



Healthcare Special Opportunities Fund

Management Report of Fund Performance

June 30, 2026

Class A units and Class U units of Healthcare Special Opportunities Fund

Healthcare Special Opportunities Fund

For the period ended June 30, 2026

All figures are reported in Canadian dollars unless otherwise noted.

This management report of fund performance contains financial highlights but does not contain either the complete interim financial report or annual financial statements of the investment fund. You can get a copy of the financial statements at your request and at no cost, by contacting LDIC Inc. in one of the methods below.

Unitholders may contact LDIC Inc. to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure by calling 416-362-4141, by writing to us at 10 Alcorn Avenue, Suite 205, Toronto, ON, M4V 3A9 or by visiting our website at www.ldic.ca (email at info@ldic.ca), or SEDAR+ at www.sedarplus.ca.

Investment Objectives and Strategies

The Fund's investment objective is to provide holders of Units ("Unitholders") with long-term total return through distributions and capital appreciation of the Fund's investment portfolio (the "Portfolio") by investing in equity and debt securities of issuers that derive a significant portion of their revenue or earnings from medical and healthcare products and/or services. Such issuers may include, but will not be limited to, issuers operating in the following healthcare industry sub-sectors: (i) healthcare services, financials, and insurance; (ii) healthcare products and technology; (iii) healthcare facilities and real estate investment trusts; and (iv) retirement lifestyle, wellness and entertainment (collectively, the "Healthcare Issuers").

The Fund has been created to invest in an actively managed Portfolio comprised primarily of publicly traded issuers and private issuers that derive a significant portion of their revenue or earnings from medical and healthcare products and/or services. The Fund will be invested primarily in publicly traded healthcare equity securities (the "Public Portfolio"), but may also invest up to 20% of the Fund's total assets in private equity investments (the "Private Portfolio"). It is expected that the Public Portfolio will be comprised of securities of 20 to 30 large, mid, and small capitalization publicly-listed Healthcare Issuers based in developed markets.

Through the Private Portfolio, LDIC Inc. ("LDIC" or the "Manager") will seek to enhance returns by investing in "late-stage" private equity investments in healthcare and healthcare related businesses. "Late-Stage" means an investment in a revenue-generating or soon-to-be revenue-generating business that is expected to go public or achieve another liquidity event within 12 to 24 months following the initial investment. The goal of the Manager is to provide investors with exposure to a limited number of investments in the Private Portfolio that it believes have potential for significant upside because the Fund will be investing at "pre-Initial Public Offering" prices. The Fund expects to make Private Portfolio investments at a point where the capital will be used to grow revenues of the healthcare business investee company. The healthcare business investee company may then seek to raise additional capital in public markets, or in some instances consider a sale of the business to a strategic or financial buyer.

LDIC may group orders for Healthcare Special Opportunities Fund. When this happens, trade executions are distributed across portfolios based on the average price, net of commissions. If an order isn't fully filled, the

executed shares are allocated to each portfolio on a pro-rata basis, reflecting the size of each portfolio's initial order, with adjustments for odd lot sizes to ensure allocations in normal lots. For orders filled over multiple days, LDIC may allocate trades daily, or alternatively, ask the broker to consolidate trades in a holding account. The final allocation to portfolios is then based on the average price and order size, net of commissions. Allocations for securities from new issue distributions follow a similar pro-rata method among the portfolios

Risk

An investment in the Fund involves risks. Certain risk factors relating to the Fund and the Units are listed below. Additional risks and uncertainties not currently known to the Manager or Industry Advisor, or that are currently considered immaterial, may also impair the operations of the Fund. An investment in the Fund is appropriate only for investors who have the capacity to absorb a loss on their investment and who can withstand the effect of potentially having no distribution being paid in any period. As the value of the Units of the Fund will be based upon the value of the Portfolio, risks relating to the Portfolio will affect investors in the Fund. The following are certain risk factors and considerations related to the Fund which prospective investors should consider before purchasing Units:

- No assurance on achieving investment objective
- Loss of investment
- No guaranteed return
- Equity securities risk
- Illiquid securities and private securities
- Fluctuations in value of securities underlying portfolio
- Fluctuations in Net Asset Value
- Risk related to healthcare issuers
- Regulatory risk
- Risks related to healthcare issuers operating in the real estate sector
- Sensitivity to interest rate fluctuations
- Use of derivative instruments
- Portfolio concentration risk
- Reliance on the manager and industry advisor
- Trading at a discount and risks relating to redemptions
- Taxation of the Fund

Further details on these risks can be found in the Funds' prospectus filed on SEDAR+ www.sedarplus.ca

Result of Operations

For the period ended June 30, 2026, the Class A units decreased in value from \$12.32 to \$12.07. The Class U units decreased in value from \$15.28 CAD to \$14.97 CAD and showed a return of -1.04% for Class A and -1.06% for Class U, respectively.

The Class A units are listed for trading on the Toronto Stock Exchange under ticker symbol of MDS.UN. As at June 30, 2026, 58.2% of the fund is invested in healthcare and 41.8% is in other assets.

The Fund reported a net gain on financial instruments of \$54,127 for the semi-annual period ended June 30, 2026, compared to a net loss of \$1,403,391 for the corresponding prior period. Total operating expenses increased by \$58,322 in 2026. Net assets per unit from operations decreased by \$0.19 for Class A and by \$0.23 for Class U for the period ended June 30, 2026. Overall, the Fund reported a decrease in net assets attributable to holders of redeemable units from operations of \$249,993.

Recent Developments

The performance of the Fund for the period ended June 30, 2026 was slightly negative, -1.0% for the Class A and -1.1% for the Class U. Fund performance lagged compared to the S&P 500 Health Care component which rose 2.12% on price and 3.45% on total return. We view the U.S. health care space as difficult for several reasons. Cuts to Medicare will reduce the number of Americans with health insurance. Cuts to the National Institutes of Health and other government funding of health research will reduce long-term innovation.

China is rapidly over taking the United States in the pharmaceutical sector. The long-term prospects for American health investments will be diminished by short-term cuts to public sector research support. A focus by the current U.S. administration on reducing drug prices maybe popular in the short-term but innovation will suffer in the medium and long-term.

Termination of the Fund and creation of Healthcare Special Opportunities Sidecar LP

On July 22, 2026, the Board of Directors approved a proposal to terminate the Fund. Subsequently, notice of the meeting containing the management information circular was mailed out to the unitholders of the Fund for the special meeting to be held on September 4, 2026.

The proposal includes the transfer of private investments to Healthcare Special Opportunities Sidecar LP and the subsequent termination of the Fund. Subject to obtaining unitholder and regulatory approvals, the proposed transaction is expected to be completed on or about October 6, 2026. The Manager believes the proposal represents the most efficient means of maximizing value for unitholders by returning substantially all liquid assets in cash while preserving investors' participation in the Fund's private investments through the Sidecar LP.

Related Party Transactions

The Manager of the Fund is LDIC Inc. The Manager provides investment and administrative services to the Fund. In consideration for these services the Manager receives a fee based on a percentage of the Net Assets of the Fund calculated daily and payable monthly, as follows:

Class A - 1.25% per annum

Class U - 1.25% per annum

The Manager will receive a performance fee (the "Performance Fee") from the Fund in respect of investments in the Private Portfolio including, for the purpose of calculating the Performance Fee, securities of private issuers in the Private Portfolio that have become publicly traded and public securities received on the disposition of securities of a private issuer in the Private Portfolio. The amount of the Performance Fee shall be determined as of the date of disposition (the "Determination Date") for cash proceeds for each such investment. The Performance Fee in respect of each investment will be equal to 20% of the amount by which the cash proceeds of disposition exceed 106% of the Threshold Amount (as defined below) calculated on a cumulative annual basis plus applicable taxes. Where an investment is held for a portion of any year, the calculation of the required 106% return for that year is made on a partial year basis.

The Performance Fee shall be calculated and accrued daily and be paid upon each Determination Date; however, no Performance Fee shall be paid in respect of any dispositions of securities of private issuers in the Private Portfolio unless on the Determination Date the proceeds of disposition of the investment exceed 107% of the original book value of the investment (the "Threshold Amount").

As of June 30, 2026, the Manager of the Fund and certain Directors and Officers of the manager held a total of 296,226 Class A units of the Fund.

Management Fees

The Manager is entitled to be paid a management fee by the Fund at an annual rate of 1.25% of the NAV of the Fund, plus applicable taxes, provided that the management fee payable to the Manager shall not be paid in respect to assets of the Fund invested in the securities of any investment funds (including mutual funds) managed by the Manager or an affiliate of the Manager. The Management Fee payable to the Manager will be calculated and accrued daily and be payable monthly in arrears based on the average NAV for that month. The Management Fee will be paid in cash.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period ended June 30, 2026, and for the past six periods ended December 31, as applicable. In the year a fund or a series is established, 'Period' represents inception to December 31 of that year. Per unit data is derived from the Fund's financial statements.

The Fund's Net Assets per Unit (\$) ⁽¹⁾

	Class A					
	2026	2025	2024	2023	2022	2021
Net Assets, beginning of period	\$ 12.32	\$ 13.31	\$ 12.03	\$ 11.98	\$ 13.81	\$ 13.61
Increase (decrease) from operations:						
Total revenue	0.10	0.11	0.11	0.14	0.14	0.14
Total expenses	(0.22)	(0.36)	(0.37)	(0.33)	(0.27)	(0.27)
Realized gains (losses) for the period	1.05	0.51	0.50	0.29	(0.20)	0.12
Unrealized gains (losses) for the period	(1.12)	(1.00)	1.40	0.17	(1.89)	0.49
Total increase (decrease) from operations ⁽²⁾	\$ (0.19)	\$ (0.74)	\$ 1.64	\$ 0.27	\$ (2.22)	\$ 0.48
Distributions:						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	(0.06)	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	(0.06)	(0.19)	(0.26)	(0.24)	(0.25)	(0.27)
Total annual distributions ⁽³⁾	(0.06)	(0.25)	(0.26)	(0.24)	(0.25)	(0.27)
Net Assets, end of period	\$ 12.07	\$ 12.32	\$ 13.31	\$ 12.03	\$ 11.98	\$ 13.81

	Class U					
	2026	2025	2024	2023	2022	2021
Net Assets, beginning of period	\$ 15.28	\$ 16.50	\$ 14.93	\$ 14.83	\$ 17.91	\$ 17.74
Increase (decrease) from operations:						
Total revenue	0.13	0.14	0.13	0.17	0.19	0.19
Total expenses	(0.27)	(0.44)	(0.45)	(0.39)	(0.34)	(0.82)
Realized gains (losses) for the period	1.30	0.63	0.57	0.36	(0.28)	2.42
Unrealized gains (losses) for the period	(1.39)	(1.25)	1.66	0.22	(2.38)	(2.59)
Total increase (decrease) from operations ⁽²⁾	\$ (0.23)	\$ (0.92)	\$ 1.91	\$ 0.36	\$ (2.81)	\$ (0.80)
Distributions:						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	(0.07)	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	(0.08)	(0.24)	(0.34)	(0.29)	(0.25)	(0.35)
Total annual distributions ⁽³⁾	(0.08)	(0.31)	(0.34)	(0.29)	(0.25)	(0.35)
Net Assets, end of period	\$ 14.97	\$ 15.28	\$ 16.50	\$ 14.93	\$ 14.83	\$ 17.91

(1) This information is derived from the Fund's audited annual financial statements.

(2) Net Assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial year.

(3) Distributions were paid in cash/reinvested in additional units of the Fund, or both.

Ratios and Supplemental Data

	Class A					
	June 30, 2026	Dec 31, 2025	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021
Total Net Asset Value (\$) ⁽¹⁾	16,097,849	16,429,871	17,864,962	18,879,535	19,398,102	36,179,354
Number of units outstanding ⁽¹⁾	1,333,300	1,333,300	1,341,800	1,568,800	1,618,637	2,619,502
Management expense ratio ^{(2) (5)}	3.33%	2.67%	2.54%	2.45%	2.04%	1.82%
Management expense ratio before waivers or absorption ^{(2) (5)}	3.33%	2.67%	2.54%	2.45%	2.04%	1.82%
Management expense ratio excluding performance fees ⁽⁵⁾	3.33%	2.67%	2.54%	2.45%	2.04%	1.87%
Trading expense ratio ^{(3) (5)}	0.35%	0.18%	0.21%	0.31%	0.19%	0.20%
Portfolio turnover rate ⁽⁴⁾	53.74%	57.31%	40.00%	68.13%	44.34%	40.85%
Net Asset Value per share (\$)	12.07	12.32	13.31	12.03	11.98	13.81

	Class U					
	June 30, 2026	Dec 31, 2025	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021
Total Net Asset Value (\$) ⁽¹⁾	7,484	7,639	8,252	7,465	7,415	10,749
Number of units outstanding ⁽¹⁾	500	500	500	500	500	600
Management expense ratio ^{(2) (5)}	3.36%	2.68%	2.59%	2.39%	2.04%	1.64%
Management expense ratio before waivers or absorption ^{(2) (5)}	3.36%	2.68%	2.59%	2.39%	2.04%	1.64%
Management expense ratio excluding performance fees ⁽⁵⁾	3.36%	2.68%	2.59%	2.39%	2.03%	1.85%
Trading expense ratio ^{(3) (5)}	0.35%	0.18%	0.21%	0.31%	0.19%	0.20%
Portfolio turnover rate ⁽⁴⁾	53.74%	57.31%	40.00%	68.13%	44.34%	40.85%
Net Asset Value per share (\$)	14.97	15.28	16.50	14.93	14.83	17.91

(1) The information is provided for the period ended June 30, 2026 and for the past five years ended December 31, as applicable.

(2) Management expense ratio is based on total expenses (excluding broker commissions and other portfolio transaction costs before income taxes) for the stated period and is expressed as an annualized percentage of daily average Net Asset Value during the year. The decision to wave and/or absorb management fees and operating expenses is at the discretion of the Manager. The practice of waiving and/or absorbing management fees and operating expenses may continue indefinitely or may be terminated any time without notice to shareholders.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Net Asset Value during the year.

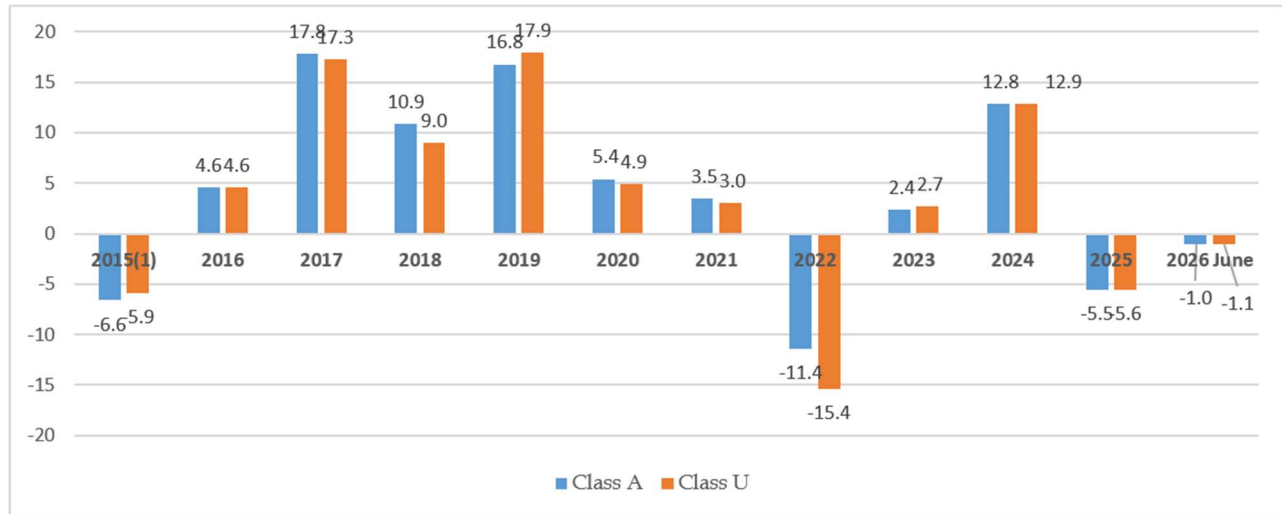
(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover in a period, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

(5) Percentages are annualized.

Past Performance

A) Annual Total Returns (%)

The performance information shown is based on Net Asset Value. The bar chart shows the investment fund's performance in percentage terms of Class A and Class U of the Fund for the period ended June 30, 2026, and since inception to June 30, 2026.



(1) Returns for Class A and Class U, are from July 15, 2015 to June 30, 2026.

Summary of Investment Portfolio as at June 30, 2026

Top 25 Investments as of June 30, 2026

	% of Funds Net Asset Value
1 Vanguard Short-Term Corporate Bond ETF	20%
2 Cash	13%
3 UnitedHealth Group Inc.	7%
4 AstraZeneca PLC	7%
5 Chartwell Retirement Residences	7%
6 Stryker Corp.	7%
7 Vital Infrastructure Property Trust	6%
8 Intuitive Surgical Inc.	6%
9 Eli Lilly & Co.	5%
10 HCA Healthcare Inc.	5%
11 Arthritis Innovation Corp.	4%
12 Johnson & Johnson	3%
13 Global X High Interest Savings ETF	2%
14 Proxamama, Inc.	2%
15 Damona Pharmaceuticals Inc., Preferred Restricted	2%
16 Well Health Technologies Corp.	1%
17 Cairn Memory Care Opportunities Fund LP, Restricted	1%
18 Cairn Memory Care Opportunities Fund LP	1%
19 Damona Pharmaceuticals Inc., Restricted	1%
20 Fero International Inc.	0%
21 Paume Inc.	0%
22 Investx Series 19-08	0%
23 Freshlocal Solutions Inc.	-

Total Net Asset Value of the Fund as at June 30, 2026: \$16,105,333

As of June 30, 2026, all investments were only long positions.

Sector Mix	% of Funds Net Asset Value
Healthcare	58.2
Funds	22.8
Cash	13.4
Real Estate	6.0
Financials	0.1
Consumer staples	-
Net Other Assets/(Liabilities)	(0.5)
	<u>100.0</u>

Geographic Mix	% of Funds Net Asset Value
United States of America	54.7
Canada	25.4
Cash	13.4
United Kingdom	7.0
Net Other Assets/(Liabilities)	(0.5)
	<u>100.0</u>

Corporate Information

Corporate Address

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