

Fixed Monthly Cash Distributions

Monthly distributions for our TA and TF securities are made up of income and returns of capital (ROC) and paid according to a target that we set. **The current target is 5% per year.** 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.
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 Funds distribute cash each month equal to an annual target. **The current target is 5%.** We'll tell you if the target changes.

If the income earned by a 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.

Here are three examples of how distributions can work for you during a year with a 5% target:

Fund returns 4%	Fund returns 5%	Fund returns 6%
Cash received by you = 5%	Cash received by you = 5%	Cash received by you = 5%
4% is taxed as income 1% is a ROC	5% is taxed as income	6% is taxed as income 1% is reinvested for you

Fund Codes

YTM Capital Credit Opportunities Fund

(OM Fund)

Class TA (corresponds to Class A) **YTM530**

Class TF (corresponds to Class F) **YTM540**

YTM Capital Fixed Income Alternative Fund

(Liquid Alternative Fund)

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 the annual target from time to time, and distribution will include income. Commissions, trailing commissions, management fees, performance fees, and expenses are all associated with YTM Fund investments. Mutual funds are not guaranteed, their values change frequently and past performance, both in terms of returns and risk, may not be repeated. Investors should read the Offering Memorandum (OM) or Simplified Prospectus and Fund Facts before investing. You can obtain these documents from YTM Capital Asset Management Ltd. ytmcapital.com

