

YTM Capital Mortgage Income Fund



Strategy

Defensively-positioned fund delivering residential mortgage exposure



Target

Long term net returns of 5% - 7% with low volatility and monthly cash flow



Portfolio

Mortgages on Canadian owner-occupied homes and New York City area properties

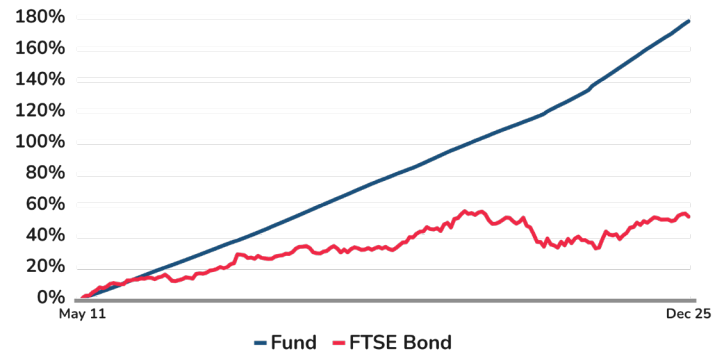


Uncorrelated

Compelling fixed-income alternative

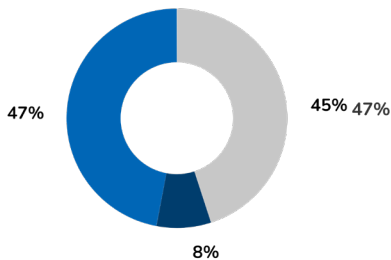
Net Annual Performance

	1 year	3 years	5 years	10 years
Fund	6.83%	7.22%	6.51%	6.58%
FTSE Bond	2.64%	4.41%	-0.41%	1.87%



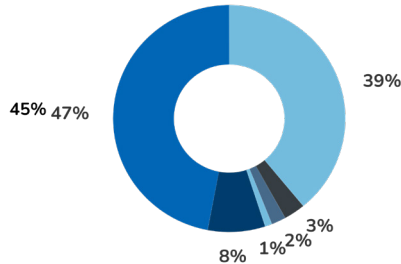
Portfolio

Incremental Security



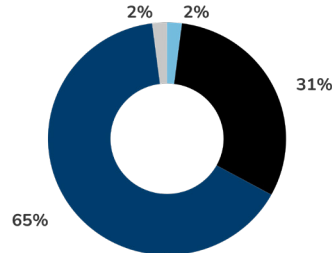
• Insured • Warehouse
• Uninsured

Geography



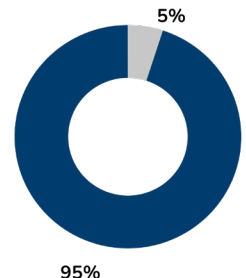
• Insured • Warehouse
• US • ON • AB • RoC

Asset Class



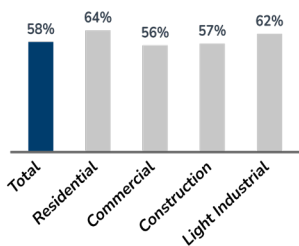
• Residential • Construction
• Commercial • Light Industrial

Priority



• 1st • 2nd

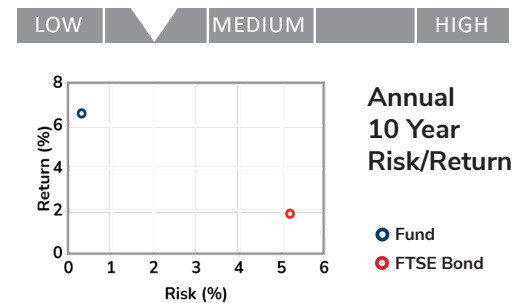
Uninsured LTV



Metrics

Current yield	6.85%
Fund Size	\$169 million
Portfolio maturity	5 months
Number of mortgages	809
Largest investment	2.6% of Fund
Loan facility	0.00%
FTSE Bond Correlation (10 yrs)	0.14

Risk



Portfolio Managers Daniel Child CA, CPA, CFA

2025 was a strong year for the Fund. The annual return of 6.83% compares favourably with other investment options at similar risk levels. In addition, during the year the Fund reduced its arrears, it experienced no losses, and the general reserve increased.

Rental markets across New York City's outer boroughs remained tight and landlord-favoured in Q4 2025. Demand was supported by continued affordability challenges in the ownership market, elevated mortgage rates, and limited new rental supply delivering outside of a small number of large multifamily projects. Vacancy rates remained low by historical standards, while rent growth moderated sequentially but stayed positive year-over-year.

The hot topic in New York City is the appointment of Mayor Zohran Mamdani at the start of 2026. Based on his platform and views, housing policy uncertainty has risen — particularly around rent control, rent stabilization, tenant protections,

David Burbach CAIA, LL.B

and development incentives. In anticipation of his election, we managed the Fund so that it has no rental control mortgage exposure and limited rent stabilization mortgage exposure. We have, and will continue for the foreseeable future, avoided investing in projects with significant government programs.

During the quarter three NYC-area mortgages matured and we invested in three new mortgages in approximately equal amounts of \$9 million.

Canada's resale housing market continues to show late-2025 price softness. CREA reported the MLS® Home Price Index (HPI) fell 0.4% month-over-month in November 2025 and was down 3.7% year-over-year, indicating continued downward pressure on prices as year-end approached. Fund exposure to the current Canadian housing down-cycle remains limited. Canadian mortgage exposure is concentrated in the insured sub-portfolio; the Fund's uninsured sub-portfolio represents 6% of the Fund and is characterized by low LTV and scant arrears.

Monthly Net Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2025	0.52	0.54	0.55	0.53	0.55	0.49	0.56	0.56	0.58	0.63	0.56	0.55	6.83
2024	0.61	0.60	0.62	0.61	0.60	0.60	0.59	0.61	0.57	0.61	0.62	0.58	7.47
2023	0.50	0.50	0.53	0.50	0.52	0.51	0.57	1.06	0.65	0.61	0.58	0.60	7.37
2022	0.39	0.38	0.39	0.43	0.41	0.44	0.73	0.54	0.49	0.52	0.48	0.46	5.80
2021	0.45	0.42	0.47	0.43	0.42	0.40	0.41	0.37	0.42	0.37	0.41	0.41	5.10
2020	0.56	0.50	0.54	0.43	0.44	0.45	0.47	0.44	0.46	0.50	0.42	0.42	5.78
2019	0.45	0.45	0.49	0.42	0.52	0.54	0.53	0.55	0.54	0.53	0.55	0.51	6.23
2018	0.54	0.54	0.58	0.55	0.50	0.53	0.48	0.51	0.46	0.50	0.52	0.48	6.35
2017	0.58	0.58	0.61	0.57	0.59	0.60	0.57	0.55	0.58	0.57	0.59	0.57	7.19
2016	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	7.77
2015	0.52	0.58	0.63	0.63	0.63	0.63	0.64	0.63	0.63	0.64	0.72	0.63	7.74
2014	0.67	0.67	0.67	0.67	0.67	0.63	0.67	0.67	0.63	0.63	0.60	0.58	8.03
2013	0.75	0.69	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	8.41
2012	0.75	0.75	0.75	0.92	0.81	0.81	0.75	0.75	0.75	0.74	0.75	0.75	9.67
2011					0.81	0.64	0.68	0.75	0.75	0.75	0.75	0.75	6.04

Fund Details

Transactions	Month-end	Registered Plans	Yes
Redemptions	90 days notice	Fundserv	YTM101 (A) YTM103 (F)
Management fee	2.00% (A) 1.50% (F)	Fund Administrator	SGGG Fund Services Inc.
Distributions	Monthly	Auditor	PwC

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 DECEMBER 31, 2025. Returns are for Class F, and distributions reinvested, except for the simple monthly returns in the table above. There is no guarantee that the Fund will meet its target return. FTSE Bond = FTSE Canada Universe Bond Index. FTSE Bond returns are provided as a comparison to demonstrate the Fund's utility as an alternative investment. Although it is not possible to invest directly in the index, it can be used as a proxy for long-only traditional bond investing. Investors should consider differences between long-only fixed income funds and the Fund, such as risk profiles, fees, and taxation of returns, and discuss with their investment advisor. Risk is represented by standard deviation in the annual risk / return chart for 10 years. The insured portion of the Fund's portfolio includes cash. Warehoused mortgages are uninsured mortgages that are subject to a repurchase commitment by the originator and are "Protected". 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 Factors section before investing. You can obtain the OM from YTM Capital Asset Management Ltd. or your advisor. Fund data will change without notice and past performance may not be repeated. www.ytmcapital.com

