YTM Capital Credit Opportunities Fund

Strategy
Long / short hedge fund delivering Canadian investment grade credit exposure

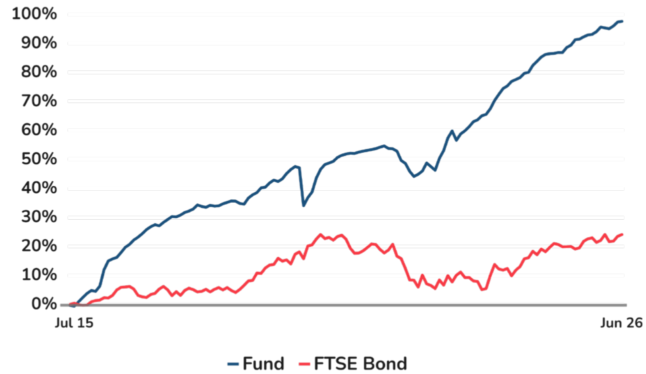
Target
Long-term net returns of 6% - 8% with low volatility

Portfolio
Short maturity investment grade credit with neutralized interest rate risk

Uncorrelated
Compelling fixed-income alternative

Net Performance

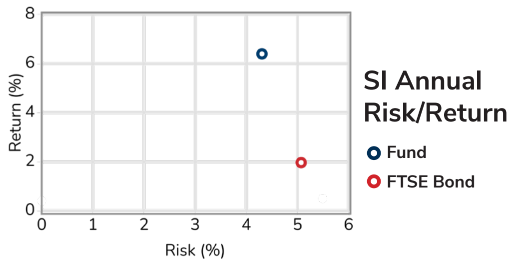
	1 year	3 year	5 year	10 year	S.I.
Fund	4.33%	7.01%	5.23%	5.46%	6.39%
FTSE Bond	2.24%	3.44%	0.74%	1.69%	1.98%



Risk

LOW MEDIUM HIGH

CR01 as a percent of NAV	0.040%	Months Positive	79%
Average Weighted Maturity	1.5 years	Best Month	5.33%
Modified Duration	1.43	Worst Month	-8.89%
Annualized Standard Deviation	4.3%	Maximum Drawdown	-9.18%
Sharpe Ratio	1.05	Upside Capture - FTSE Bond	58
Correlation to FTSE Bond	0.22	Downside Capture - FTSE Bond	-28



Portfolio Manager Commentary

Daniel Child CA, CPA, CFA **Edward Winiarz** CFA

The Canadian investment-grade credit market enters the second half of 2026 from a position of remarkable technical resilience, having efficiently absorbed a record-breaking CAD $35.0 billion in primary issuance during June with only a marginal 3 basis point widening. This performance, which brought year-to-date issuance to a staggering CAD $120.4 billion—already the fourth-highest annual total on record—underscores a market defined by deep institutional liquidity and persistent retail demand. Looking forward, the outlook for the remainder of the year hinges on the balance between this unprecedented supply pipeline and the "wall of cash" represented by robust fund inflows and a looming CAD $60.9 billion maturity and call schedule over the next six months.

The macro backdrop remains generally constructive for credit, albeit with emerging pockets of volatility. The recent 25% collapse in energy prices, with WTI Crude falling to $69.50/bbl, is a disinflationary tailwind that supports consumer purchasing power and reduces input costs for much of corporate Canada. However, this has naturally pressured the Energy and Mining sectors, which led the monthly widening at +5 bps. Conversely, the successful execution of Amazon's inaugural CAD transaction signaled that the "Consumer Retail" sector (which accounted for 40% of June's issuance) has become a primary driver of market duration. With the BoC and the Fed navigating distinct economic trajectories—evidenced by the 142 bp spread between US and Canadian 2-year yields—we expect Canadian credit to continue offering a compelling yield-to-worst of approximately 3.97%, providing a meaningful income cushion even if global rate volatility persists.

The technical outlook favors a stabilization of the curve, particularly in the long end which bore the brunt of recent supply-driven pressure. The 10+ year segment saw OAS widen by 4 bps to 129 bps, reflecting a duration-heavy issuance calendar where over $12.5 billion was priced in maturities exceeding 10 years. However, the stability of the BBB-to-A spread ratio at 1.31x suggests that there is no broad-based "flight to quality" or fear of credit migration. Instead, the market is characterized by a "risk-on" appetite for high-quality carry, with nearly 73% of new supply rated AA or A. We anticipate that as the primary market takes its seasonal mid-summer breather, these newly issued, high-quality benchmarks will see secondary tightening as investors rebalance portfolios using the $26.87 billion in maturing bank paper slated for the second half of the year.

While 86 bps for the Canadian Corporate OAS is tight relative to historical averages, the all-in yield near 4% remains attractive for pension funds and life insurers seeking to match long-term liabilities. And our fund continues to generate a running yield in that range. The primary risk to this outlook remains a potential "issuance indigestion" if Year-to-Date volumes continue at this record clip, potentially forcing higher new issue concessions. However, with credit volatility and rate volatility historically suppressed, the path of least resistance for Canadian credit spreads appears to be sideways-to-tighter into the fall. In this environment, we took risk down in the Fund marginally as current valuations offer less compelling spread tightening opportunities.

YTM | CAPITAL

Seasoned

More than 41 combined years of portfolio management and fixed-income experience

Accomplished

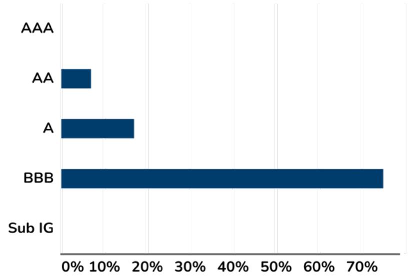
Head Corporate Trader and Director at major Canadian dealers responsible for billions of at-risk capital

Conservative

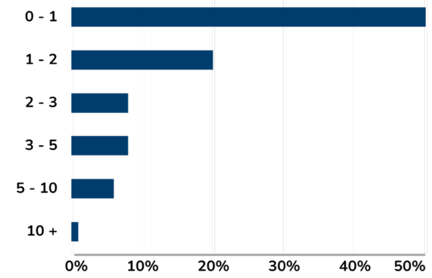
Focused on downside protection, putting capital preservation first while delivering strong risk-adjusted returns

Portfolio

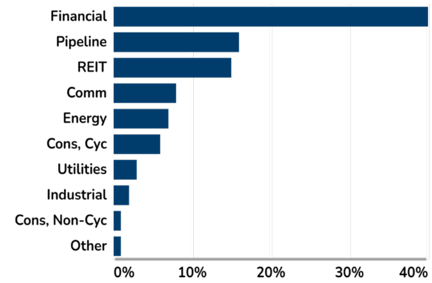
Rating



Maturity



Sector



Monthly Net Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2026	0.81	-0.14	-0.15	0.49	0.70	0.12							1.83
2025	0.13	0.06	0.17	-0.01	0.94	0.42	0.98	0.12	0.42	0.33	0.11	0.48	4.22
2024	1.25	1.15	0.52	0.89	0.37	0.38	0.83	0.19	1.31	0.79	0.80	0.49	9.34
2023	2.84	1.55	-2.03	1.41	0.67	0.89	1.07	0.41	0.85	0.28	1.19	1.68	11.28
2022	-0.54	-2.09	-0.68	-1.83	-1.22	0.52	0.78	1.91	-0.85	-0.85	2.80	1.79	-0.40
2021	0.30	0.18	-0.05	0.29	0.22	0.18	0.18	0.20	0.34	0.27	-0.55	-0.09	1.48
2020	0.69	-0.29	-8.89	2.07	1.43	3.47	2.08	1.14	0.36	0.38	0.92	0.47	3.33
2019	1.55	0.82	0.55	1.18	0.17	1.04	0.69	-0.36	0.66	0.42	0.87	0.95	8.86
2018	1.06	-0.37	-0.23	0.53	-0.16	0.07	0.47	0.38	0.39	-0.09	-0.58	-0.16	1.32
2017	1.14	0.84	0.52	-0.28	0.94	0.77	0.74	-0.09	0.44	0.73	0.41	0.46	6.82
2016	-0.30	1.74	5.33	2.66	0.64	0.38	1.50	1.54	0.84	1.25	0.79	0.94	18.62
2015							-0.43	-0.13	1.52	1.44	1.41	0.96	4.84

Fund Details

Transactions	Semi-Monthly	**Distributions**	*Monthly (4%/yr target; TA,TF) Quarterly (A,F)*
Redemptions	30 days notice	**Reg Plans**	Yes
Management fee	2.00% (A, TA) 1.50% (F, TF)	**Fundserv**	YTM501 (A) YTM531 (TA) YTM511 (F) YTM541 (TF)
Performance fee	15%, Highwater Mark		

YTM Capital

YTM is a credit fund manager established in 2010, based in Oakville, Ontario that focuses on providing better fixed income solutions.

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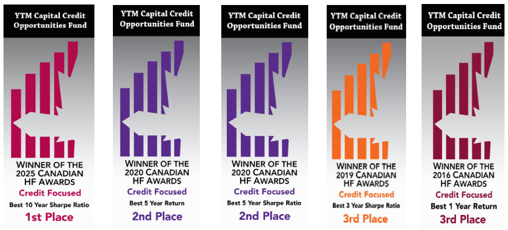

As of JUNE 30, 2026. FTSE Bond = FTSE Canada Universe Bond Index. CR01 measures the impact on a Fund's value of a 1 basis point change in credit spreads. Sharpe Ratio is calculated using a 3 month GOC T-Bill as the risk free rate. Drawdown is the Fund's loss from peak to trough. In the risk/return chart, risk = standard deviation since inception ("SI" = July 1, 2015) and returns are SI. The Canadian Hedge Fund Awards are administered by Alternative IQ. The awards are based on a quantitative measure of a fund's performance in the Credit Focused category. Of the 33 funds considered, the Fund had the 3rd highest return for the year ending June 30, 2016. Of the 27 funds considered, the Fund had the 3rd highest Sharpe ratio for the 3 years ending June 30, 2019. Of the 18 funds considered, the Fund had the 2nd highest Sharpe ratio and 2nd highest return for the 5 years ending June 30, 2020. Of the 10 funds considered, the Fund had the highest Sharpe ratio for the 10 years ending June 30, 2025. This document is for information only and is not intended to solicit orders for the Fund. Investors should read the Offering Memorandum (OM), including the risk section before investing. You can obtain the OM from YTM Capital Asset Management Ltd. Fund data will change and past performance may not be repeated. There is no guarantee the Fund will provide returns similar to its target. Performance is net of fees and expenses, is for Class F, Initial Series, distributions reinvested, and the SI figure is annualized. Rating and maturity information exclude cash and GOC securities. YTM rates unrated securities by using third party data and judgment. Maturity and CR01 are calculated using the expected maturity date for securities with call features. www.ytmcapital.com