

YTM Capital Mortgage Income Fund



Strategy

Defensively-positioned fund delivering residential mortgage exposure



Target

Long term net returns of 5% - 7% with low volatility and monthly cash flow



Portfolio

Mortgages on Canadian owner-occupied homes and New York City area properties

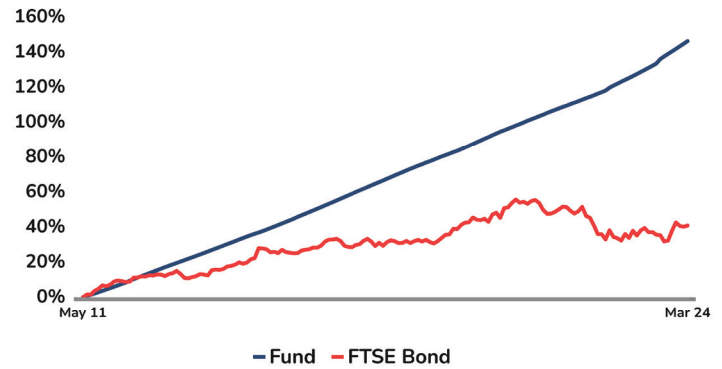


Uncorrelated

Compelling fixed-income alternative

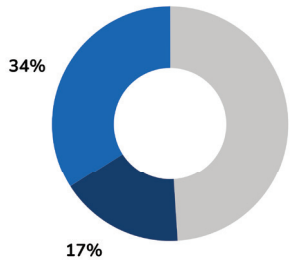
Net Annual Performance

| | 1 year | 3 years | 5 years | 10 years |
|-----------|--------|---------|---------|----------|
| Fund | 7.70% | 6.26% | 6.15% | 6.71% |
| FTSE Bond | 4.30% | -1.51% | 0.28% | 2.00% |



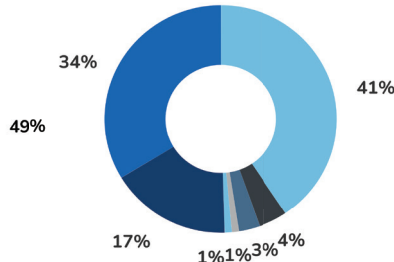
Portfolio

Incremental Security



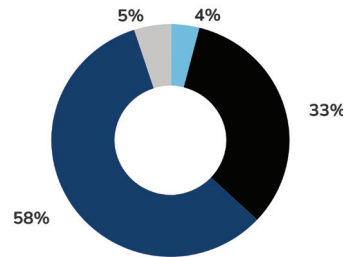
• Insured • Warehoused
• Uninsured

Geography



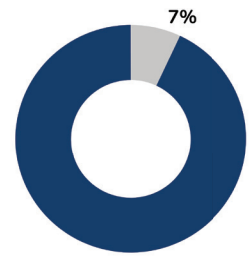
• Insured • Warehoused
• US • ON • AB • BC • RoC

Asset Class



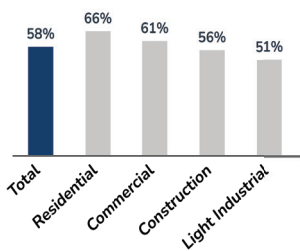
• Residential • Construction
• Commercial • Light Industrial

Priority



• 1st • 2nd

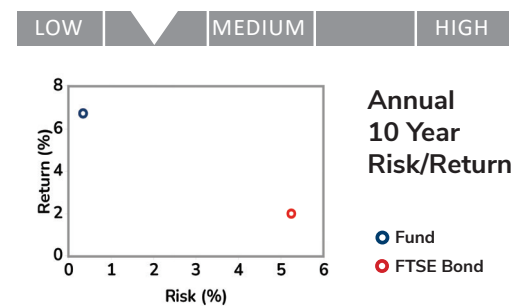
Uninsured LTV



Metrics

| | |
|--------------------------------|---------------|
| Current yield | 7.46% |
| Fund Size | \$150 million |
| Portfolio maturity | 5 months |
| Number of mortgages | 831 |
| Largest investment | 3.5% of Fund |
| Loan facility | 0.00% |
| FTSE Bond Correlation (10 yrs) | 0.12 |

Risk



Portfolio Managers

Daniel Child CA, CPA, CFA

David Burbach CAIA, LL.B

Results for the first quarter of 2024 were strong. The quarterly return was 1.85%, which is 7.40% annualized, and the current yield at the end of the quarter was 7.46%.

During the quarter the allocation to guaranteed and insured mortgages ticked down slightly by 3% to 51% and the allocation to NYC area mortgages ticked up by 3%. We continue to favour the safety of guaranteed and insured mortgages at this stage of the cycle and expect that the Fund's allocation will increase in the coming months.

The Fund's NYC-area portfolio continues to perform well. Overall the market is strong, consistent with general U.S. economic performance, and, more specifically, the borrowers on the Fund's mortgages are progressing on development projects and staying current on payment obligations. During the quarter,

one deal paid out (US\$1.4 million) and we funded two residential development deals totaling \$3.5 million.

The Canadian unprotected portion of the Fund has shrunk in size over time. It is now 8% of the Fund's assets and it continues to perform well. In general terms, the housing market is showing positive, if tentative signs. More important from a risk perspective, unemployment has increased slightly. That is a trend that bears watching. Given that the Fund's risk exposure is limited, and arguably muted because it holds a seasoned portfolio of low LTV assets, this trend is not one that is causing us concern.

The Fund realized no losses for the quarter and the general reserve represents 67 basis points of assets. This reserve compares favorably to the highest calendar year loss of 21 basis points.

Monthly Net Performance (%)

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Annual |
|------|------|------|------|------|------|------|------|------|------|------|------|------|--------|
| 2024 | 0.61 | 0.60 | 0.62 | | | | | | | | | | 1.85 |
| 2023 | 0.50 | 0.50 | 0.53 | 0.50 | 0.52 | 0.51 | 0.57 | 1.06 | 0.65 | 0.61 | 0.58 | 0.60 | 7.37 |
| 2022 | 0.39 | 0.38 | 0.39 | 0.43 | 0.41 | 0.44 | 0.73 | 0.54 | 0.49 | 0.52 | 0.48 | 0.46 | 5.80 |
| 2021 | 0.45 | 0.42 | 0.47 | 0.43 | 0.42 | 0.40 | 0.41 | 0.37 | 0.42 | 0.37 | 0.41 | 0.41 | 5.10 |
| 2020 | 0.56 | 0.50 | 0.54 | 0.43 | 0.44 | 0.45 | 0.47 | 0.44 | 0.46 | 0.50 | 0.42 | 0.42 | 5.78 |
| 2019 | 0.45 | 0.45 | 0.49 | 0.42 | 0.52 | 0.54 | 0.53 | 0.55 | 0.54 | 0.53 | 0.55 | 0.51 | 6.23 |
| 2018 | 0.54 | 0.54 | 0.58 | 0.55 | 0.50 | 0.53 | 0.48 | 0.51 | 0.46 | 0.50 | 0.52 | 0.48 | 6.35 |
| 2017 | 0.58 | 0.58 | 0.61 | 0.57 | 0.59 | 0.60 | 0.57 | 0.55 | 0.58 | 0.57 | 0.59 | 0.57 | 7.19 |
| 2016 | 0.63 | 0.63 | 0.63 | 0.63 | 0.63 | 0.63 | 0.63 | 0.63 | 0.63 | 0.63 | 0.63 | 0.63 | 7.77 |
| 2015 | 0.52 | 0.58 | 0.63 | 0.63 | 0.63 | 0.63 | 0.64 | 0.63 | 0.63 | 0.64 | 0.72 | 0.63 | 7.74 |
| 2014 | 0.67 | 0.67 | 0.67 | 0.67 | 0.67 | 0.63 | 0.67 | 0.67 | 0.63 | 0.63 | 0.60 | 0.58 | 8.03 |
| 2013 | 0.75 | 0.69 | 0.67 | 0.67 | 0.67 | 0.67 | 0.67 | 0.67 | 0.67 | 0.67 | 0.67 | 0.67 | 8.41 |
| 2012 | 0.75 | 0.75 | 0.75 | 0.92 | 0.81 | 0.81 | 0.75 | 0.75 | 0.75 | 0.74 | 0.75 | 0.75 | 9.67 |
| 2011 | | | | | 0.81 | 0.64 | 0.68 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 6.04 |

Fund Details

| | | | |
|----------------|------------------------|--------------------|--------------------------|
| Transactions | Month-end | Registered Plans | Yes |
| Redemptions | 90 days notice | Fundserv | YTM101 (A) YTM103 (F) |
| Management fee | 2.00% (A) 1.50% (F) | Fund Administrator | SGGG Fund Services Inc. |
| Distributions | Monthly | Auditor | PwC |

YTM Capital

YTM is a credit fund manager established in 2010. We have more than \$600 million in assets under management and are based in Oakville, Ontario.

Kevin Foley
kevin.foley@ytmcapital.com

Gianni Markou
gianni.markou@ytmcapital.com

Art Sanchez
art.sanchez@ytmcapital.com

As of MARCH 31, 2024. Returns are for Class F, distributions reinvested, except for the simple monthly returns in the table above. There is no guarantee that the Fund will meet its target return. FTSE Bond = FTSE Canada Universe Bond Index. FTSE Bond returns are provided as a comparison to demonstrate the Fund's utility as an alternative investment. Although it is not possible to invest directly in the index, it can be used as a proxy for long-only traditional bond investing. Investors should consider differences between long-only fixed income funds and the Fund, such as risk profiles, fees, and taxation of returns, and discuss with their investment advisor. Risk is represented by standard deviation in the annual risk / return chart for 10 years. The insured portion of the Fund's portfolio includes cash. Warehoused mortgages are uninsured mortgages that are subject to a repurchase commitment by the originator and are "Protected". 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 Factors section before investing. You can obtain the OM from YTM Capital Asset Management Ltd. or your advisor. Fund data will change without notice and past performance may not be repeated. www.ytmcapital.com

