

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

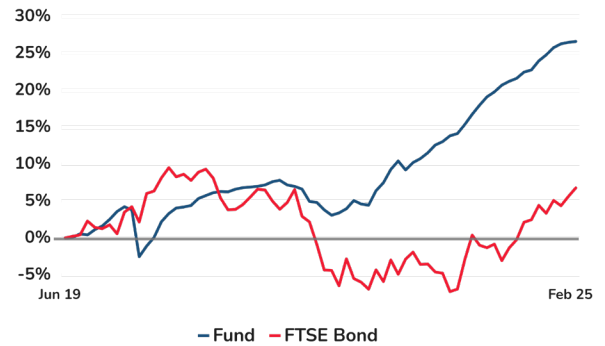


Uncorrelated

Compelling fixed-income alternative

Net Performance

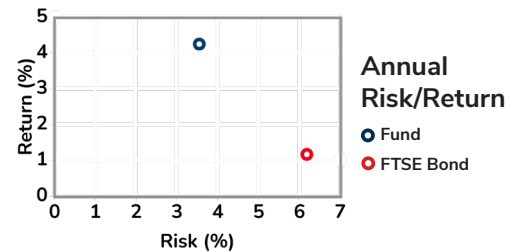
	1 month	1 year	3 year	5 year	S.I.
Fund	0.10%	6.23%	6.46%	4.05%	4.24%
FTSE Bond	1.10%	8.21%	1.48%	0.48%	1.16%



Risk

LOW	MEDIUM	HIGH
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CR01 as a percent of NAV	0.018%	Months Positive	80%
Average Weighted Maturity	1.4 years	Best Month	2.13%
Modified Duration	0.26	Worst Month	-6.11%
Annualized Standard Deviation	3.6%	Maximum Drawdown	-6.52%
Sharpe Ratio	0.53	Upside Capture - FTSE Bond	38
Correlation to FTSE Bond	0.29	Downside Capture - FTSE Bond	-9



Portfolio Manager Commentary

Daniel Child CA, CPA, CFA

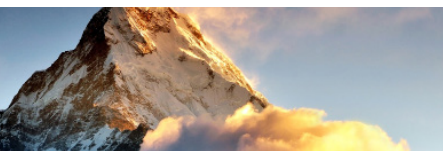
Edward Winiarz CFA

Tariffs have and will continue to dominate market focus. Driven by tariffs, at the end of February the Canadian IG index was 10 bps wider for 2025. The healthy new issue market - 13 billion is the 2nd busiest February on record, with about 5% ahead of last year – was a secondary contributor to spread widening.

On the back of uncertainty and weakening Canadian spreads, we reduced risk in the Funds to our lowest levels since COVID during the month.

There are mixed signals for the IG market. Investor inflows remained strong, supporting demand, and outside of tariffs there are positive macro signs: Q4 US earnings beat expectations by a large margin and there are more U.S. jobs than people to fill them. That said, consumer confidence is low and US policy uncertainty is at its highest in decades, outside of COVID.

The consensus 2025Q3 earnings forecast hasn't moved much, underscoring that the market does not expect tariffs to last. If the forecast is correct, consumer confidence should rebound and policy uncertainty reduce – less uncertainty is always good for risk markets. Our view remains consistent with the forecast: as expected, almost halfway through the first 100 days of the new US federal government chaos dominates and, at some point, the chaos will lessen. The waning of uncertainty combined by solid underlying fundamentals should generate a more positive credit market, at which time we will deploy our dry powder.



Portfolio Managers



Seasoned

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



Accomplished

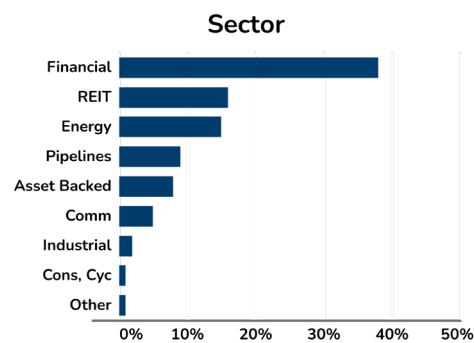
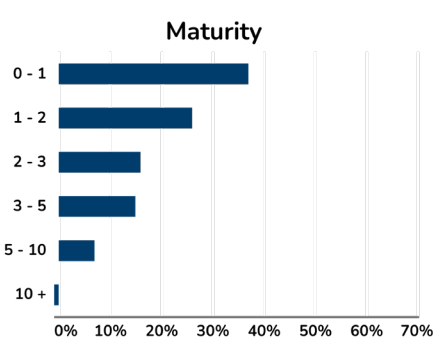
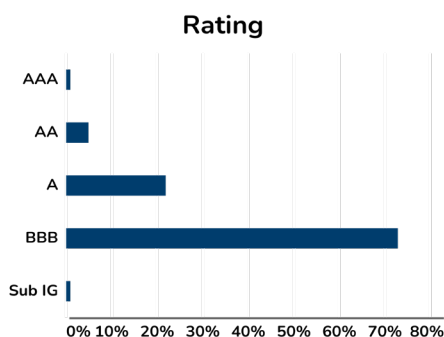
Head Corporate Trader and Director at major Canadian dealers responsible for billions of at-risk capital



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	0.16	0.10											0.25
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	Distributions	Monthly (4%/yr target; TA/TF) Quarterly (A/F/US)
Management fee	1.90% (A/TA/US) 0.90% (F/TF/US)	Fundserv	YTM401 (A) YTM402 (TA) YTM404 (A-USD) YTM405 (F) YTM406 (TF) YTM408 (F-USD)
Performance fee	15%, high watermark	Reg Pans	Yes
Fund Administrator	SGGG Fund Services Inc.		
Auditor	PwC LLP		

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 FEBRUARY 28, 2025 * 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 Fnd's value. Sharpe Ratio is calculated using a 3 month Govt of Canada 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

