



Dear Clients and Friends of Fulcra,

During these uncertain times, we want to make sure that Fulcra investors/supporters are aware of our ability to continue to operate effectively as well as prepare for the opportunities that are emerging. We say this with mixed feelings as the COVID-19 pandemic is real, uncertain, and affecting people's lives today.

Beginning this week, the employees of Fulcra are working remotely and as a result of our planning along with the capabilities of 3rd party providers like Bloomberg L.P. and CIBC Mellon can operate seamlessly. The internet may have entered people's lives 20 years ago but in 2020 the connective/informative channel that the internet delivers seems to be entering an evolutionary stage... and perhaps shift in importance.

While I was working in Toronto during the SARS pandemic, I continued to take the subway to work and saw firsthand how an unknown ailment can affect peoples' daily lives. Yes, COVID-19 is far more virulent, and we must adhere to the strictest of policies when it comes to social distancing. While countries make this commitment globally it will have a profound negative impact on economic growth.

As investors, we recognize that the inefficient trading of securities will be elevated during this period of uncertainty. As a result, we are starting to see the bonds and loans of companies that we follow price at levels with a significant "margin of safety". Of course, trading securities at the level at which they are priced can require patience. However, over the last few trading sessions we have been able to add to certain positions in our clients' accounts at prices that place the market value of the bonds at less than the excess working capital of the businesses.

We have been saying for some time that credit markets have been expensive. Currently, the inverse is in the process of being presented in dramatic fashion. We appreciate this is a difficult time for the economy and that commerce takes a back seat to the safety of our family and friends. We are, however, starting to see unprecedented opportunities and look forward to adding value to the Fund during the weeks ahead.

Please do not hesitate to reach out with any questions about our investment activities.

Sincerely,

Matt Shandro
President
Fulcra Asset Management Inc.