

YTM Capital Credit Opportunities Fund



Strategy

Long / short hedge fund delivering Canadian investment grade credit exposure



Target

Long-term net returns of 7% - 9% with low volatility



Portfolio

Short maturity investment grade credit with neutralized interest rate risk

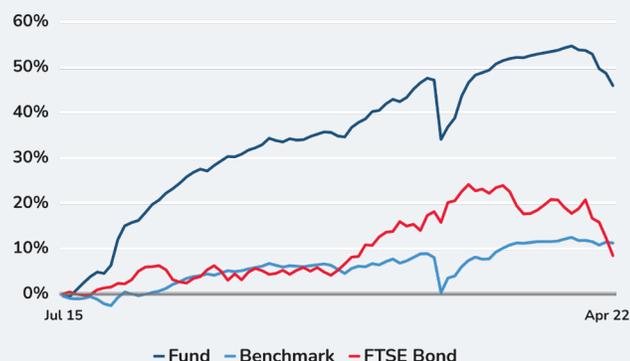


Uncorrelated

Compelling fixed-income alternative

Net Performance

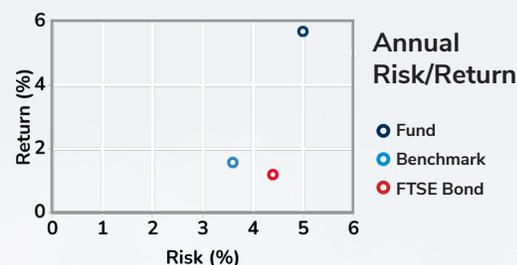
	1 month	1 year	3 year	5 year	S.I.
Fund	-1.83%	-4.34%	1.34%	2.79%	5.68%
Benchmark	-0.12%	1.40%	1.68%	1.26%	1.57%
FTSE Bond	-3.49%	-7.90%	-0.69%	0.58%	1.19%



Risk

LOW	MEDIUM	HIGH
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CR01 as a percent of NAV	0.16%	Months Positive	74%
Average Weighted Maturity	2.4 years	Best Month	5.33%
Modified Duration	0.03	Worst Month	-8.89%
Annualized Standard Deviation	5.0%	Maximum Drawdown	-9.18%
Sharpe Ratio	0.99	Upside Capture - FTSE Bond	67%
Correlation to FTSE Bond	0.29	Downside Capture - FTSE Bond	-16%



Portfolio Manager Commentary

Daniel Child CA, CPA, CFA

Karl Burnham CFA, MBA

April was a challenging month for all risk assets as a variety of headwinds buffeted markets. Labour shortages, supply chain issues, and the Ukraine war stoked inflation. Inflation drove rate volatility and both decreased investor confidence and increased talk of a pending recession caused by central banks. This turmoil resulted in the fourth consecutive monthly loss for the FTSE Canada Universe Bond Index.

The good news is that every cloud has a silver lining. At 4.29% the bond index yield is the highest since 2009. It is also worth highlighting that bond yields are attractive compared to equity yields. The Bond index yield is higher than the TSX dividend yield, with the largest gap since the Great Financial Crisis. While corporate spreads are not similarly the widest since the GFC, spreads are significantly wider than historical averages. These elevated yields are creating demand. For example, liability-driven investors dove into the long end of corporates and selectively bought other maturities towards the end of the month. Whether these green shoots grow into a forest in the form of more widespread demand is yet to be seen.

The new issue market was, not surprisingly, quiet with the backdrop of equity and interest market volatility, mixed fund flows, and cautious investors. Volumes were 64% of the ten year average albeit after a record breaking March.

On the topic of a recession, it is worth highlighting a Federal Reserve Bank of Cleveland study that demonstrates a very low and decreasing chance of a recession. Our base case agrees with the Fed study and there are many other indicators that point to a low probability of a recession in 2022 or 2023. Risk in the Fund was largely unchanged during the month, as we remain positive on economic and issuer fundamentals relative to current spreads. We continually review our base case and will reposition the Fund as necessary if our view changes.

Portfolio Managers



Seasoned

More than 50 combined years of portfolio management and fixed-income trading experience



Accomplished

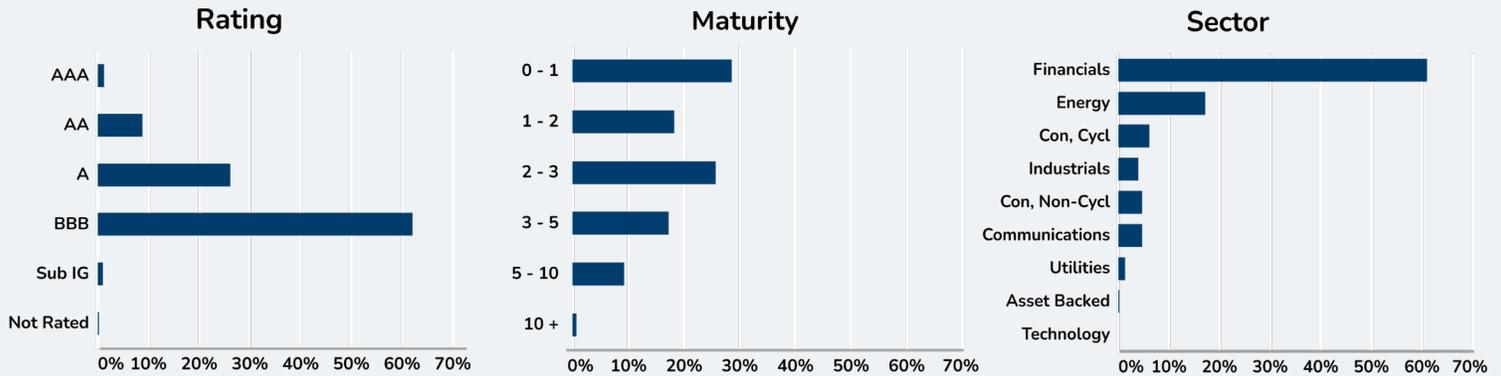
Former Head Corporate Traders at major Canadian dealers responsible for billions of at-risk capital



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
2022	-0.54	-2.09	-0.68	-1.83									-5.05
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 (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		

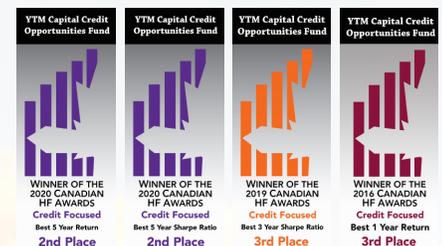
YTM Capital

YTM is a credit fund manager established in 2010. We have more than \$450 million in assets under management and are based in Oakville, Ontario.

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Benchmark = investment grade return less GOC return, each of the FTSE Bond. **FTSE Bond** = FTSE Canada Universe Bond Index. CR01 measures the impact on a Fund's value by 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 percentage 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