YTM Capital Fixed Income Alternative Fund

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

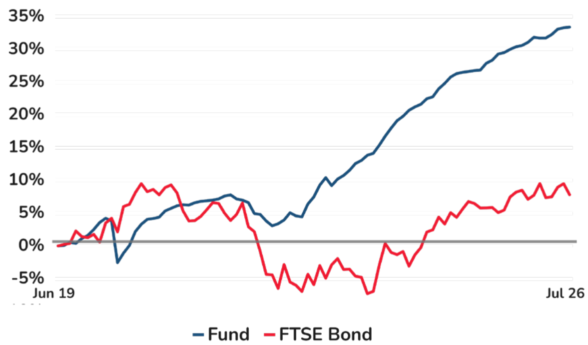
Target
Long-term net returns of 4% - 6% with low volatility

Portfolio
Short maturity corporate bonds with neutralized interest rate risk

Uncorrelated
Compelling fixed-income alternative

Net Performance

	1 month	1 year	3 year	5 year	S.I.
Fund	0.07%	3.17%	5.82%	4.51%	4.14%
FTSE Bond	-1.55%	2.60%	4.17%	0.22%	1.06%

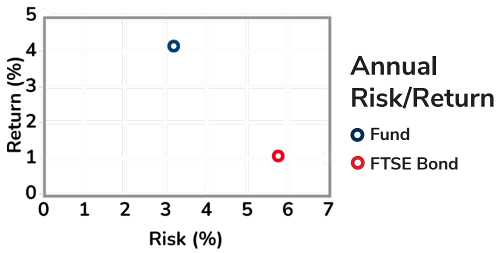


Risk

LOW | MEDIUM | HIGH

CR01 as a percent of NAV	0.029%
Average Weighted Maturity	1.8 years
Modified Duration	0.87
Annualized Standard Deviation	3.2%
Sharpe Ratio	0.56
Correlation to FTSE Bond	0.28

Months Positive	82%
Best Month	2.13%
Worst Month	-6.11%
Maximum Drawdown	-6.52%
Upside Capture - FTSE Bond	39
Downside Capture - FTSE Bond	-10



Portfolio Manager Commentary

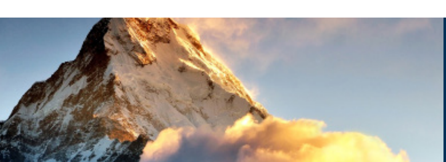
Daniel Child CA, CPA, CFA **Edward Winiarz** CFA

Canadian credit weakened modestly in July, but the move was primarily driven by higher government yields rather than a material deterioration in credit fundamentals. The Canadian corporate index widened by two basis points to an option-adjusted spread of 88 basis points, while its yield increased by 25 basis points to 4.22%. This produced a monthly total return of -1.19%, compared with an excess return of only -0.12%, confirming that duration caused most of the loss. Higher oil prices, renewed inflation concerns and bear-steepening in Canadian and US government curves placed the greatest pressure on long bonds.

Sector performance was highly dispersed. REITs, infrastructure and transportation issuers, and credit unions or mid-sized financial institutions each tightened by three basis points, while energy and mining tightened by one basis point. NVCC was the weakest segment, widening by five basis points, while bail-in debt, insurance, telecommunications and utilities widened by three basis points. AA-rated corporate spreads widened nine basis points, compared with only two basis points for both A and BBB credit. The limited deterioration in BBB spreads indicates that July was not a conventional flight from lower investment-grade quality. Nevertheless, the wider US high-yield market, where spreads increased by 15 basis points to 279 basis points, remains an important risk because sustained US weakness could eventually transmit into Canadian BBB, subordinated financial and cyclical corporate securities.

Primary issuance slowed to approximately $10 billion, the lowest monthly total of 2026, following a record June. Year-to-date issuance nevertheless reached $130.4 billion, 54% above the comparable prior-year level. Banks accounted for approximately $3.35 billion, or 33.7% of July supply, followed by industrials at $1.83 billion and REITs at $1.15 billion. Approximately $4.68 billion, or 47% of issuance, was concentrated in five-to-seven-year maturities, while roughly 65% was issued between three and seven years. The detailed rating figures indicate that A-rated securities represented approximately 52.2% of supply, rather than the rounded 49% cited in the source narrative. Over the next six months, approximately $65.68 billion of maturities and call dates are expected, with banks representing $30.82 billion, or 46.9%, suggesting that recurring refinancing supply should create opportunities to purchase new issues at concessions.

Credit sensitivity expressed as a percentage declined from 3.2 basis points at the beginning of July and 3.2 basis points at mid-month to 2,9 basis points by the end of the month. Running yield declined from 3.90% at the beginning of July to 3.73% at mid-month and approximately 3.82% by month-end, consistent with a deliberate sacrifice of some carry to improve resilience. This evolution leaves the Fund better positioned for an uncertain August while retaining meaningful capacity to benefit from attractive credit income.



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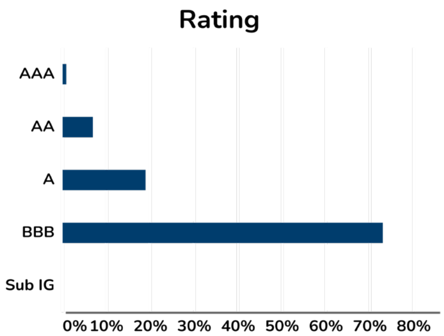
Portfolio Managers

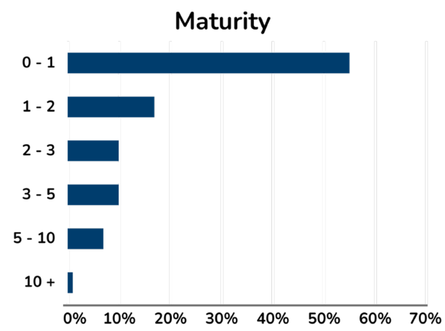
Seasoned
More than 41 combined years of portfolio management and fixed-income experience

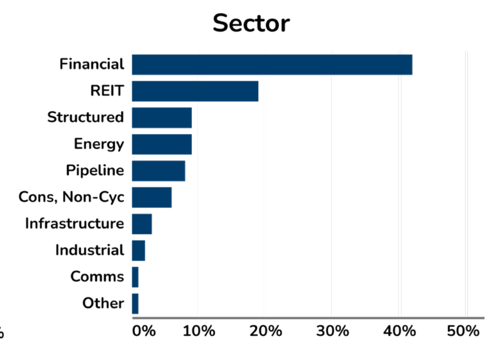
Accomplished
Head Corporate Trader and Director at major Canadian dealers responsible for billions of at-risk capital

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

Portfolio







Monthly Net Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2026	0.59	-0.09	0.01	0.41	0.61	0.17	0.07						1.79
2025	0.16	0.10	0.17	0.06	0.76	0.37	0.73	0.17	0.38	0.31	0.14	0.37	3.78
2024	1.06	1.02	0.50	0.76	0.44	0.32	0.71	0.23	1.00	0.72	0.72	0.42	8.18
2023	1.68	1.05	-1.10	0.91	0.49	0.71	0.94	0.41	0.70	0.26	1.08	1.20	8.63
2022	-0.35	-1.57	-0.14	-0.95	-0.70	0.30	0.50	1.06	-0.46	-0.15	1.88	1.01	0.45
2021	0.37	0.15	-0.04	0.34	0.20	0.07	0.11	0.17	0.40	0.18	-0.58	-0.18	1.19
2020	0.63	-0.41	-6.11	1.47	1.19	2.13	1.08	0.73	0.12	0.20	0.90	0.38	2.08
2019						0.06 *	0.49	-0.16	0.73	0.48	0.88	1.04	3.57

Fund Details

Transactions	Daily
Management fee	1.90% (A/TA/US) 0.90% (F/TF/US)
Performance fee	15%, high watermark
Fund Administrator	SGGG Fund Services Inc.
Auditor	PwC LLP
Distributions	*Monthly* (4%/yr target; TA/TF) *Quarterly* (A/F/US)
Fundserv	YTM401 (A) YTM402 (TA) YTM404 (A-USD) YTM405 (F) YTM406 (TF) YTM408 (F-USD)
Reg Pans	Yes

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 JULY 31, 2026 * June 24 - 30, 2019. **FTSE Bond** = FTSE Canada Universe Bond Index. CR01 measures the impact of a 1 basis point change in credit spreads on the Fund's value. Sharpe Ratio is calculated using a 3 month GOC Treasury Bill as the risk free rate. Drawdown represents the percentage loss for the Fund from peak to trough. Market capture ratios compare the Fund's performance to the FTSE Bond index. Comparative returns are provided to demonstrate the Fund's utility as an alternative investment. Investors should consider differences between the investments generally represented by the indexes and the Fund, such as risk profiles and taxation of returns. This document is for information only and is not intended to solicit orders for the Fund. Investors should read the Simplified Prospectus (SP) and Fund Facts (FF) including the Risk Factors sections before making an investment. You can obtain the SP and FF from YTM Capital Asset Management Ltd. and at ytmcapital.com or from your investment advisor. 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, distributions reinvested. Rating and maturity information exclude cash and Government of Canada 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. ytmcapital.com

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