



Canso Select Opportunities Corporation

March 24, 2026

CSOC Shareholders...

It is my pleasure to provide you with the 2025 Annual Report of Canso Select Opportunities Corporation ("CSOC", "we", "us" or "our").

This year, we grew our per share book value by 40.5%, from \$7.51 to \$10.55. While some of the growth came from respectable returns in our public investments, the star of our portfolio was Lysander Funds Limited ("Lysander"). Its share price increased from \$310 to \$475. Given Lysander's position size in our portfolio (started the year representing 53% of our total assets), it had a considerable positive impact on our performance.

Riding Coattails

It was only three years ago that CSOC purchased 70,000 shares of Lysander for \$12.25 million (at a stock price of \$175) in an all-stock transaction. At the time of our purchase, Lysander had assets under management of \$11 billion and it paid a quarterly dividend of \$1.50 per share. At the end of 2025, its assets under management totalled \$27 billion, and the company is paying a quarterly dividend of \$5.00 per share.

Lysander has spent years building a durable business. It boasts 32 funds and 8 partner portfolio managers. Years of strong investment performance and a commitment to servicing and educating the investment dealer and advisor community have produced exceptional growth. I would like to take this opportunity to provide a heartfelt thank you to the entire Lysander team for the hard work and dedication that has been highly rewarding to us as shareholders. We are happy passengers on the road you continue to travel and eagerly await your quarterly and potential special dividends.

Our View on Value

In our last letter, we made the case that "Mr. Market" was unfairly discounting our stock. Our per share book value was \$7.51, while our Class A Multiple Voting Shares ("Class A Shares") and Class B Subordinate Voting Shares ("Class B Shares") were priced at \$2.50 and \$2.39 respectively.

At the end of 2025, our book value was \$10.55. The closing prices for our Class A Shares and Class B Shares were \$8.65 and \$4.01, up by 246% and 68% respectively.

Before revisiting our perspective on the market's valuation of our business, we would like to address the temporary significant price differential between our two classes of shares at year end. While our Class A Shares contain preferential voting rights, they do not have any advantage over

our Class B Shares with respect to their economic interest in our business. In fact, Class B Shares have a slight advantage in the event dividends are paid. Class B shares must receive a per share dividend that is \$0.05 higher than Class A Shares. Both classes of shares trade on very thin volume, yet the relationship between the prices of the shares has historically remained intact. A few unusual trades occurred on the last day of the year in our Class A Shares. 2,271 shares were traded at a markedly higher price than the prior close. This caused the closing price for year end to be \$8.65, compared to the prior day price of \$4.75. We have no qualms with investors making conscious purchase decisions (at the time of purchase, our publicly reported book value per share was \$8.93), but we have some concern that a market order in a thinly traded market may have led to this step change.

After year end, on January 6th, 2026, CSOC A Shares traded at a price of \$4.96.

We believe that our per share book value is the most useful gauge in assessing the fair value and performance of our business. We divide our business into three categories of holdings: *Lysander*, *Public Investments* and *Other Private Investments*.

Our total assets are \$58.3 million, of which *Lysander* is valued at \$33.3 million, *Public Investments* are valued at \$22.5 million, and *Other Private Investments* are valued at \$2.5 million. We have a growing deferred tax liability of \$3 million thanks to some of our larger unrealized gains. This brings our total book value to \$55 million, and our per share book value to \$10.55.

While we believe the Class A share price at year end painted a more representative picture of CSOC's value, we cannot in good faith take credit for a number that appeared momentarily on the right day of the year. Using the year end price of Class B Shares as a proxy for the market's assessment of our business, we continue to receive a grim report card, which values CSOC at \$20.9 million.

We are disappointed that the value of our public investments alone is larger than our entire market capitalization. As we discussed a year ago, the market is giving no credit to *Lysander*, a company which paid us \$2.6 million in dividends last year (special dividends provided a significantly higher payout than stated dividend rate).

Lysander Dividend Considerations

On the topic of dividends, *Lysander's* growth has generated capacity to approve material increases to its regular dividend, but also excess cash to pay special dividends. At *Lysander's* current regular dividend rate, CSOC is expected to receive \$1.4 million per annum.

Last year's \$2.6 million of dividends received from *Lysander* equalled 4.7% of CSOC's total book value, or \$0.50 per share. For a Class B shareholder, this amounts to 12.4% of their stock value. This presents an opportunity for the Board of Directors to consider how to best utilize this growing source of additional capital. Keep in mind that the declaration and payment of dividends is subject, in each instance, to the review and approval of the Board in accordance with CSOC's Dividend Policy.

Objective

We continue to focus on our objective of creating long-term value for our shareholders. Consistent with this mission, CSOC's Investment Committee evaluates potential investments in public and private equities, debt and other securities. The deployment of funds into new investments depends on the valuation of the new investment opportunities and the availability of capital generated from income, dividends, or 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.

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

Sincerely,

(signed) "Jason Bell"

Jason Bell
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".