

You asked; we listened

Introducing Fixed Monthly Cash Distributions for YTM Capital Fixed Income Alternative Fund

Long a staple of traditional mutual funds, we are introducing fixed cash distributions on our liquid alt fund. These monthly distributions will be made up of income and returns of capital (ROC) and paid according to a target that we set. By returning a part of your original investment with a ROC distribution, we give you access to tax efficiency. And regular cash distributions provide you with more certainty.

Benefits

Tax efficiency	Unlike interest, dividends and capital gains, returns of capital are not taxable in the year you receive the ROC distribution.
Cash flow stability	We will set a target at the start of each year for regular monthly distributions, providing a predictable flow of cash to help with your planning. Our initial target is 4% per year.
Tax deferral	Tax payments can be deferred until you sell your units, helping you to maximize your current cash flow and giving you control over when you pay tax.

The Nuts and Bolts

The Fund distributes cash each month equal to the target. The initial target is 4%, so the Fund will pay 0.33% each month. We'll tell you if the target changes.

If the income earned by the Fund is less than monthly distributions, then the difference will be a return of capital distribution. If income earned is greater than cash distributions at the end of the year, then we will reinvest the excess in additional Fund units. In other words, you will receive cash equal to the target and the rest of the Fund's return will be reinvested.

Fund Codes

Series TA (corresponds to Series A)	YTM402
Series TF (corresponds to Series F)	YTM406

A return of capital reduces an investor's adjusted cost base. Taxes are deferred until units are sold or until the ACB goes below zero. Investors should not confuse these cash flow distributions with a fund's rate of return or yield. The monthly cash-flow distributions are not guaranteed, we will adjust them from time to time, and they will include income. This document is for information only and is not intended to solicit orders for the Fund. Investors should read the Fund Facts and Simplified Prospectus before investing. You can obtain these documents from YTM Capital Asset Management Ltd. or here: www.ytmcapital.com