YTM Capital Credit Opportunities Fund

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

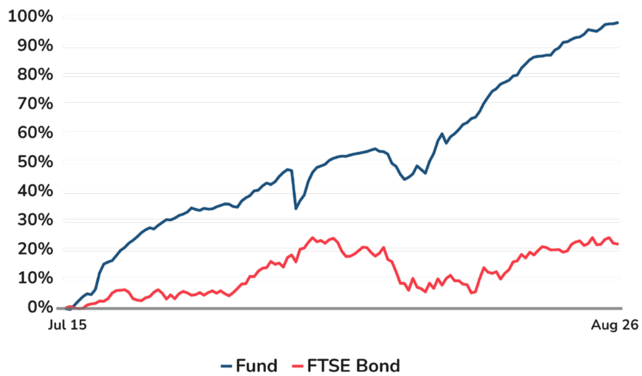
Target
Long-term net returns of 6% - 8% with low volatility

Portfolio
Short maturity investment grade credit with neutralized interest rate risk

Uncorrelated
Compelling fixed-income alternative

Net Performance

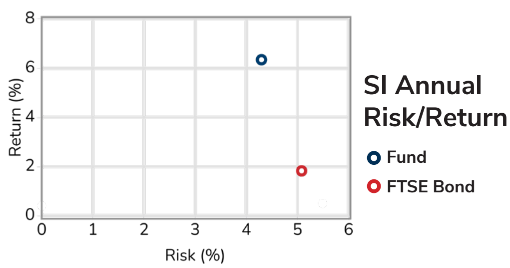
	1 year	3 year	5 year	10 year	S.I.
Fund	3.42%	6.56%	5.20%	5.16%	6.31%
FTSE Bond	2.00%	4.16%	0.21%	1.41%	1.79%



Risk

LOW | MEDIUM | HIGH

CR01 as a percent of NAV	0.037%	Months Positive	79%
Average Weighted Maturity	1.5 years	Best Month	5.33%
Modified Duration	1.44	Worst Month	-8.89%
Annualized Standard Deviation	4.3%	Maximum Drawdown	-9.18%
Sharpe Ratio	1.04	Upside Capture - FTSE Bond	58
Correlation to FTSE Bond	0.22	Downside Capture - FTSE Bond	-28



Portfolio Manager Commentary

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

August was defined by two dominant macro forces pulling in opposite directions: a geopolitical backdrop that remained broadly unchanged as the Middle East conflict continued to drag on and a sharp, late-month deterioration in US-Canada trade relations that injected meaningful uncertainty into the domestic credit outlook. Layered on top of trade angst, the Federal Reserve's Jackson Hole symposium delivered an unambiguously hawkish message: new Fed Chair Warsh warned that inflation is not meaningfully slowing and that the Fed has "work to do," while other Governors argued current rates are not restrictive, and the July FOMC minutes confirmed many officials viewed rate hikes as necessary if inflation failed to decline. The net effect was a meaningful bear-steepening bias in rates.

The defining story for CAD IG in August was supply. Gross issuance of $16.2 billion set an all-time monthly record for August, running at 2.4x the 10-year average of $6.7 billion and pushing YTD volume to $147.1 billion, a staggering +50% year-over-year pace. Utilities led sector composition at 27% of volume, followed by Banks at 23%, with $4.75 billion of Maple bond issuance bringing the YTD Maple total to 30% of all CAD IG supply. Tenor skew was notably concentrated in the 5-7 year bucket, which accounted for 41% of total August supply — a reflection of both issuer preference to lock in intermediate-term funding and investor demand for carry in the belly of the curve. Across the border, US IG primary markets also beat their long-term average, reinforcing the theme of issuers front-running potential further rate volatility and investors deploying cash at elevated all-in yields.

Against the backdrop of record supply, CAD IG spreads underperformed their US counterparts in August. The CAD IG index OAS widened +1bp to close at 89bps, now +6bps wider YTD — a modest move in absolute terms but a clear underperformance relative to US IG, which tightened -1bp to 78bps. Within the CAD IG index, the long end was the primary source of pain: the CAD long bond index widened +3bps m/m with an excess return of -0.25%, as long-dated Maple bonds — which have been a significant driver of YTD supply — lagged materially. The spread basis between BBB and single-A credits at 22bps and a ratio of 1.28x reflects a market that, while absorbing record supply, has not yet repriced lower-quality IG credits in any meaningful way — a dynamic worth monitoring as the trade war's economic impact begins to filter through to corporate fundamentals in Q3 earnings season.

The record issuance, while absorbed without a material spread blowout, has left the market technically heavy entering September, and the looming September 8 effective date for Canada's counter-tariffs introduces a new layer of headline risk that we believe is not fully priced into the 89bp OAS level. On the positive side, the robust fund flow environment, the continued attractiveness of all-in yields at 4.29% YTW, and the single-A dominated supply mix of 60% suggest the technical bid for high-quality CAD IG paper remains intact. We enter September with credit risk materially below low run averages, a preference for front end names with high breakevens and solid carry, -A industrials and banks over long-dated Maples, and a watchful eye on the trade war escalation timeline — where the risk of further US retaliation against Canada's September 8 counter-tariffs represents the most significant tail risk to CAD credit spreads in the near term.

YTM CAPITAL

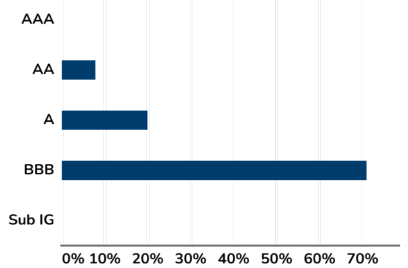
Seasoned
More than 41 combined years of portfolio management and fixed-income experience

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

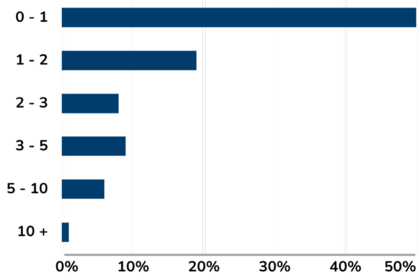
Conservative
Focused on downside protection, putting capital preservation first while delivering strong risk-adjusted returns

Portfolio

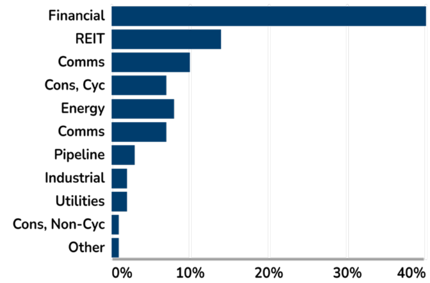
Rating



Maturity



Sector



Monthly Net Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2026	0.81	-0.14	-0.15	0.49	0.70	0.12	0.02	0.19					2.05
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	Semi-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**	YTM501 (A) YTM531 (TA) YTM511 (F) YTM541 (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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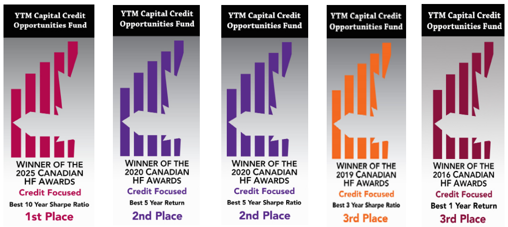

As of AUGUST 31, 2026. FTSE Bond = FTSE Canada Universe Bond Index. CR01 measures the impact on a Fund's value of a 1 basis point change in credit spreads. Sharpe Ratio is calculated using a 3 month GOC T-Bill as the risk free rate. Drawdown is the Fund's loss from peak to trough. In the risk/return chart, risk = 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

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