



Canso Select Opportunities Corporation

March 26, 2024

CSOC Shareholders...

It is my pleasure to provide you with the 2023 Annual Report of Canso Select Opportunities Corporation.

The acquisition of a minority stake in Lysander Funds Limited (“Lysander”) was a transformative transaction for the Company during the year. The investment represented almost 53% of the invested assets of the corporation at year-end. Lysander provides CSOC with a stable level of dividends to support operations and reinvestment in the portfolio, as well as exposure to a rapidly growing asset management firm. The medium-term outlook for the investment in Lysander is very positive.

At CSOC, we continue to focus on the execution of our objective, 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. We believe there are always attractive opportunities irrespective of market conditions, and individual security selection remains paramount to the long-term success of the company.

Taking a look back at markets for the year, government bonds were highly volatile in 2023 as investors grappled with persistently higher than anticipated inflation. Expectations for rate cuts were continuously pushed out throughout the year. Risk assets had a very strong fourth quarter as it became apparent that inflation was finally coming under control. North American bond markets which were up only marginally through the first three quarters of 2023, all ended the year with high single-digit returns. A strong fourth quarter propelled equity markets higher as well with all major North American equity indices up double-digits.

It is all but certain that central banks will begin cutting interests rates in 2024 which would propel government bonds prices higher, however, we remain wary of riskier assets such as high-yield bonds and equities moving into over-valued territory. Geo-political risks associated with the Ukraine war and the Israel-Hamas conflict appear to be relatively contained at the moment, but the risk of spill-over into regional conflicts remains a concern for global security, and by extension, for global markets.

I would like to thank the Officers and Directors of CSOC for their efforts on behalf of CSOC and CSOC shareholders this past year. I would also like to thank shareholders for their continued support of CSOC’s management team.



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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) "Joe Morin"

Joe Morin
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".