

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

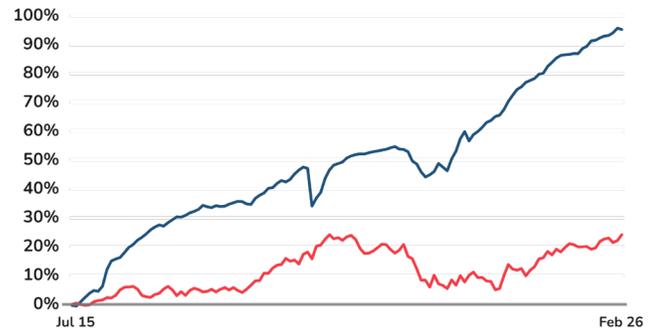


Uncorrelated

Compelling fixed-income alternative

Net Performance

	1 month	1 year	3 year	5 year	10 year
Fund	-0.23%	4.63%	6.89%	5.11%	6.26%
FTSE Bond	1.66%	2.57%	4.83%	0.78%	2.03%

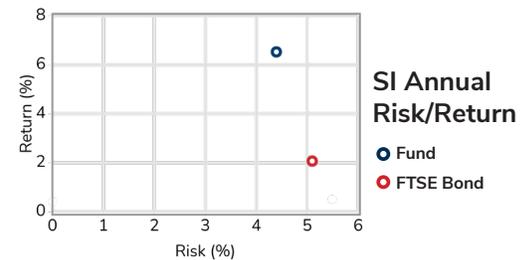


Risk

LOW	MEDIUM	HIGH
-----	--------	------

CR01 as a percent of NAV	0.047%	Months Positive	79%
Average Weighted Maturity	1.4 years	Best Month	5.33%
Modified Duration	0.40	Worst Month	-8.89%
Annualized Standard Deviation	4.4%	Maximum Drawdown	-9.18%
Sharpe Ratio	1.07	Upside Capture - FTSE Bond	57
Correlation to FTSE Bond	0.21	Downside Capture - FTSE Bond	-29

— Fund — FTSE Bond



Portfolio Manager Commentary

Daniel Child CA, CPA, CFA

Edward Winiarz CFA

February marked a shift in tone for Canadian credit markets. After several months of highly supportive technicals driving spreads tighter, a combination of heavy issuance, moderating rates, and macro uncertainty led to spread softening. Canadian IG widened +12bps over the month. Longer-duration bonds underperformed, widening +13bps, followed by the front-end at +12bps, with the belly proving relatively resilient at +11bps. Quality dispersion was limited, and the BBB-A basis held steady at +25bps, although certain higher-quality sectors, including some PE-backed insurers, faced pressure amid renewed private credit headlines.

Issuance was the defining feature of the month with \$17.8bn in new supply, more than double the trailing 10-year February average of \$8.3bn and a monthly record. Unlike the typical February skew toward higher-rated bank issuance, this month featured heavier BBB supply at 42%, with A-rated issuance at 38% and high yield at 11%, supported by hybrid structures. The 5–7 year tenor remained the most popular at 55% of total issuance, though longer-dated supply increased meaningfully, with 10-year+ bonds comprising 25% of the total. Notably, Goldman Sachs printed an 11NC10 Maple transaction, marking the first U.S. bank Maple deal of the year. Average spread-to-benchmark widened to +140bps from +113bps in January, reflecting longer tenors and greater concession, while the average coupon rose to 4.37% from 4.16%.

YTD issuance trends show autos accounting for 11% of supply versus a historical average of 6%, while utilities have represented just 4% versus a historical 8%. We expect utilities to become a more meaningful driver of supply as energy demand forecasts continue to move higher. On the fundamental side, Q4 reporting is nearing completion and, broadly speaking, corporate metrics remain stable. While the Canadian consumer continues to face pressure, most issuers have demonstrated resilience, and we have seen limited evidence of systemic stress outside of isolated idiosyncratic situations.

We enter March with volatility picking up at a time when valuations remain historically tight on a spread basis. Heavy supply and episodic headline risk are testing technical support, and dispersion is beginning to increase. In this environment, we remain selective in adding risk where new issue concessions are compelling, and being disciplined around credits. While spreads leave less margin for error than earlier in the year, stable fundamentals and the re-emergence of volatility create opportunity for active long/short credit strategies to generate alpha through relative value selection and tactical positioning.





Seasoned

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



Accomplished

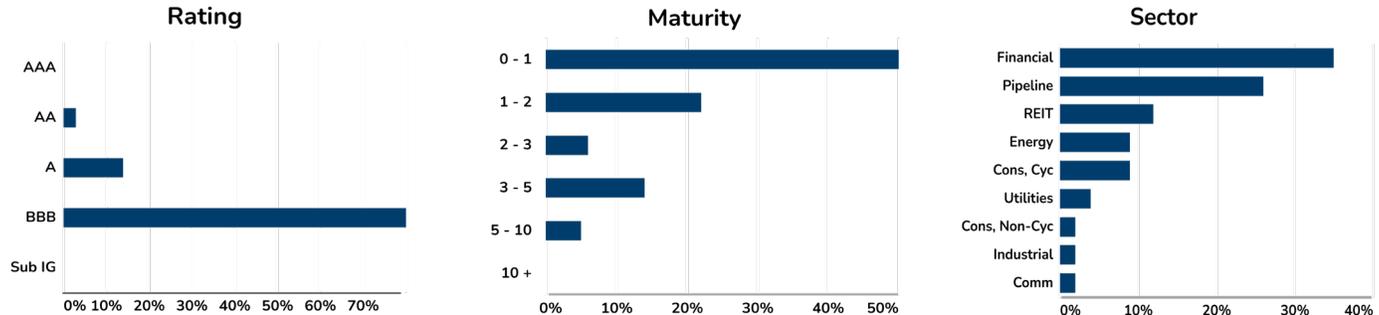
Head Corporate Trader and Director at major Canadian dealers responsible for billions of at-risk capital



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	0.81	-0.23											0.58
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	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	YTM500 (A) YTM530 (TA) YTM510 (F) YTM540 (TF)
Performance fee	15%, Highwater Mark		

YTM Capital

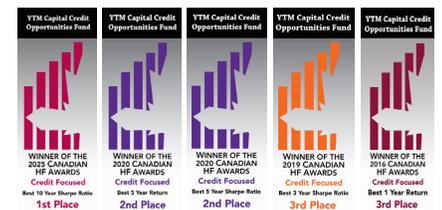
YTM is a credit fund manager established in 2010, based in Oakville, Ontario that focuses on providing better fixed income solutions.

Kevin Foley
kevin.foley@ytmcapital.com

Gianni Markou
gianni.markou@ytmcapital.com

Nicole McLachlan
nicole.mclachlan@ytmcapital.com

Art Sanchez
art.sanchez@ytmcapital.com



As of FEBRUARY 28, 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 represents the loss for the Fund from peak to trough. In risk/return chart, risk is represented by 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