

# YTM Capital Fixed Income Alternative Fund



## Strategy

Long / short hedge fund delivering Canadian investment grade credit exposure



## Target

Long-term net returns of 4% - 6% with low volatility



## Portfolio

Short maturity corporate bonds with neutralized interest rate risk



## Uncorrelated

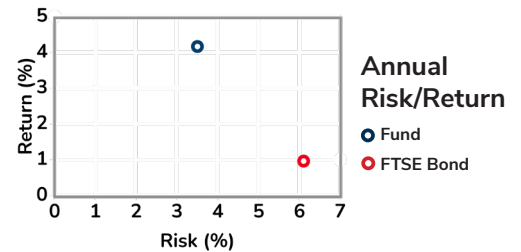
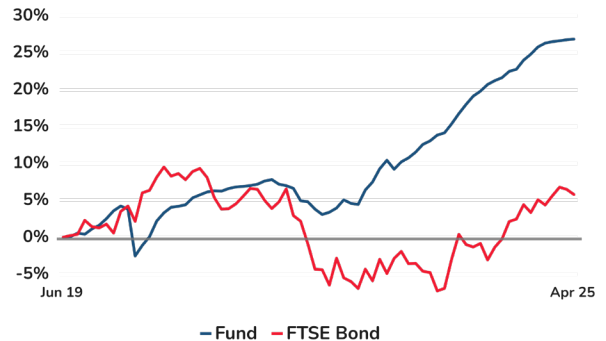
Compelling fixed-income alternative

## Net Performance

	1 month	1 year	3 year	5 year	S.I.
Fund	0.06%	5.16%	6.93%	5.12%	4.16%
FTSE Bond	-0.65%	9.14%	3.41%	-0.04%	0.96%

## Risk

LOW		MEDIUM		HIGH	
CR01 as a percent of NAV	0.040%	Months Positive			
Average Weighted Maturity	1.7 years	Best Month			
Modified Duration	0.18	Worst Month			
Annualized Standard Deviation	3.5%	Maximum Drawdown			
Sharpe Ratio	0.51	Upside Capture - FTSE Bond			
Correlation to FTSE Bond	0.29	Downside Capture - FTSE Bond			



## Portfolio Manager Commentary

Daniel Child CA, CPA, CFA

Edward Winiarz CFA

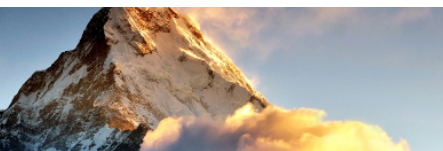
Canadian IG credit finished April 2 bps wider, a deceptively calm headline that belies one of the most volatile months in recent memory. Turbulence erupted after the Trump administration's "Liberation Day" tariff announcement, propelling risk assets sharply lower. Within a single five-day span VIX jumped to heights last associated with COVID and the GFC, West Texas crude briefly slid into the mid-US\$55 range, gold set fresh record highs, and the 10-year U.S. Treasury yield ricocheted between 3.86% and 4.59%. Canadian IG spreads were swept along, trading in an 11 bps range during the first week before markets steadied following a 90-day U.S. tariff reprieve and several product exemptions.

Primary issuance all but dried up with only C\$2.9 billion during the month. This is a record-low April since our data series began in 2008 - leaving year-to-date volume around C\$39 billion, 14% behind the same period last year. Equities were equally unsettled: the S&P 500 fell almost 13% before rebounding. Fund flows chased the equity rebound, producing the first monthly outflow from CAD credit funds in 62 weeks, although Canadian IG fixed income funds still managed net inflows.

The Bank of Canada kept its policy rate unchanged at 2.75%, a close decision reflecting uncertainty over how tariffs will filter through the economy. After a weaker-than-expected GDP print of - 0.2% m/m, strategists now anticipate three consecutive 25 bps cuts. Political risk also rose as the federal election produced another Liberal minority government together with a C\$129 billion, four-year spending program to be fleshed out in a late-spring budget.

Earnings season has begun to reveal sector-specific tariff damage. Auto and rail-transport companies, having pre-announced guidance cuts, have held up reasonably well, whereas margin pressure is likely to emerge in consumer-retail, and energy producers could face weaker results if commodity prices continue to erode through May. With only partial tariff relief in place, the second quarter should give a clearer view of where economic stress is building.

We entered April with very low risk approximately 50% of long-term average levels, and began cautiously adding some back at wider levels once it became clear the extreme left tail of Trump's policy proposals was off the table. While risk is about 40% higher than our month-end lows, the fact we are still below long-term average levels reflects our view of this slowing growth environment with heightened uncertainty.



# Portfolio Managers



## Seasoned

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



## Accomplished

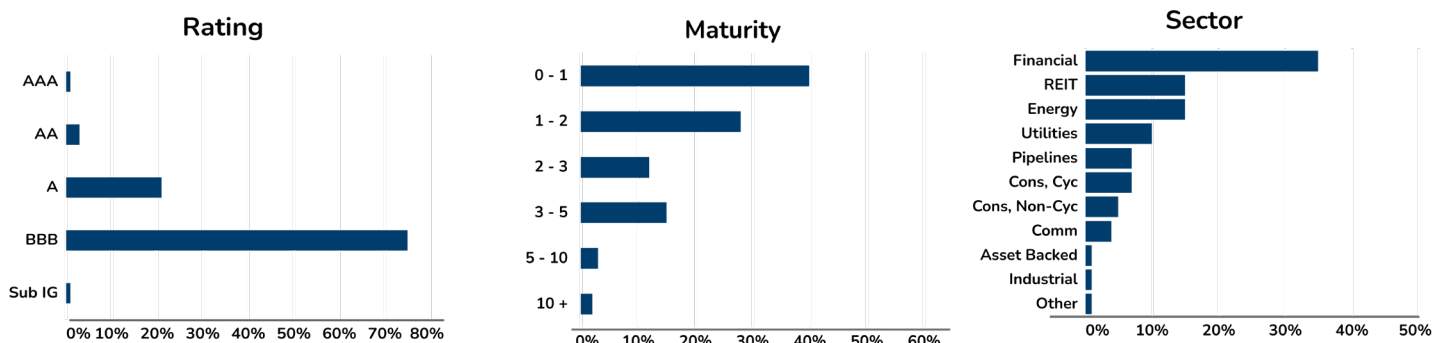
Head Corporate Trader and Director at major Canadian dealers responsible for billions of at-risk capital



## Conservative

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

## Portfolio



## Monthly Net Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2025	0.16	0.10	0.17	0.06									0.49
2024	1.06	1.02	0.50	0.76	0.44	0.32	0.71	0.23	1.00	0.72	0.72	0.42	8.18
2023	1.68	1.05	-1.10	0.91	0.49	0.71	0.94	0.41	0.70	0.26	1.08	1.20	8.63
2022	-0.35	-1.57	-0.14	-0.95	-0.70	0.30	0.50	1.06	-0.46	-0.15	1.88	1.01	0.45
2021	0.37	0.15	-0.04	0.34	0.20	0.07	0.11	0.17	0.40	0.18	-0.58	-0.18	1.19
2020	0.63	-0.41	-6.11	1.47	1.19	2.13	1.08	0.73	0.12	0.20	0.90	0.38	2.08
2019						0.06 *	0.49	-0.16	0.73	0.48	0.88	1.04	3.57

## Fund Details

<b>Transactions</b>	Daily	<b>Distributions</b>	Monthly (4%/yr target; TA/TF) Quarterly (A/F/US)
<b>Management fee</b>	1.90% (A/TA/US) 0.90% (F/TF/US)	<b>Fundserv</b>	YTM401 (A) YTM402 (TA) YTM404 (A-USD) YTM405 (F) YTM406 (TF) YTM408 (F-USD)
<b>Performance fee</b>	15%, high watermark	<b>Reg Pans</b>	Yes
<b>Fund Administrator</b>	SGGG Fund Services Inc.		
<b>Auditor</b>	PwC LLP		

## 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 APRIL 30, 2025** \* June 24 - 30, 2019. **FTSE Bond** = FTSE Canada Universe Bond Index. CR01 measures the impact of a 1 basis point change in credit spreads on the Fund's value. Sharpe Ratio is calculated using a 3 month Govt of Canada Treasury Bill as the risk free rate. Drawdown represents the percentage loss for the Fund from peak to trough. Market capture ratios compare the Fund's performance to the FTSE Bond index. Comparative returns are provided to demonstrate the Fund's utility as an alternative investment. Investors should consider differences between the investments generally represented by the indexes and the Fund, such as risk profiles and taxation of returns. This document is for information only and is not intended to solicit orders for the Fund. Investors should read the Simplified Prospectus (SP) and Fund Facts (FF) including the Risk Factors sections before making an investment. You can obtain the SP and FF from YTM Capital Asset Management Ltd. and at ytmcapital.com or from your investment advisor. 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, distributions reinvested. Rating and maturity information exclude cash and Government of Canada 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. [ytmcapital.com](http://ytmcapital.com)

