YTM Capital Credit Opportunities Fund

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

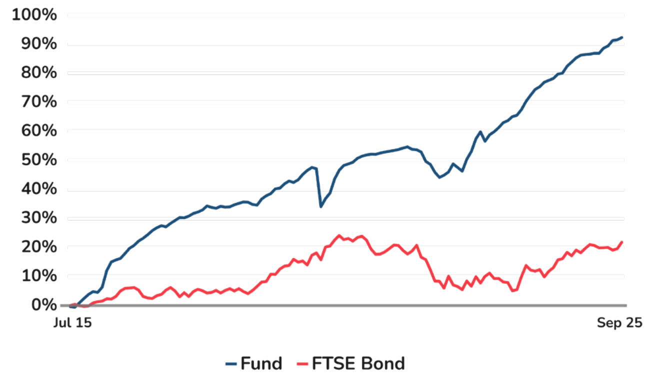
Target
Long-term net returns of 6% - 8% with low volatility

Portfolio
Short maturity investment grade credit with neutralized interest rate risk

Uncorrelated
Compelling fixed-income alternative

Net Performance

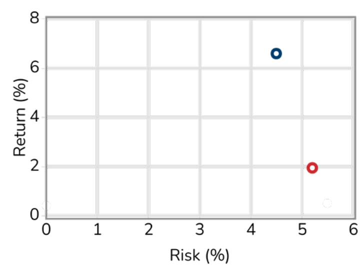
	1 month	1 year	3 year	5 year	10 year
Fund	0.42%	5.42%	9.24%	5.27%	6.66%
FTSE Bond	1.89%	2.93%	4.56%	-0.21%	2.00%



Risk

LOW | MEDIUM | HIGH

CR01 as a percent of NAV	0.049%	Months Positive	79%
Average Weighted Maturity	1.8 years	Best Month	5.33%
Modified Duration	0.35	Worst Month	-8.89%
Annualized Standard Deviation	4.5%	Maximum Drawdown	-9.18%
Sharpe Ratio	1.07	Upside Capture - FTSE Bond	58
Correlation to FTSE Bond	0.22	Downside Capture - FTSE Bond	-29



Annual Risk/Return

Fund
FTSE Bond

Portfolio Manager Commentary

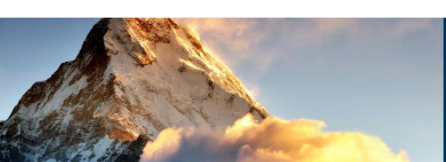
Daniel Child CA, CPA, CFA **Edward Winiarz** CFA

The Canadian investment grade credit market continued its remarkable performance tightening by 3 bps, marking a level just 2 bps points wider than the YTD tights achieved at the end of July. This spread compression occurred despite the market absorbing record primary issuance volumes, with September 2025 delivering $20.45 billion in gross new issuance—the highest ever recorded for September and the high point for the year. Continued strong market demand including robust institutional and retail investor in-flows, attractive absolute yields ranging from 3.23% in the 1-5 year bucket to 4.86% in the 10-year-plus segment compared to the sub-3% environment that prevailed in 2021-2022, and corporate credit resilience in the investment grade space with default rates remaining below 0.2% and upgrade-to-downgrade ratios holding steady at approximately 1.1 times, all occurring against a backdrop where the Bank of Canada and Federal Reserve forge ahead with their well-telegraphed easing trajectories providing duration tailwinds.

The BBB-A spread differential, closed the month at the 52-week tights, signaling limited incremental compensation for moving down the quality spectrum. BBB spreads are trading at tight valuations relative to history. A handful of BBB sector spreads including Power Generation, REITs, and Telecoms are currently in the top percentile going back to January 2007, meaning that spreads have been wider 99% of the time in the last 18 years. This phenomenon is especially pronounced in the long end. In our view, the compressed BBB-A differential of 30 bps means that investors in portions of the BBB market are not adequately being compensated for risk.

All sectors tightened, especially NVCC and Power Generation, and are most are at post-GFC historical tights in varying degrees. That said, the market is still presenting opportunities at certain tenors, for certain sectors and issuers, either short or long. Telecoms merit particular attention, as the sector faces ongoing fundamental challenges including intense competition, capital expenditure requirements for 5G network buildouts, and regulatory pressures, suggesting that technical factors and index inclusion dynamics may be driving valuations tighter than fundamental analysis would support. The 8 bps of monthly tightening and 8 bps of three-month compression bringing year-to-date tightening to 25 bps has occurred despite these headwinds, indicating strong technical demand, but raising questions about sustainable value.

We made negligible changes to risk, as our positioning remains largely neutral. We are not yet ready to get aggressively bearish, as the technical picture simply remains too strong to fade. We remain on the lookout for concrete evidence of a deterioration in the technical bid before adopting a more defensive posture.



Portfolio Managers

Seasoned

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

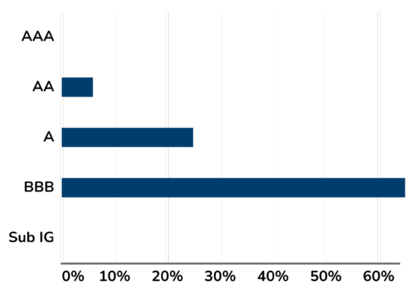
Accomplished

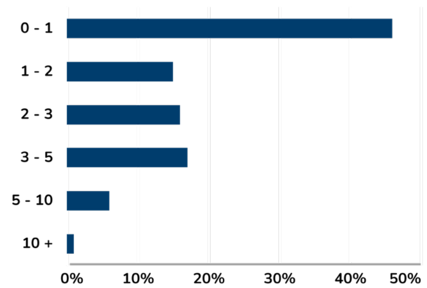
Head Corporate Trader and Director at major Canadian dealers responsible for billions of at-risk capital

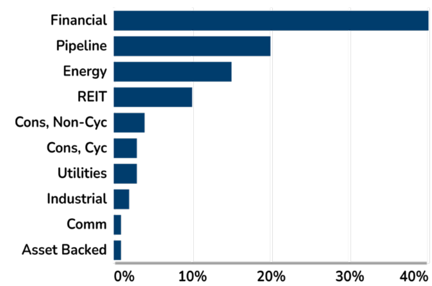
Conservative

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	0.42	0.98	0.12	0.42				3.27
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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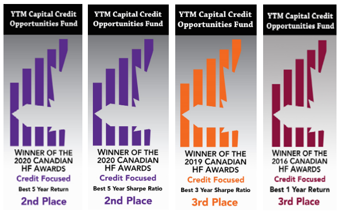

As of SEPTEMBER 30, 2025. FTSE Bond = FTSE Canada Universe Bond Index. CR01 measures the impact on a Fund's value of a 1 basis point change in credit spreads. Sharpe Ratio is calculated using a 3 month GOC T-Bill as the risk free rate. Drawdown represents the loss for the Fund from peak to trough. In 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**