

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

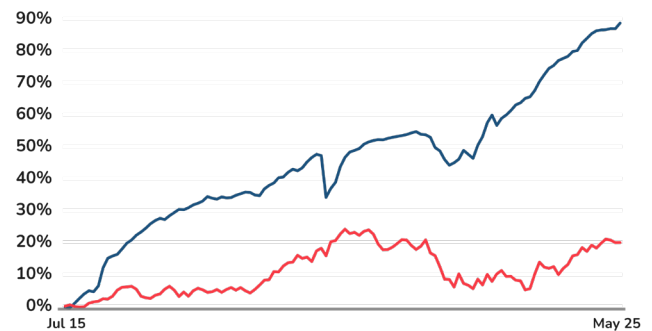


Uncorrelated

Compelling fixed-income alternative

Net Performance

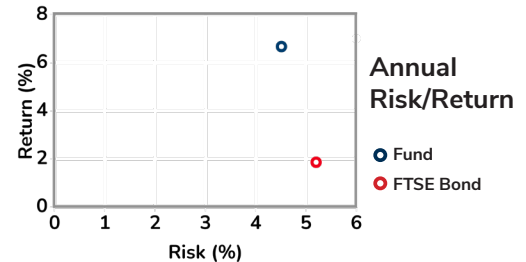
	1 month	1 year	3 year	5 year	S.I.
Fund	0.94%	6.23%	9.39%	6.33%	6.67%
FTSE Bond	0.02%	7.26%	3.44%	-0.10%	1.86%



Risk

LOW	MEDIUM	HIGH
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CR01 as a percent of NAV	0.038%	Months Positive	78%
Average Weighted Maturity	1.6 years	Best Month	5.33%
Modified Duration	0.20	Worst Month	-8.89%
Annualized Standard Deviation	4.5%	Maximum Drawdown	-9.18%
Sharpe Ratio	1.08	Upside Capture - FTSE Bond	59
Correlation to FTSE Bond	0.23	Downside Capture - FTSE Bond	-28



Portfolio Manager Commentary

Daniel Child CA, CPA, CFA

Edward Winiarz CFA

Canadian credit markets continued to perform well in May, supported by stable economic data and growing expectations for monetary easing later in the year. The Bank of Canada held its overnight rate steady at 4.25%, maintaining a data-dependent stance as inflation trends cautiously lower but remains above target. Corporate bond spreads tightened materially, with the Bloomberg Corporate Bond Index narrowing by 14 basis points to an OAS of +100 bps. Financials and industrials led the compression, while defensives such as utilities and infrastructure were more muted. The primary market remained active, with over \$15 billion in new issuance compared to the ten year average of just under \$11B. New deals were generally met with strong demand and modest concessions, which were quickly absorbed in secondary trading.

Performance was driven by spread tightening in core sectors including financials, energy infrastructure, and real estate. Tactical participation in primary deals added carry and incremental price gains.

Industry-wide, Canadian bond funds recorded over \$1.6 billion in net inflows in May, with corporate bond funds attracting approximately \$620 million—the strongest month for the segment since January. Demand was led by institutional allocators and ETF buyers, many of whom are rotating out of cash and government bonds in search of better risk-adjusted yields. Interest was especially strong in short-duration and investment-grade mandates, reflecting a cautious but constructive view on credit.

We continue to emphasize high-quality, cash-generative issuers across sectors with strong technicals and solid fundamentals. While spreads are tighter than earlier in the year, all-in yields remain attractive and supply/demand dynamics continue to favour credit. Nonetheless, we remain attentive to potential volatility from inflation surprises, central bank divergence, and summer seasonality, and are positioned accordingly to manage risk while preserving upside. We will keep an eye open for more tariff headlines and focus on the expiration of the first tariff deferral period later in the summer. The market seems to be more comfortable that the worst of the volatility is behind us and the mood is noticeably more bullish.

Portfolio Managers



Seasoned

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



Accomplished

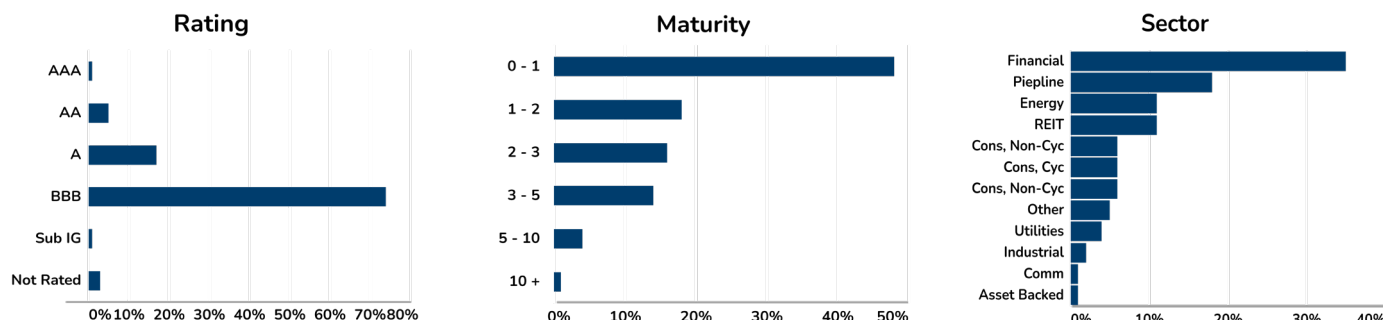
Head Corporate Trader and Director at major Canadian dealers responsible for billions of at-risk capital



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
2025	0.13	0.06	0.17	-0.01	0.94								1.29
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.

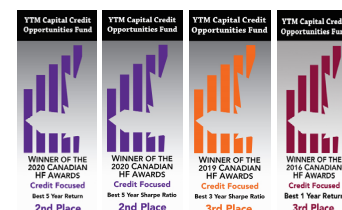
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As of MAY 31, 2025. FTSE Bond = FTSE Canada Universe Bond Index. CR01 measures the impact on a Fund's value of a 1 basis point change in credit spreads. Sharpe Ratio is calculated using a 3 month GOC T-Bill as the risk free rate. Drawdown represents 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. 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