redeemed	Distribution paid to holders of redeemable units	Series conversion	Net assets June 30, 2024
<b>2024</b>								
Class A - Master Series	\$ 10,121,986	\$ 137,379	\$ -	\$ 187,396	\$ (238,475)	\$ (215,181)	\$ -	\$ 9,993,105
Class B - Master Series	29,628,738	502,987	-	513,988	(1,401,199)	(704,968)	3,018,693	31,558,239
Class B - January 2022 Series	107,051	-	-	-	-	-	(107,051)	-
Class B - February 2022 Series	1,024,607	16,175	-	22,151	-	(22,151)	-	1,040,782
Class B - March 2022 Series	372,598	-	-	-	-	-	(372,598)	-
Class B - May 2022 Series	44,241	-	-	-	-	-	(44,241)	-
Class B - September 2022 Series	964,271	3	-	-	-	-	(964,274)	-
Class B - October 2022 Series	104,600	-	-	-	-	-	(104,600)	-
Class B - January 2023 Series	21,733	-	-	-	-	-	(21,733)	-
Class B - April 2023 Series	1,069,676	3	-	-	-	-	(1,069,679)	-
Class B - September 2023 Series	29,831	-	-	-	-	-	(29,831)	-
Class B - October 2023 Series	102,109	-	-	-	-	-	(102,109)	-
Class B - December 2023 Series	202,577	1	-	-	-	-	(202,578)	-
Class B - January 2024 Series	15,160,000	234,784	-	397,168	-	(397,558)	-	15,394,394
Class B - February 2024 Series	-	559	85,450	1,860	-	(1,860)	-	86,009
Class B - March 2024 Series	-	52	15,000	260	-	(260)	-	15,052
Class B - April 2024 Series	-	27	12,500	161	-	(161)	-	12,527
Class B - May 2024 Series	-	(10)	10,000	88	-	(88)	-	9,990
Class B - June 2024 Series	-	(993)	300,000	-	-	(1,457)	-	297,550
Class B - July 2024 Series	-	-	50,000	-	-	-	-	50,000
Class C - Master Series	300,897	3,584	-	165	(13,989)	(6,511)	-	284,146
Class D - Master Series	3,860,725	58,792	-	50,730	(1,084,538)	(74,947)	117,735	2,928,497
Class D - May 2023 Series	23,334	-	-	-	-	-	(23,334)	-
Class D - July 2023 Series	94,400	-	-	-	-	-	(94,400)	-
Class D - January 2024 Series	25,000	343	-	-	-	(625)	-	24,718
	<u>\$ 63,258,374</u>	<u>\$ 953,686</u>	<u>\$ 472,950</u>	<u>\$ 1,173,967</u>	<u>\$ (2,738,201)</u>	<u>\$ (1,425,767)</u>	<u>\$ -</u>	<u>\$ 61,695,009</u>

The accompanying notes are an integral part of these financial statements.

# FULCRA CREDIT OPPORTUNITIES FUND

## Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (unaudited) (continued)

Six months ended June 30, 2024, with comparative information for 2023

	Net assets January 1, 2023	Increase / (decrease) in net assets attributable to holders of redeemable units	Proceeds from units issued	Reinvestment of distribution	Cost of units redeemed	Distribution paid to holders of redeemable units	Series conversion	Net assets June 30, 2023
<b>2023</b>								
Class A - Master Series	\$ 10,179,494	\$ 371,376	\$ 216,336	\$ 174,426	\$ (777,520)	\$ (203,527)	–	\$ 9,960,585
Class B - Master Series	36,793,480	1,439,959	–	482,570	(6,303,424)	(736,658)	–	31,675,927
Class B - January 2022 Series	98,200	4,061	–	1,980	–	(1,980)	–	102,261
Class B - February 2022 Series	2,939,547	38,863	–	38,946	(2,000,000)	(38,946)	–	978,410
Class B - March 2022 Series	341,606	14,130	–	6,889	–	(6,889)	–	355,736
Class B - May 2022 Series	40,494	1,675	–	817	–	(817)	–	42,169
Class B - September 2022 Series	973,858	39,641	–	–	–	(19,539)	–	993,960
Class B - October 2022 Series	96,437	3,742	–	1,944	–	(1,944)	–	100,179
Class B - January 2023 Series	–	776	20,000	203	–	(203)	–	20,776
Class B - April 2023 Series	–	22,573	1,000,000	–	–	–	–	1,022,573
Class C - Master Series	563,472	20,797	393	10,616	(5,708)	(11,293)	–	578,277
Class D - Master Series	3,639,806	142,245	786	59,905	(6,019)	(73,296)	–	3,763,427
Class D - May 2023 Series	–	114	22,222	–	–	–	–	22,336
Class D - July 2023 Series	–	312	90,000	–	–	–	–	90,312
	<u>\$ 55,666,394</u>	<u>\$ 2,100,264</u>	<u>\$ 1,349,737</u>	<u>\$ 778,296</u>	<u>\$ (9,092,671)</u>	<u>\$ (1,095,092)</u>	<u>–</u>	<u>\$ 49,706,928</u>

The accompanying notes are an integral part of these financial statements.

# FULCRA CREDIT OPPORTUNITIES FUND

## Statement of Cash Flows (unaudited)

Six months ended June 30, 2024, with comparative information for 2023

	2024	2023
<b>Cash provided by (used in):</b>		
<b>Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 953,686	\$ 2,100,264
Adjustments for non-cash items		
Foreign currency (gains) losses	(8,545)	338,367
Net realized (gains) losses on investments	(388,833)	(1,094,998)
Net change in unrealized (appreciation) depreciation on investments	990,558	330,243
Change in non-cash balances		
(Increase) decrease in due from brokers	–	(6,732)
(Increase) decrease in interest receivable	(122,678)	196,759
(Increase) decrease in prepaid expenses	(4,737)	–
Increase (decrease) in due to brokers	675,056	(4,149)
Increase (decrease) in performance fees payable	(112,167)	2,183
Increase (decrease) in management fees payable	3,607	(16,065)
Increase (decrease) in other accrued liabilities	(1,657)	13,976
Proceeds from sale of investments	35,722,523	21,303,060
Purchase of investments	(48,870,953)	(12,909,597)
Cash provided by (used in) operating activities	<u>(11,164,140)</u>	<u>10,253,311</u>
<b>Financing Activities</b>		
Proceeds from issuance of redeemable units	15,607,950	1,349,737
Payments on redemption of redeemable units	(2,738,201)	(9,092,671)
Distributions paid to holders of redeemable units	(770,286)	(316,796)
Cash provided by (used in) financing activities	<u>12,099,463</u>	<u>(8,059,730)</u>
Increase (decrease) in cash during the period	935,323	2,193,581
Foreign exchange gain (loss) on cash	8,545	(338,367)
Cash, beginning of period	<u>1,655,434</u>	<u>841,703</u>
<b>Cash, end of period</b>	<u>\$ 2,599,302</u>	<u>\$ 2,696,917</u>
<b>Supplemental information*</b>		
Interest paid	\$ 73	\$ –
Interest received	1,826,217	58,969
Dividends received, net of withholding taxes	31,195	14,414

\*Included as a part of cash flows from operating activities

# FULCRA CREDIT OPPORTUNITIES FUND

## Schedule of Investment Portfolio (unaudited)

As at June 30, 2024

Number of shares/units	Investments owned	Average cost	Fair value
<b>Canadian equities</b>			
22,800	Aimia Inc. Preferred Shares 6.01%	\$ 407,771	\$ 360,240
9,406	Connacher Oil and Gas Ltd	129,253	145,793
594,695	Dundee Corp.	1,022,850	731,475
377,700	Sherritt International Corp.	190,428	101,979
385,800	Tidewater Midstream and Infrastructure Ltd.	435,393	235,338
35,100	Tidewater Renewables Ltd.	259,187	259,389
		<u>2,444,882</u>	<u>1,834,214</u>
<b>Canadian fixed income</b>			
200,000	Air Lease Corp. 2.625% 05DEC24	196,390	197,746
500,000	Alimentation Couche-Tard Inc. 3.056% 26JUL24	494,650	499,359
1,500,000	Canadian Government Bond 0.50% 01SEP25	1,415,175	1,437,309
500,000	Canadian Government Bond 0.75% 01OCT24	489,225	495,329
250,000	Canadian Government Bond 3.75% 01FEB25	248,045	248,838
400,000	Cascades Inc/Cascades USA Inc. 5.125% 15JAN25	397,350	399,122
200,000	CES Energy Solutions Corp. 6.875% 24MAY29	200,000	201,750
342,500	Chemtrade Logistics Income Fund 7% 30JUN28	336,527	344,213
180,000	Chemtrade Logistics Income Fund 8.50% 30SEP25	180,835	235,639
236,000	Chorus Aviation Inc. 5.75% 31DEC24	221,585	230,690
90,000	Chorus Aviation Inc. 6% 30JUN26	86,454	87,183
993,000	Cineplex Inc. 7.75% 01MAR30	980,308	1,086,778
200,000	Cogeco Communications Inc. 6.125% 27FEB29	200,000	202,417
1,057,000	Corus Entertainment Inc. 5% 11MAY28	652,350	423,680
1,140,000	Corus Entertainment Inc. 6% 28FEB30	675,675	433,901
150,000	Daimler Trucks Finance Canada Inc. 2.14% 13DEC24	146,625	148,067
750,000	Ford Credit Canada Co. 4.46% 13NOV24	738,262	747,533
1,000,000	Gibson Energy Inc. 5.25% 22DEC80	857,438	920,945
500,000	John Deere Financial Inc. 2.41% 14JAN25	490,250	493,608
700,000	Keyera Corp. 5.95% 10MAR81	627,900	662,457
1,805,000	NFI Group Inc. 5% 15JAN27	1,505,547	1,670,542
1,300,000	NuVista Energy Ltd. 7.875% 23JUL26	1,303,618	1,327,625
1,800,000	Parkland Corp. 3.875% 16JUN26	1,719,625	1,738,876
1,595,000	Premium Brands Holdings Corp. 4.20% 30SEP27	1,460,156	1,494,170
181,000	Premium Brands Holdings Corp. 4.65% 30APR25	177,584	180,729
100,000	Premium Brands Holdings Corp. 5.40% 30SEP29	90,000	94,500
300,000	Rogers Communications Inc. 3.10% 15APR25	292,650	295,511
2,000,000	Rogers Communications Inc. 5% 17DEC81	1,868,447	1,937,600
500,000	Royal Bank of Canada 4.20%	500,000	418,515
1,292,000	Russel Metals Inc. 5.75% 27OCT25	1,272,062	1,294,624
776,648	Sherritt International Corp. 10.75% 31AUG29	606,873	361,141
1,000,000	Sherritt International Corp. 8.50% 30NOV26	749,261	625,000
1,425,000	SNC-Lavalin Group Inc. 3.80% 19AUG24	1,404,566	1,421,286
414,000	SNC-Lavalin Group Inc. 7% 12JUN26	414,978	428,283
1,164,392	Source Energy Services Canada LP / Source Energy Services Canada Holdings Ltd. 10.50% 15MAR25	1,203,394	1,170,214
500,000	Suncor Energy Inc. 5.60% 17NOV25	499,330	504,425

# FULCRA CREDIT OPPORTUNITIES FUND

## Schedule of Investment Portfolio (unaudited) (continued)

As at June 30, 2024

Number of shares/units	Investments owned	Average cost	Fair value
<b>Canadian fixed income (continued)</b>			
700,000	Tamarack Valley Energy Ltd. 7.25% 10MAY27	\$ 680,148	\$ 705,542
1,072,500	Tidewater Midstream and Infrastructure Ltd. 5.50% 30SEP24	1,051,435	1,072,393
800,000	Tidewater Midstream and Infrastructure Ltd. 8% 30JUN29	800,000	808,160
350,000	Videotron Ltd. 3.625% 15JUN28	308,000	335,493
1,635,000	Videotron Ltd. 5.625% 15JUN25	1,633,010	1,640,065
500,000	Videotron Ltd. 5.75% 15JAN26	495,237	500,520
1,250,000	VW Credit Canada Inc. 2.05% 10DEC24	1,213,950	1,233,671
798,000	WildBrain Ltd. 5.875% 30SEP24	698,795	766,080
		<u>31,583,710</u>	<u>31,521,529</u>
<b>U.S. equities</b>			
6,475	Altera Infrastructure LP	688,054	265,869
10,925	Guitar Center Holdings, Inc. - Series A PFD	1,147,047	1,271,079
147,142	Mood Media LLC	153,001	—
94,315	National CineMedia Inc.	714,382	566,742
		<u>2,702,484</u>	<u>2,103,690</u>
<b>U.S. fixed income</b>			
738,953	AMC Entertainment Holdings Inc. 8.4455% 22APR26	677,823	960,272
195,146	Borr IHC Ltd / Borr Finance LLC 10.375% 15NOV30	260,228	280,193
2,100,000	Briggs & Stratton Corp. 6.875% 15DEC20	1,412,678	28,745
150,000	CNG Holdings Inc. 14.50% 30JUN26	157,877	170,416
707,000	CNG Holdings Inc. 14.50% 30JUN26	975,488	803,226
46,729	Connacher Term Loan B 15.14%	57,763	66,201
547,000	Conuma Resources Ltd. 13.125% 01MAY28	707,648	761,836
3,180,000	Diamond Sports Group LLC / Diamond Sports Finance Co. 5.375% 15AUG26	1,949,638	89,776
176,528	Diamond Sports Group LLC 13.419% 25MAY26	226,094	229,549
150,073	Diamond Sports Group LLC 5% 02AUG27	203,654	287,588
358,665	Directv Financing LLC 10.3241% 02AUG27	445,269	492,475
900,000	eG Global Finance PLC 12% 30NOV28	1,262,889	1,312,830
350,000	Enova International Inc. 11.25% 15DEC28	470,857	512,144
550,000	Enova International Inc. 8.50% 15SEP25	731,754	754,113
809,000	First Quantum Minerals Ltd. 6.875% 15OCT27	1,040,182	1,083,059
675,000	First Quantum Minerals Ltd. 8.625% 01JUN31	812,316	923,543
550,000	Golar LNG Ltd. 7% 20OCT25	652,243	751,533
1,100,000	Grand Canyon University 4.125% 01OCT24	1,484,896	1,500,034
400,000	Guitar Center Inc. 8.50% 15JAN26	539,373	494,374
961,000	KAR Auction Services Inc. 5.125% 01JUN25	1,258,669	1,298,394
450,000	National CineMedia LLC 5.75% 15AUG26	197,439	5,091
679,000	Optiva Inc. 9.75% 20JUL25	886,494	882,944
367,026	Pyxus Holdings Inc. 13.4411% 27DEC27	483,438	439,587
244,684	Pyxus Holdings Inc. 13.4411% 31DEC27	322,292	336,598
826,562	Pyxus Holdings Inc. 8.50% 31DEC27	1,042,578	913,604
70,899	Rite Aid Corp. 12% 31DEC25	97,096	97,047

# FULCRA CREDIT OPPORTUNITIES FUND

## Schedule of Investment Portfolio (unaudited) (continued)

As at June 30, 2024

Number of shares/units	Investments owned	Average cost	Fair value
	<b>U.S. fixed income (continued)</b>		
93,287	Rite Aid Corp. 12.3% 18OCT24	\$ 127,757	\$ 127,691
1,519,000	Rite Aid Corp. 7.50% 01JUL25	1,889,035	873,267
300,000	Rite Aid Corp. 8% 15NOV26	235,583	172,469
250,000	Seaspan Corp. 5.50% 01AUG29	270,923	305,796
850,000	Spanish Broadcasting System Inc. 9.75% 01MAR26	719,356	700,791
350,000	Spencer Spirit IH LLC 10.8319% 25JUN31	474,410	474,289
785,000	Summit Midstream Holdings LLC / Summit Midstream Finance Corp. 9% 15OCT26	1,103,371	1,105,618
250,000	Telesat Canada / Telesat LLC 4.875% 01JUN27	202,009	151,880
1,600,000	Telesat Canada / Telesat LLC 5.625% 06DEC26	1,291,742	1,035,014
493,750	The GEO Group Inc. 10.5698% 14APR29	672,459	689,784
50,000	The GEO Group Inc. 8.625% 15APR29	67,470	70,157
200,000	The Hertz Corp. 4.625% 01DEC26	212,893	198,892
97,886	The Hertz Corp. 8.9302% 30JUN28	122,722	121,426
505,114	The Hertz Corp. 8.9302% 30JUN28	633,272	627,013
1,000,000	United States Treasury Note/Bond 2.375% 15MAY29	1,231,144	1,250,259
397,943	WildBrain Ltd. 9.5785% 27MAR28	512,000	526,321
125,000	WW International Inc. 4.50% 15APR29	83,531	66,499
1,100,000	WW International Inc. 8.9353% 13APR28	1,014,310	654,971
		<u>29,220,663</u>	<u>24,627,309</u>
	<b>Total investments owned</b>	65,951,739	60,086,742
	Commissions and other portfolio transaction costs	(1,847)	—
	<b>Net investments owned</b>	<u>\$ 65,949,892</u>	60,086,742
	Unrealized gain (loss), foreign exchange forward contracts (note 9)		(44,890)
	<b>Other assets, net</b>		<u>1,653,157</u>
	<b>Net Assets Attributable to Holders of Redeemable Units</b>		<u>\$ 61,695,009</u>

# FULCRA CREDIT OPPORTUNITIES FUND

Notes to Financial Statements (Unaudited)

Six months ended June 30, 2024

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## 1. Organization:

Fulcra Credit Opportunities Fund (the “Fund”) is a mutual fund trust formed under the laws of the Province of British Columbia. The Fund is domiciled in Canada and the address of the Fund’s registered office is Suite 1201 - 333 Seymour Street, Vancouver, B.C., V6B 5A6. The Fund is managed by Fulcra Asset Management Inc. (the “Manager”).

The investment objective of the Fund is to generate income and long-term capital appreciation through investing primarily in debt and income-generating equity securities.

On November 27, 2023, the Fund filed a simplified prospectus with the British Columbia Securities Commission. The receipt of the final filing completed the conversion of the Fund into a Alternative Mutual Fund under the rules of National Instrument 81-102 – Investment Funds.

## 2. Basis of preparation:

### (a) Statement of compliance:

These interim financial statements have been prepared in compliance with IFRS Accounting Standards as published by the International Accounting Standards Board. These financial statements do not include all of the information and disclosures required in the annual financial statements. These financial statements should be read in conjunction with the Fund’s annual financial statements and accompanying note disclosures.

The financial statements were authorized for issue by the Manager on August 27, 2024.

### (b) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Fund’s functional currency.

### (c) Use of estimates and judgment:

The preparation of financial statements in conformity with IFRS Accounting Standards requires the Manager to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected.

# FULCRA CREDIT OPPORTUNITIES FUND

Notes to Financial Statements (Unaudited)

Six months ended June 30, 2024

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### 3. Material accounting policy information:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. In addition, the Fund adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from January 1, 2023. The amendments require the disclosure of “material” rather than “significant” accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in certain instances.

(a) Financial instruments:

(i) Recognition and measurement:

Financial instruments are recognized initially on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument.

Financial instruments are required to be classified into one of the following categories: amortized cost, fair value through other comprehensive income, or fair value through profit or loss.

(ii) Amortized Cost:

A financial instrument is measured at Amortized Cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial instruments classified as Amortized Cost are recognized initially at fair value plus any directly attributable transaction costs. The Fund uses the expected credit loss model as the impairment model for financial assets measured at amortized cost.

At each reporting date, the Fund measures the loss allowance on such financial instruments classified as Amortized Cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund measures the loss allowance at an amount equal to the 12 month expected credit losses.

The Fund classifies cash, interest receivable, subscriptions receivable, distributions payable, management fees payable, performance fees payable, balance due to brokers and other accrued liabilities as Amortized Cost.

# FULCRA CREDIT OPPORTUNITIES FUND

Notes to Financial Statements (Unaudited)

Six months ended June 30, 2024

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(iii) Fair value through other comprehensive income (“FVOCI”)

A financial instrument is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Fund has not classified any of its financial instruments as FVOCI.

(iv) Fair value through profit or loss (“FVTPL”)

All financial instruments not classified as measured at Amortized Cost or FVOCI (as described above) are measured at FVTPL. Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statement of comprehensive income in the period in which they occur.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial instruments traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date.

The Fund uses the last traded market price where the last traded price falls within that day’s bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The Fund may, on initial recognition, irrevocably elect to measure financial instruments that otherwise meets the requirements to be measured at Amortized Cost or at FVOCI as at FVTPL when doing so results in more relevant information.

The Fund’s derivatives and investments are classified as FVTPL.

(b) Transaction costs:

Transaction costs are included in the initial carrying amount of financial instruments, except for financial instruments classified as fair value through profit or loss, in which case transaction costs are expensed as incurred.

(c) Redeemable units:

The Fund’s redeemable units are measured at their redemption amount, provide investors with the right to require redemption, subject to available liquidity, for cash at a unit price based on the Fund’s valuation policies at each redemption date. Distributions to holders of redeemable units are recognized in statement of changes in net assets attributable to holders of redeemable units when they are authorized and no longer at the discretion of the Manager.

# FULCRA CREDIT OPPORTUNITIES FUND

Notes to Financial Statements (Unaudited)

Six months ended June 30, 2024

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(d) Foreign exchange:

The financial statements of the Fund are denominated in Canadian dollars. Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses are recognized in the statement of comprehensive income.

(e) Income recognition:

Interest income is accounted for on an accrual basis. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined on the average cost basis of the respective investments.

(f) Income taxes:

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). All of the Fund's net income for tax purposes and net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Fund. As a result, the Fund does not record income taxes.

#### 4. Withholding taxes:

Certain dividend and interest income received by the Fund are subject to withholding tax imposed in the country of origin. During the period ended June 30, 2024, the Fund incurred \$nil (2023 - \$45,338) withholding taxes.

# FULCRA CREDIT OPPORTUNITIES FUND

Notes to Financial Statements (Unaudited)

Six months ended June 30, 2024

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## 5. Related party transactions:

### (a) Management fees:

The Manager receives a monthly management fee, payable in arrears, equal to:

- (i) 1/12 of 1.50% of the aggregate Net Asset Value of the Class A Units;
- (ii) 1/12 of 0.75% of the aggregate Net Asset Value of the Class B Units;
- (iii) 1/12 of 1.50% of the aggregate Net Asset Value of the Class C Units; and
- (iv) 1/12 of 1.15% of the aggregate Net Asset Value of the Class D Units.

No management fees are charged to Class I units. Class I unit holders 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.

The management fees incurred during the period amounted to \$279,168 (2023 - \$255,576). Management fees payable as at June 30, 2024 were \$53,481 (December 31, 2023 - \$49,874).

### (b) Performance fees:

In addition to management fees, the Manager is entitled to receive from the Fund an annual performance fee in respect of Class B redeemable units and Class D redeemable units equal to 15% of the amount by which the Net Asset Value per Class B redeemable unit and Class D redeemable unit exceed a threshold annualized increase of 5% over the High Water Mark.

The High Water Mark for a Class B redeemable units and Class D redeemable units as at any date means: (i) during the fiscal year in which the redeemable unit is issued, its subscriptions price; (ii) during the subsequent fiscal year, the greater of its subscription price or the net asset value per redeemable unit as of the first day of such subsequent fiscal year if the Manager received a performance fee in respect of such redeemable unit for the prior fiscal year; and (iii) during all subsequent fiscal years, the higher of the net asset value per redeemable unit as at the first day of such fiscal year and any previous fiscal year.

Performance fees for the period ended June 30, 2024 were \$nil (2023 - \$2,183). Performance fees payable as at June 30, 2024 were \$nil (December 31, 2023 - \$112,167).

### (c) Unit holdings:

As at June 30, 2024, directors and officers of the Manager owned 47,887 (December 31, 2023 - 46,800) units of the Fund.

# FULCRA CREDIT OPPORTUNITIES FUND

Notes to Financial Statements (Unaudited)

Six months ended June 30, 2024

## 6. Redeemable units:

The Fund is authorized to issue an unlimited number of units in five distinct classes of units - Class A, Class B, Class C, Class D, and Class I. Class I units are only available to investors who have separately entered into an agreement with the Manager and who meet certain other conditions as may be determined by the Manager from time to time. No Class I units were issued and outstanding in 2024 or 2023.

The unit transactions for the Fund during the period ended June 30, 2024, and 2023 are as follows:

	Outstanding redeemable units, beginning of period	Redeemable units issued for cash	Redeemable units redeemed	Redeemable units issued on reinvestment of distributions	Series conversion	Outstanding redeemable units, end of period
<b>2024</b>						
Class A - Master	842,572	-	(19,701)	17,172	-	840,043
Class B - Master	2,385,779	-	(112,184)	41,474	243,073	2,558,142
Class B - January 2022	8,571	-	-	-	(8,571)	-
Class B - February 2022	83,248	-	-	1,802	-	85,050
Class B - March 2022	29,836	-	-	-	(29,836)	-
Class B - May 2022	3,534	-	-	-	(3,534)	-
Class B - September 2022	77,296	-	-	-	(77,296)	-
Class B - October 2022	8,416	-	-	-	(8,416)	-
Class B - January 2023	1,735	-	-	-	(1,735)	-
Class B - April 2023	85,065	-	-	-	(85,065)	-
Class B - September 2023	2,323	-	-	-	(2,323)	-
Class B - October 2023	8,001	-	-	-	(8,001)	-
Class B - December 2023	15,785	-	-	-	(15,785)	-
Class B - January 2024	1,220,720	-	-	32,147	-	1,252,867
Class B - February 2024	-	6,818	-	150	-	6,968
Class B - March 2024	-	1,193	-	21	-	1,214
Class B - April 2024	-	1,003	-	13	-	1,016
Class B - May 2024	-	800	-	7	-	807
Class B - June 2024	-	23,940	-	-	-	23,940
Class B - July 2024	-	4,053	-	-	-	4,053
Class C - Master	25,961	-	(1,207)	14	-	24,768
Class D - Master	318,505	-	(88,741)	4,239	9,711	243,714
Class D - May 2023	1,897	-	-	-	(1,897)	-
Class D - July 2023	7,648	-	-	-	(7,648)	-
Class D - January 2024	2,062	-	-	-	-	2,062

# FULCRA CREDIT OPPORTUNITIES FUND

Notes to Financial Statements (Unaudited)

Six months ended June 30, 2024

	Outstanding redeemable units, beginning of period	Redeemable units issued for cash	Redeemable units redeemed	Redeemable units issued on reinvestment of distributions	Series conversion	Outstanding redeemable units, end of period
<b>2023</b>						
Class A - Master	841,472	17,868	(63,986)	14,533	-	809,887
Class B - Master	2,920,324	-	(495,596)	38,567	-	2,463,295
Class B - January 2022	7,794	-	-	158	-	7,952
Class B - February 2022	233,314	-	(160,345)	3,118	-	76,087
Class B - March 2022	27,113	-	-	551	-	27,664
Class B - May 2022	3,214	-	-	65	-	3,279
Class B - September 2022	77,296	-	-	-	-	77,296
Class B - October 2022	7,654	-	-	155	-	7,809
Class B - January 2023	-	1,603	-	16	-	1,619
Class B - April 2023	-	79,667	-	-	-	79,667
Class C - Master	46,765	33	(479)	888	-	47,207
Class D - Master	297,376	65	(484)	4,931	-	301,888
Class D - May 2023	-	1,792	-	-	-	1,792
Class D - July 2023	-	7,244	-	-	-	7,244

## 7. Capital management:

The redeemable units issued by the Fund represent the capital of the Fund. The Fund is not subject to any internally or externally imposed restrictions on its capital. The Fund's objectives in managing the redeemable units are to ensure a stable base to maximize returns to all investors, and to manage liquidity risk arising from redemptions.

## 8. Financial risk management:

### (a) Risk management framework:

The Manager has discretionary authority to manage the assets in accordance with the Fund's investment objectives.

The investment objective of the Fund is to generate income and long-term capital appreciation through investments primarily in debt and income generating equity securities. In seeking to achieve the Fund's investment objective, the Manager will employ a value-based fundamental research process.

The Manager does not subscribe to the academic and conventional view that the risk of a security is best measured in terms of the volatility of its quoted market price, and hence, in order to minimize risk, one must endeavor to minimize volatility. Rather, the Manager believes that permanent capital impairment risk is minimized when the discount between the true intrinsic value of the portfolio and its quoted market price is maximized. As a result, the Manager endeavors to minimize risk by maximizing this "margin of safety"; thereby minimizing the downside risk and maximizing the upside potential.

# FULCRA CREDIT OPPORTUNITIES FUND

Notes to Financial Statements (Unaudited)

Six months ended June 30, 2024

(b) Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from debt securities held, cash and cash equivalents, and other receivables due to the Fund. The carrying value of these financial instruments as recorded in the statement of financial position reflects the Fund's maximum exposure to credit risk.

The Fund may engage in transactions pursuant to which it will enter into forward contracts with a counterparty. Either the Fund or the counterparty to the Fund may default on their obligations and cause losses to the Fund. To minimize the Fund's counterparty risk, the Manager will utilize counterparties with high credit ratings. As of June 30, 2024, the Fund's forward contracts are held at a financial institution with a rating of A (December 31, 2023 - A).

Credit risk is monitored on a daily basis by the Manager. The majority of the credit risk to which the Fund is exposed is concentrated in debt securities. Credit risk arising from other financial instruments is not considered significant. At June 30, 2024, and December 31, 2023, the Fund was invested in debt securities with the following credit quality:

	<b>June 30 2024</b>	<b>December 31 2023</b>	<b>June 30 2024</b>	<b>December 31 2023</b>
AAA	\$ 3,431,735	\$ 1,795,231	6%	4%
A	641,675	-	1%	0%
BBB	6,372,838	3,694,948	11%	8%
BB	14,224,589	9,658,068	25%	22%
B	10,623,099	7,344,633	19%	17%
CCC	1,256,210	3,555,971	2%	8%
D	1,186,894	1,513,209	2%	3%
Not Rated	18,411,798	16,339,097	34%	37%
<b>Total</b>	<b>\$ 56,148,838</b>	<b>\$ 43,901,157</b>	<b>100%</b>	<b>100%</b>

(c) Liquidity risk:

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, including estimated redemptions of units, without incurring unacceptable losses or risking damage to the Fund's reputation.

Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily disposed of. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity.

# FULCRA CREDIT OPPORTUNITIES FUND

Notes to Financial Statements (Unaudited)

Six months ended June 30, 2024

The Fund's redeemable units are due on demand. The Fund's remaining non-derivative liabilities are due within one year of the end of the reporting period of the Fund. The following were the contractual maturities of derivative instruments as at June 30, 2024, and December 31, 2023:

	Carrying amount	Gross nominal inflow (outflow)	Less than 1 month
June 30, 2024	(44,890)	(44,890)	(44,890)
December 31, 2023	99,529	99,529	99,529

(d) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Fund's income or the fair value of its holdings of financial instruments.

(i) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in market interest rates. The Manager manages interest rate risk through careful selection of securities and diversification within the Fund.

A summary of the Fund's fixed income investments categorized by the earlier of contractual re-pricing or maturity date, is as follows:

	Less than 1 year	1 to 3 years	3 to 5 years	Greater than 5 years	Total
June 30, 2024	\$ 14,261,306	\$ 20,031,840	\$ 13,956,034	\$ 7,899,658	\$ 56,148,838
December 31, 2023	\$ 10,124,415	\$ 19,939,631	\$ 10,959,798	\$ 2,877,313	\$ 43,901,157

(ii) Currency risk:

Currency risk is the risk that the value of financial instruments denominated in currencies other than the Canadian dollar, which is the functional currency of the Fund, will fluctuate due to changes in foreign exchange rates. Trading in foreign markets exposes the Fund to currency risk as the price in local terms is converted to Canadian dollars to determine fair value.

Investments denominated in currencies other than the Canadian dollar, which is the Fund's functional currency, expose the Fund to fluctuations in foreign exchange rates. Trading in foreign markets exposes the Fund to currency risk as the price in local terms is converted to Canadian dollars to determine fair value. The Fund's currency risk is managed on a daily basis by the Manager through careful selection of securities and diversification within the Fund, as well as the use of foreign currency forward contracts to hedge currency risk.

# FULCRA CREDIT OPPORTUNITIES FUND

Notes to Financial Statements (Unaudited)

Six months ended June 30, 2024

The Fund actively seeks investment opportunities in the U.S., subject to maintaining the investment mandate of the Fund. At the reporting date, the carrying value of the Fund's financial instruments held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows:

<b>Total exposure</b>	<b>Monetary</b>	<b>Non-Monetary</b>	<b>Forward Contracts</b>	<b>Net</b>
<b>U.S. Dollars</b>				
June 30, 2024	\$ (1,284,423)	\$ 26,730,999	\$ (26,332,594)	\$ (886,018)
December 31, 2023	861,379	25,278,867	(25,248,692)	891,554
<b>As % of the Fund</b>				
June 30, 2024	-2.1%	43.3%	-42.7%	-1.4%
December 31, 2023	1.4%	40.0%	-40.0%	1.4%

At the reporting date, had the Canadian dollar strengthened or weakened by 5% in relation to all foreign currencies, with all other factors remaining constant, net assets attributable to holders of redeemable units would have approximately decreased or increased as follows:

<b>Approximate impact</b>	<b>Monetary</b>	<b>Non-Monetary</b>	<b>Forward Contracts</b>	<b>Net</b>
<b>U.S. Dollars</b>				
June 30, 2024	\$ (64,221)	\$ 1,336,550	\$ (1,316,630)	\$ (44,301)
December 31, 2023	43,069	1,263,943	(1,262,435)	44,577
<b>% of the Fund</b>				
June 30, 2024	-0.1%	2.2%	-2.1%	-0.1%
December 31, 2023	0.1%	2.0%	-2.0%	0.1%

In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other price risk:

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market.

Price risk is managed by the Manager by diversifying the portfolio and economically hedging using derivative financial instruments such as options or futures contracts.

# FULCRA CREDIT OPPORTUNITIES FUND

Notes to Financial Statements (Unaudited)

Six months ended June 30, 2024

There were no significant concentrations of risk to issuers at June 30, 2024. As at June 30, 2024, there was the one bond holding that exceeded 5% of the net assets attributable to the holders of redeemable units. No exposure to any other individual issuer exceeded 5% of the net assets attributable to the holders of redeemable units at June 30, 2024 or December 31, 2023.

As at June 30, 2024, had equity prices increased or decreased by 5%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$196,895 (December 31, 2023 - \$168,199) or 0.3% (December 31, 2023 - 0.3%) of net assets attributable to redeemable units.

## 9. Derivative financial instruments:

The Fund may enter into various forward contracts as part of its investment strategy. Generally, a forward contract is a customized contract between two parties to purchase or sell an asset at a specified price on a future date. The Fund may use forward contracts to gain exposure to, or hedge against, changes in the value of equities, commodities, interest rates or foreign currencies. If market conditions move unexpectedly, the anticipated benefits of forward contracts may not be achieved and a loss may be realized. The use of forward contracts involves the risk of imperfect correlation in movements in the price of forward contracts and the underlying instruments or commodities.

Forward contracts are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The following table details the Fund's investments in forward contracts as at June 30, 2024 and December 31, 2023 related to hedging of the Fund's investments:

	Settlement date	Currency bought	Currency sold	Forward rates	Fair value	Notional amount	Unrealized gain (loss)
June 30, 2024	07/30/24	CAD	USD	1.3679	\$ (26,332,594)	\$ (26,287,704)	\$ (44,890)
December 31, 2023	01/30/24	CAD	USD	1.3251	\$ (25,248,692)	\$ (25,348,221)	\$ 99,529

## 10. Fair value of financial instruments:

### (a) Valuation models:

The fair values of financial instruments that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Fund determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

# FULCRA CREDIT OPPORTUNITIES FUND

Notes to Financial Statements (Unaudited)

Six months ended June 30, 2024

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The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs that are unobservable.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Fund uses widely recognized valuation models for determining the fair value of common and more simple financial instruments, such as forward currency contracts that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple over-the-counter derivatives such as forward currency contracts. The availability of observable market prices and model inputs reduces the need for management judgment and estimation and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties; to the extent that the Fund believes that a third-party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Fund and the counterparty where appropriate. For measuring derivatives that might change classification from being an asset to a liability or vice versa, such as interest rate swaps, fair values include adjustment for both own credit risk and counterparty credit risk.

Model inputs and values are calibrated against historical data and published forecasts and, when possible, against current or recent observed transactions and broker quotes. This calibration process is inherently subjective and it yields ranges of possible inputs and estimates of fair value, and management judgment is required to select the most appropriate point in the range.

# FULCRA CREDIT OPPORTUNITIES FUND

Notes to Financial Statements (Unaudited)

Six months ended June 30, 2024

(b) Valuation framework:

The Fund has an established control framework with respect to the measurement of fair values. The Fund's investments are categorized in a three-tier hierarchy based on inputs to value the investments.

Third party information, such as broker quotes or pricing services, is used to measure fair value. The Manager obtains evidence from the third parties to support the fair value assessment obtained. This includes:

- verifying that the broker or pricing service is approved by the Fund for use in pricing the relevant type of financial instrument;
- understanding how the fair value has been arrived at and the extent to which it represents actual market transactions;
- when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and

if a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

(c) Fair value hierarchy - financial instruments measured at fair value:

The table below analyzes financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position.

<b>June 30, 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Bonds	\$ 1,312,830	\$ 54,836,008	\$ -	\$ 56,148,838
Equities	2,255,163	1,682,741	-	3,937,904
	\$ 3,567,993	\$ 56,518,749	\$ -	\$ 60,086,742
<b>Liabilities</b>				
Forward contracts	\$ -	\$ 44,890	\$ -	\$ 44,890
	\$ -	\$ 44,890	\$ -	\$ 44,890
<b>December 31, 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Forward contracts	\$ -	\$ 99,529	\$ -	\$ 99,529
Bonds	1,221,965	42,679,192	-	43,901,157
Equities	2,017,506	1,476,955	-	3,494,461
	\$ 3,239,471	\$ 44,255,676	\$ -	\$ 47,495,147

# FULCRA CREDIT OPPORTUNITIES FUND

Notes to Financial Statements (Unaudited)

Six months ended June 30, 2024

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The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at the redemption amount and are classified as Level 2 in the fair value hierarchy.

There were no transfers between levels during the period ended June 30, 2024.

(d) Significant unobservable inputs used in measuring fair value:

As at June 30, 2024 and December 31, 2023, the Fund had no significant unobservable inputs used in measuring fair value.

Enterprise value represents the amount that market participants would pay when purchasing the company. The manager determines this value based on comparable arm's length transactions in shares of the respective company.

(e) Effects of unobservable input on fair value measurement:

Although the Fund believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects on net assets attributable to holders of redeemable units.

The favorable and unfavorable effects of using reasonably possible alternative assumptions for the valuation of unlisted private equity investments have been calculated by recalibrating the model values using unobservable inputs based on the Fund's ranges of possible estimates.

The Fund did not hold any Level 3 financial instruments at June 30, 2024 or December 31, 2023.

(f) Financial instruments not measured at fair value:

The carrying value of cash, interest receivable, subscriptions receivable, management fees payable, performance fees payable, other accrued liabilities, balances due to brokers and distributions payable approximates their fair value given their short-term nature. These financial instruments are classified as Level 2 in the fair value hierarchy because while prices are available, there is no active market for these instruments.

## 11. Comparative figures:

Certain comparative figures in these financial statements were reclassified to comply with the current period's presentation.

## 12. Subsequent events:

On July 29, 2024, the Fund's declaration of trust was amended and restated to rename Class B units of the Fund to Class F units to align with industry norm.