



Canso Select Opportunities Corporation

March 29, 2022

CSOC Shareholders...

It is my pleasure to provide you with the 2021 Annual Report of Canso Select Opportunities Corporation.

This is CSOC's fourth Annual Report operating as a publicly traded company. Its publication comes as we all deal with the human and economic toll exacted by COVID-19. Thankfully, new infections, hospitalizations, and deaths in Canada are now all declining and Government imposed restrictions that reduced infections are being lifted. We are cautiously optimistic that the worst of the pandemic is behind us, but this is not a certainty.

The world is now grappling with the tragic consequences of Russia's invasion of Ukraine. In addition to Ukrainian civilians caught in Russian attacks, and a huge migration of people out of Ukraine, the economic effects are significant. Sanctions imposed on Russia means there will be supply constraints. This has already led to substantial increases in energy and other commodity prices. As this is written, markets are unstable and liquidity has decreased. We see more downside risk than upside in most opportunities.

At CSOC, we continue to focus on the execution of our mission, creating long-term value for CSOC's shareholders. Consistent with this mission the Corporation's Investment Committee evaluates potential investments in debt, public and private equity and other securities. The deployment of funds to new investments depends on the valuation of new investment opportunities and the availability of capital generated from the realization of proceeds from existing portfolio investments.

CSOC had a successful year as shareholder's equity increased by 19.8% in 2021. Contributions to this result came from several investments, notably the preferred share holdings and the position in Hertz equity. The environment in 2022 is very different from 2021. Our tendency now is to be more conservative and not be in a hurry to buy new investments, even if their prices are now somewhat more attractive than just a few weeks ago. CSOC is focused on the preservation of capital.

I would like to thank the Officers and Directors of CSOC for their efforts on behalf of CSOC and CSOC shareholders this past year. In particular, thanks are due to Brian Carney, who stepped back from the CEO and President's positions during the year after serving in these roles for three years. I would also like to thank shareholders for their continued patience and support of CSOC's management team.



I believe that in the months and years to come the marketplace will come to value CSOC's shares commensurate with the value and potential value of CSOC's investment holdings. Importantly, Officers and Directors of CSOC, through direct and indirect holdings, comprise the most significant shareholder group of CSOC, thus aligning their interests with all shareholders.

I thank all of you for your interest in, and support of, Canso Select Opportunities Corporation.

Sincerely,

(signed) "Timothy Hicks"

Timothy Hicks
President and CEO

Forward-Looking Statements

Certain information contained in this Annual Report constitutes forward-looking information, which is information relating to possible events, conditions or results of operations of CSOC, which are based on assumptions about future economic conditions and courses of action and which are inherently uncertain. All information other than statements of historical fact may be forward-looking information. For important information regarding forward-looking statements, please refer to CSOC's most recently filed MD&A under the heading "Forward-Looking Statements".