

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

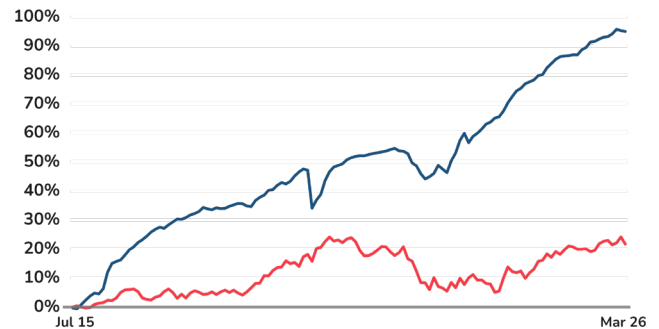


Uncorrelated

Compelling fixed-income alternative

Net Performance

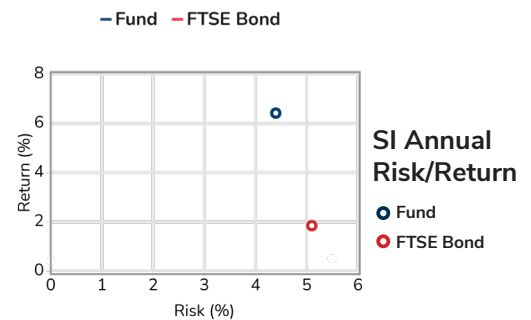
	1 month	1 year	3 year	5 year	10 year
Fund	-0.15%	4.29%	7.57%	5.09%	5.70%
FTSE Bond	-1.97%	0.83%	3.40%	0.68%	1.75%



Risk

LOW	MEDIUM	HIGH
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CR01 as a percent of NAV	0.044%	Months Positive	78%
Average Weighted Maturity	1.4 years	Best Month	5.33%
Modified Duration	1.76	Worst Month	-8.89%
Annualized Standard Deviation	4.4%	Maximum Drawdown	-9.18%
Sharpe Ratio	1.05	Upside Capture - FTSE Bond	57
Correlation to FTSE Bond	0.22	Downside Capture - FTSE Bond	-28



Portfolio Manager Commentary

Daniel Child CA, CPA, CFA

Edward Winiarz CFA

The constructive “Goldilocks” narrative that defined the start of the year faced a significant stress test in March. The Middle East conflict and a subsequent energy price shock forced a repricing of risk across the global credit complex. While the Canadian Investment Grade (CAD IG) market demonstrated its characteristic lower-beta resilience compared to the US, spreads nonetheless widened to their softest levels in nine months. CAD IG widened by 4bps in March to an Option-Adjusted Spread (OAS) of +93bps, marking the widest level since July 2025. In comparison, US IG widened by 5bps to +89bps. Since the US widening cycle began in early February, CAD credit has outperformed US IG by approximately 5 bps. This is consistent with historical movements where the Canadian market acts as a defensive harbor during periods of high US Treasury volatility. The front end of the curve (1-5yr) bore the brunt of the widening, moving +6bps higher. The belly (5-10yr) followed at +5bps, while long-end credit (10yr+) showed relative strength, widening only +2bps. This flattening of the credit curve suggests that while immediate liquidity and inflation concerns are hitting the front end, long-term structural demand for duration remains intact.

The divergence in sector performance this month was driven almost entirely by the Oil Shock. Energy/Mining was the only sector to tighten in March, benefiting from the inflationary spike in crude. Financials & Autos, Credit Unions, and Mid-Cap Banks were the clear laggards, driven by specific widening in FBOCAN (Fixed-to-Floating) structures. Financials as a whole have widened 13bps YTD. REITs faced pressure across the entire curve, widening 10bps on the month as the prospect of delayed Bank of Canada rate cuts weighed on cap rate expectations.

Despite a lack of liquidity in secondary markets during the peak of the Iran conflict, the primary market remained functional, albeit at a cost. March supply reached \$14.35bn, a slight increase year-over-year but notably lower than the record-breaking January and February prints. Issuance was heavily skewed toward Financials (\$7.4bn) and TMT (\$4.25bn), which together accounted for 80% of total supply. Total YTD supply stands at \$48.6bn, a staggering 32% increase over the same period last year. While fund flows remain robust, the heavy issuance calendar is beginning to require larger new-issue concessions, which is contributing to secondary market spread drift.

We remain historically light on credit risk. Despite this positioning, we have been able to increase our gross running yields through opportunistic tactical trading in the very front end of the curve. We remain cautious in the near term, focusing on high-quality, short duration bonds with large breakevens to insulate vs renewed volatility.





Seasoned

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



Accomplished

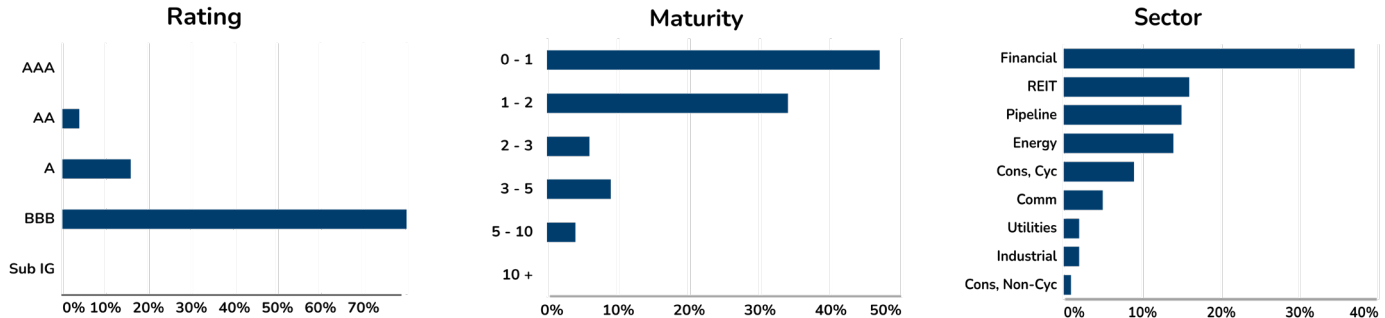
Head Corporate Trader and Director at major Canadian dealers responsible for billions of at-risk capital



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	-0.15										0.43
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

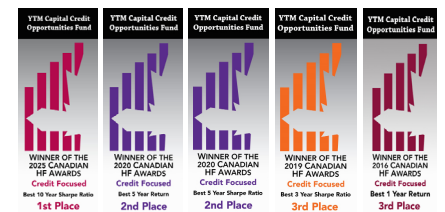
YTM is a credit fund manager established in 2010, based in Oakville, Ontario that focuses on providing better fixed income solutions.

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As of MARCH 31, 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

