

# YTM Capital Fixed Income Alternative Fund

## Management Report of Fund Performance

For the year ended February 28, 2023

This annual management report of fund performance (“Annual MRFP”) contains financial highlights but does not contain the complete annual financial statements of the Fund.

You can get a copy of the annual financial statements at your request, and at no cost, by calling toll-free 1-833-828-4098, by writing to us at 202 – 295 Robinson Street, Oakville, ON L6J 1G7, or by visiting our website at [www.ytmcapital.com](http://www.ytmcapital.com), or SEDAR at [www.sedar.com](http://www.sedar.com)

**Unitholders may also contact us using one of these methods to request a copy of the Fund’s annual financial report, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.**

### Forward-Looking Statements

This annual Management Report of Fund Performance contains forward-looking statements (“**FLS**”). FLS are statements about possible events, conditions or results of operations that are based on assumptions about future economic conditions and courses of action. FLS includes future-oriented financial information about prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection. Future-oriented financial information is FLS about prospective results of operations, financial position or cash flows, based on assumptions about future economic conditions and courses of action.

FLS can be identified by the use of forward-looking words, including: “may”, “will”, “should”, “expect”, “anticipate”, “target”, “project”, “estimate”, “intend”, “continue” or “believe”. Similar other words may also be used. Actual performance of the Fund may be materially different from the performance reflected or contemplated in the FLS. The risks factors that may impact actual performance are discussed under the heading “What are the Risks of Investing in the Fund?” in the Fund’s Simplified Prospectus.

Investors are also cautioned that FLS is based on a number of factors and assumptions, including a Fund’s current plans, estimates, opinions and analysis made in light of its experience, current conditions and expectations of future developments, as well as other relevant factors. These factors can change over time. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in FLS are subject to change without notice and are provided in good faith but without legal responsibility.



# YTM Capital Fixed Income Alternative Fund

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Management Discussion of Fund Performance for the year ended February 28, 2023

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This report provides YTM Capital's view of significant factors and developments impacting YTM Capital Fixed Income Alternative Fund ("Fund") and information about the Fund's performance and operations. The report covers the period from March 1, 2022 to February 28, 2023 ("Year"). YTM Capital changed the Fund's financial year end from December 31 to the last day of February at the end of 2021. YTM Capital Asset Management Ltd. ("YTM Capital") is the Fund's investment fund manager, trustee and portfolio advisor. Net asset value ("NAV") refers to the value of the Fund. All monetary financial information is reported in Canadian dollars and is expressed in millions, unless otherwise indicated.

## Investment Objective and Strategies

**Investment objective:** The Fund seeks to provide maximum risk adjusted returns over the long term and to preserve capital, by investing primarily in fixed-income securities, cash, and by entering into derivatives arrangements. It uses alternative strategies including short sales, cash borrowing for investment purposes, and derivatives, in the process creating leverage. The maximum aggregate exposure created by leverage is 300% of the Fund's net asset value, unless otherwise permitted by securities legislation.

**Investment strategies:** The Fund generally uses three core investment strategies to seek its investment objective: (i) carry trades; (ii) active trading; and (iii) new issuances. For more information about these strategies, refer to the Fund's simplified prospectus ("**Prospectus**").

## Risk

The risks associated with investing in the Fund are described in the Prospectus and have not changed. An important risk to the Fund is credit exposure. That means if the market reacts negatively to the creditworthiness of an issuer relative to government securities, the Fund could experience losses in value. The Fund had higher credit exposure than recent history from March 2022 until August 2022. The portfolio managers started decreasing it gradually from September 2022 until it hit its lowest level in February 2023.

These changes in credit exposure, and other risks experienced by the Fund, had no impact on YTM Capital's assessment of the suitability or investor risk tolerance, as described in the Prospectus, which is: The Fund is suitable for someone who is looking for low to medium risk, diversified portfolio of alternative investment strategies to hold as part of their balanced portfolio and has a medium to longer term investment horizon.

## Results of Operations

### Performance

During the Year, Series A units returned 4.33% and Series F returned 5.22%. Differences in performance result from different fees being charged to each Series. The FTSE Canada Universe Bond Index ("**FTSE Bond**") returned -6.96% for the Year. The Fund's return is net of fees and expenses for professional management. Investors cannot invest in an index without incurring fees, expenses, and commissions, which are not reflected in index returns. All performance results are calculated on a total return basis in Canadian dollars.

The Fund outperformed the FTSE Bond because of the impact of interest rates and security selection. During the Year interest rates were volatile, both in response to the Bank of Canada's efforts to control inflation increased rates, making the bonds that comprise the FTSE Index less valuable, and in response to the markets view of the future of rate changes. The Fund had negative exposure to interest rates for most of the year and therefore did not experience the same type of losses as the FTSE Index.

The Year flipped between positive and negative for credit markets and the Fund. It started with volatility driven by concerns related to inflation and the Ukraine war, and then moved into 3 months of positive territory starting in June as Canadian credit held in despite turbulence, in part because it had priced in a great deal of negative news and was inexpensive relative to other risk markets when June started. September and October were small negative as concerns over inflation persisted, giving way to 4 positive months to end the Year in which the market seemed to realize, in part, that too much bad news had been priced in.

### Net Assets

The NAV of the Fund increased from \$48.6 million on February 28, 2022, to \$68.5 million on February 28, 2023. This change was composed primarily of net sales of \$17.2 million combined with positive investment performance that resulted in an overall increase in NAV for the year ended February 28, 2023.

# YTM Capital Fixed Income Alternative Fund

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Management Discussion of Fund Performance for the year ended February 28, 2023

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## Leverage

The Fund can create leverage by borrowing securities, borrowing cash, or by using derivatives to generate investment exposure that would otherwise not be available. The maximum permissible aggregate exposure created by leverage is 300% of the Fund's NAV. Leverage is calculated by adding together (i) market value of securities sold short; (ii) the amount of cash borrowed for investment purposes; and (iii) the notional value of derivatives positions used for non-hedging purposes, divided by the Fund's NAV. The Fund has received a partial exemption from the National Instrument 81-102 rule that limits short sales to 50% of a fund's NAV from securities regulators. The Fund is permitted short sell up to 300% of its NAV in "government securities" as that term is defined in NI 81-102.

During the Year the Fund's leverage ranged from 242% to 306% of the Fund's NAV. The low end of the range occurred on Oct 14, 2022 and the high end was reached on May 11, 2022. The primary source of leverage was physical short positions in Government of Canada bonds and a secondary, much smaller source, was cash borrowing. The proceeds of the short positions were used to purchase investment grade corporate bonds. The Fund used the Markit CDX North American Investment Grade Index during the Year to hedge credit risk.

## Portfolio Changes

The average maturity of the portfolio during the Year ranged from 2.2 years at the end of the Year to 3.2 years at the start the Year. The portfolio was diversified on a sector basis throughout the Year, with an emphasis on Financial Services holdings, which represented from 63% to 72% of the Fund's portfolio. The predominant credit rating of issues held by the Fund was BBB, with that allocation decreasing from 64% at the end of February 2022 to 62% at the end of February 2023.

## Recent Developments

Inflation seems to be finally easing. Markets are digesting some of the fall out from the aggressive rate raising campaign of Central Banks, including three U.S. regional bank and Credit Suisse failures. The Central Banks are now balancing the need to ensure that inflation continues to head in the right direction against slowing the economy too quickly, especially as available credit starts to dry up. At the end of the Year, the Fund was positioned with less risk than it held during the Year. The portfolio managers will decide how to position the Fund based on how the economy and the market react over the next several months.

## Related Party Transactions

YTM Capital earns a management fee payable by the Fund for providing services to the Fund. The management fee varies for each series of units, as shown below. The management fee is calculated and accrued daily based on a percentage of the NAV of the series of units, plus applicable taxes, and is payable on the last day of each calendar month.

Series A units	1.90% per annum
Series TA units	1.90% per annum
Series F units	0.90% per annum
Series TF units	0.90% per annum
Series I units	Negotiated by the unitholder and paid directly by the unitholder to YTM Capital. The management fee rate will not exceed the management fee payable on Series A units of the Fund

For the Year, the management fees earned, inclusive of applicable taxes, was \$596,479.

YTM Capital may also earn a performance fee from each Series of the Fund. The Fund pays YTM Capital a performance fee each calendar quarter equal to 15% of the net profit for Series A and Series F units, each subject to a high watermark. Unitholders in Series I units may negotiate a performance fee to be paid by the unitholder that is different than the one described above or no performance fee at all. The performance fee is calculated and accrued for each Series on a daily basis during each Performance Fee Determination Period and, with respect to an intra-quarter redemption of units of a series, on the relevant redemption date.

YTM Capital earned \$378,189 in performance fees during the Year.

The Fund is responsible for all of its operating expenses, including legal, audit, IRC fees and expenses, and all other expenses incurred in the ordinary course of operations.

# YTM Capital Fixed Income Alternative Fund

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Financial Highlights - for the year ended February 28, 2023

The following tables show selected key financial information about Series A, A Founders, F, and F Founders units of the Fund, respectively, and are intended to help you understand the Fund's financial performance during the year.

<b>The Fund's Net Asset Value (NAV) per Series A Unit</b> <sup>(1) (2)</sup>	<b>February 28, 2023</b>	<b>February 28, 2022</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<b>Net asset value, beginning of year</b>	<b>\$9.82</b>	<b>\$10.08</b>	<b>\$10.22</b>	<b>\$10.00</b>
<b>Increase from operations:</b>				
Total revenue	2.43	1.24	0.67	0.46
Total expenses	(0.84)	(0.80)	(0.68)	(0.23)
Realized gains (losses) for the year	(1.51)	(0.41)	0.31	(0.01)
Unrealized gains (losses) for the year	0.39	(0.23)	(0.02)	0.29
<b>Total increase (decrease) from operations</b> <sup>(3)</sup>	<b>\$0.47</b>	<b>\$(0.20)</b>	<b>\$0.32</b>	<b>\$0.51</b>
<b>Distributions:</b>				
From income (excluding dividends)	-	-	(0.49)	(0.16)
Return of Capital	-	(0.08)	-	-
<b>Total distributions</b> <sup>(3) (4)</sup>	<b>\$ -</b>	<b>\$(0.08)</b>	<b>\$(0.49)</b>	<b>\$(0.16)</b>
<b>Net asset value, end of year</b> <sup>(3)</sup>	<b>\$10.24</b>	<b>\$9.82</b>	<b>\$10.08</b>	<b>\$10.22</b>

## Ratios and Supplemental Data

Total net asset value <sup>(5)</sup>	\$5,492,320	\$4,485,828	\$4,289,748	\$955,824
Number of units outstanding <sup>(5)</sup>	536,307	456,985	425,659	93,510
Management expense ratio <sup>(6)</sup>	3.27%	2.87%	3.40%	0.87%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	3.27%	2.87%	3.43%	4.83%
Trading expense ratio <sup>(7)</sup>	1.14%	0.92%	0.81%	0.71%
Portfolio turnover rate <sup>(8)</sup>	337.07%	316.28%	474.15%	240.73%
<b>Net asset value per unit</b>	<b>\$10.24</b>	<b>\$9.82</b>	<b>\$10.08</b>	<b>\$10.22</b>

<b>The Fund's Net Asset Value (NAV) per Series A Founders Unit</b> <sup>(1) (2)</sup>	<b>February 28, 2023</b>	<b>February 28, 2022</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<b>Net asset value, beginning of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$10.15</b>	<b>\$10.00</b>
<b>Increase from operations:</b>				
Total revenue	-	-	0.38	0.44
Total expenses	-	-	(0.47)	(0.24)
Realized gains (losses) for the year	-	-	0.23	-
Unrealized gains (losses) for the year	-	-	(0.10)	0.12
<b>Total increase (decrease) from operations</b> <sup>(3)</sup>	<b>\$ -</b>	<b>\$ -</b>	<b>\$0.04</b>	<b>\$0.32</b>
<b>Distributions:</b>				
From income (excluding dividends)	-	-	-	(0.18)
<b>Total distributions</b> <sup>(3) (4)</sup>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(0.18)</b>
<b>Net asset value, end of year</b> <sup>(3)</sup>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$10.15</b>

## Ratios and Supplemental Data

Total net asset value <sup>(5)</sup>	\$ -	\$ -	\$ -	\$1,670,983
Number of units outstanding <sup>(5)</sup>	-	-	-	164,670
Management expense ratio <sup>(6)</sup>	- %	- %	1.72%	1.37%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	- %	- %	1.79%	3.40%
Trading expense ratio <sup>(7)</sup>	- %	- %	0.81%	0.71%
Portfolio turnover rate <sup>(8)</sup>	- %	- %	474.15%	240.73%
<b>Net asset value per unit</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$10.15</b>

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Financial Highlights - for the year ended February 28, 2023

The Fund's Net Asset Value (NAV) per Series TA Unit <sup>(1) (2)</sup>	February 28, 2023	February 28, 2022	December 31, 2020	December 31, 2019
Net asset value, beginning of year	\$10.01	\$ -	\$ -	\$ -
<b>Increase from operations:</b>				
Total revenue	0.42	-	-	-
Total expenses	(0.28)	-	-	-
Realized gains (losses) for the year	(0.09)	-	-	-
Unrealized gains (losses) for the year	0.22	-	-	-
<b>Total increase (decrease) from operations <sup>(3)</sup></b>	<b>\$0.27</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Distributions:</b>				
From income (excluding dividends)	-	-	-	-
<b>Total distributions <sup>(3) (4)</sup></b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net asset value, end of year <sup>(3)</sup></b>	<b>\$10.24</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ratios and Supplemental Data</b>				
Total net asset value <sup>(5)</sup>	\$172,097	\$ -	\$ -	\$ -
Number of units outstanding <sup>(5)</sup>	16,809	-	-	-
Management expense ratio <sup>(6)</sup>	3.44%	- %	- %	- %
Management expense ratio before waivers or absorptions <sup>(6)</sup>	3.44%	- %	- %	- %
Trading expense ratio <sup>(7)</sup>	1.14%	- %	- %	- %
Portfolio turnover rate <sup>(8)</sup>	337.07%	- %	- %	- %
<b>Net asset value per unit</b>	<b>\$10.24</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

The Fund's Net Asset Value (NAV) per Series F Unit <sup>(1) (2)</sup>	February 28, 2023	February 28, 2022	December 31, 2020	December 31, 2019
Net asset value, beginning of year	\$ 9.98	\$10.14	\$10.24	\$10.00
<b>Increase from operations:</b>				
Total revenue	2.48	1.26	0.73	0.48
Total expenses	(0.77)	(0.69)	(0.60)	(0.22)
Realized gains (losses) for the year	(1.56)	(0.42)	0.31	0.01
Unrealized gains (losses) for the year	0.41	(0.24)	0.08	0.31
<b>Total increase (decrease) from operations <sup>(3)</sup></b>	<b>\$ 0.56</b>	<b>\$(0.09)</b>	<b>\$0.52</b>	<b>\$0.58</b>
<b>Distributions:</b>				
From income (excluding dividends)	-	(0.01)	(0.67)	(0.17)
From dividends	-	(0.07)	-	-
<b>Total distributions <sup>(3) (4)</sup></b>	<b>\$ -</b>	<b>\$(0.08)</b>	<b>\$(0.67)</b>	<b>\$(0.17)</b>
<b>Net asset value, end of year <sup>(3)</sup></b>	<b>\$ 10.50</b>	<b>\$9.98</b>	<b>\$10.14</b>	<b>\$10.24</b>
<b>Ratios and Supplemental Data</b>				
Total net asset value <sup>(5)</sup>	\$62,271,161	\$44,065,914	\$42,341,974	\$4,428,192
Number of units outstanding <sup>(5)</sup>	5,928,155	4,413,930	4,175,398	432,529
Management expense ratio <sup>(6)</sup>	2.44%	1.91%	2.72%	0.55%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	2.44%	1.91%	2.73%	3.63%
Trading expense ratio <sup>(7)</sup>	1.14%	0.92%	0.81%	0.71%
Portfolio turnover rate <sup>(8)</sup>	337.07%	316.28%	474.15%	240.73%
<b>Net asset value per unit</b>	<b>\$10.50</b>	<b>\$9.98</b>	<b>\$10.14</b>	<b>\$10.24</b>

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The Fund's Net Asset Value (NAV) per Series F Founders Unit <sup>(1) (2)</sup>	February 28, 2023	February 28, 2022	December 31, 2020	December 31, 2019
Net asset value, beginning of year	\$ –	\$ –	\$10.14	\$10.00
<b>Increase from operations:</b>				
Total revenue	–	–	0.38	0.43
Total expenses	–	–	(0.40)	(0.19)
Realized (losses) gains for the year	–	–	0.23	0.01
Unrealized (losses) gains for the year	–	–	(0.11)	0.11
<b>Total increase (decrease) from operations <sup>(3)</sup></b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$0.10</b>	<b>\$0.37</b>
<b>Distributions:</b>				
From income (excluding dividends)	–	–	–	(0.23)
<b>Total distributions <sup>(3) (4)</sup></b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>(0.23)</b>
<b>Net asset value, end of year <sup>(3)</sup></b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$10.14</b>

## Ratios and Supplemental Data

Total net asset value <sup>(5)</sup>	\$ –	\$ –	\$ –	\$14,218,675
Number of units outstanding <sup>(5)</sup>	–	–	–	1,402,092
Management expense ratio <sup>(6)</sup>	– %	– %	0.96%	0.35%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	– %	– %	0.98%	2.20%
Trading expense ratio <sup>(7)</sup>	– %	– %	0.81%	0.71%
Portfolio turnover rate <sup>(8)</sup>	– %	– %	474.15%	240.73%
<b>Net asset value per unit</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$10.14</b>

The Fund's Net Asset Value (NAV) per Series TF Unit <sup>(1) (2)</sup>	February 28, 2023	February 28, 2022	December 31, 2020	December 31, 2019
Net asset value, beginning of year	\$10.00	\$ –	\$ –	\$ –
<b>Increase from operations:</b>				
Total revenue	0.75	–	–	–
Total expenses	(0.47)	–	–	–
Realized gains (losses) for the year	(0.42)	–	–	–
Unrealized gains (losses) for the year	0.79	–	–	–
<b>Total increase (decrease) from operations <sup>(3)</sup></b>	<b>\$0.65</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>
<b>Distributions:</b>				
From return of capital	(0.02)	–	–	–
<b>Total distributions <sup>(3) (4)</sup></b>	<b>\$(0.02)</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>
<b>Net asset value, end of year <sup>(3)</sup></b>	<b>\$10.25</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>

## Ratios and Supplemental Data

Total net asset value <sup>(5)</sup>	\$545,294	\$ –	\$ –	\$ –
Number of units outstanding <sup>(5)</sup>	53,211	–	–	–
Management expense ratio <sup>(6)</sup>	3.08%	– %	– %	– %
Management expense ratio before waivers or absorptions <sup>(6)</sup>	3.08%	– %	– %	– %
Trading expense ratio <sup>(7)</sup>	1.14%	– %	– %	– %
Portfolio turnover rate <sup>(8)</sup>	337.07%	– %	– %	– %
<b>Net asset value per unit</b>	<b>\$ 10.25</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>

Notes:

(1) This information is derived from the Fund's unaudited annual financial statements for February 28, 2023 and the audited annual financial statements for February 28, 2022, December 31, 2020 and 2019.

(2) The Fund commenced operations on June 24, 2019; as a result, financial highlights are currently available only from the date of commencement.

(3) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/(decrease) from operations is based on the weighted average number of units outstanding over the financial period.

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Financial Highlights - for the year ended February 28, 2023

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(4) Distributions were paid in cash or automatically reinvested in additional units of the Fund, or both.

(5) This information is provided as at period end of the period shown.

(6) Management expense ratio is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average NAV during the period.

(7) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average NAV during the period. Trading expenses include the cost of borrowing securities and interest expense.

(8) The Fund's portfolio turnover rate indicates how actively YTM Capital manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a funds' portfolio turnover rate in the period, the greater the trading costs payable by the fund in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

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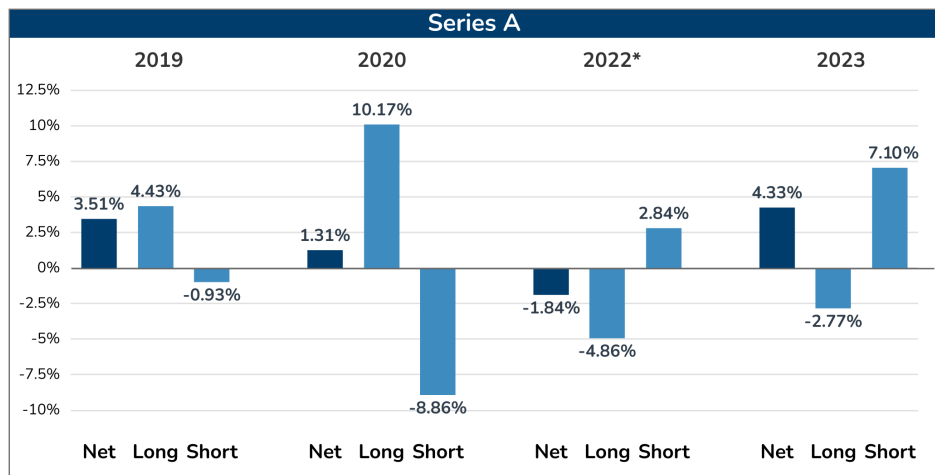
Past Performance - for the year ended February 28, 2023

The following performance information assumes that all distributions made by the Fund in the Period were reinvested in additional units of the Fund and does not take into account sales or other charges that would have reduced performance. Past performance does not necessarily indicate how the Fund will perform in the future..

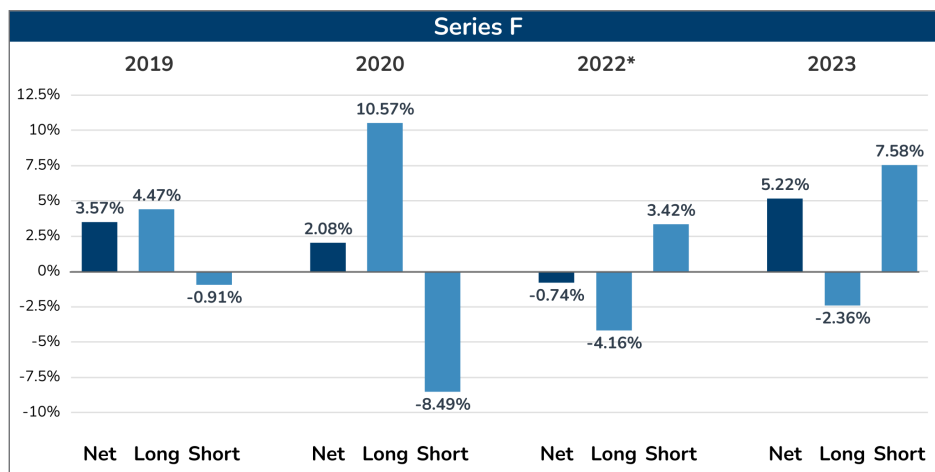
## Year-by-Year Returns

The following bar charts show the Fund's performance during the financial years and periods of the Fund. The bar chart shows, in percentage terms, how much an investment in Series A and F units, respectively, made on the first day of the financial year (for 2019 and 2020, January 1 – December 31; March 01, 2022 – February 28, 2023), period (for January 1, 2021 – February 28, 2022) would have grown by the last day of the financial year or period.

The net returns for the Years and Period, are as follows:



\* for the 14 month period ending February 28, 2022



\* for the 14 month period ending February 28, 2022

## Annual Compound Returns

The following table shows the Fund's annual compound returns for each Series of the Fund, including returns since inception on June 24, 2019, as of February 28, 2023. The returns are compared against the FTSE Canada Universe Bond Index.

	1 year	3 year	Since inception
Fund, Series A	4.33%	1.22%	1.91%
Fund, Series F	5.22%	2.08%	2.66%
FTSE Canada IUniverse Bond Index	-6.96%	-3.02%	-1.37%



# YTM Capital Fixed Income Alternative Fund

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Summary of investment portfolio as of February 28, 2023

The following table shows selected key financial information about the Fund, and is intended to assist in the understanding of the Fund's financial performance for the Period. The Investment Portfolio will change over time. Quarterly updates are available at [www.ytmcapital.com](http://www.ytmcapital.com).

## Portfolio Composition

Sector Allocation	% of Net Asset Value		
	Long	Short	Net
Financial	208.5%	-	208.5%
Consumer, Cyclical	55.2%	-	55.2%
Energy	41.9%	(1.2)%	40.7%
Consumer, Non-cyclical	7.4%	-	7.4%
Industrial	6.0%	-	6.0%
Utilities	2.2%	-	2.2%
Communications	12.8%	-	12.8%
Technology	0.5%	-	0.5%
Government	1.3%	(239.5)%	(238.2)%
<b>Total Portfolio Allocation</b>	<b>335.8%</b>	<b>(240.7)%</b>	<b>95.1%</b>
<b>Total Net Asset Value</b>			<b>\$68,480,872</b>

## Maturity Allocation

	% of Net Asset Value		
	Long	Short	Net
0 to 1 years	80.7%	(25.2)%	55.5%
1 to 2 years	79.6%	(86.3)%	(6.7)%
2 to 3 years	54.2%	(37.9)%	16.3%
3 to 5 years	53.4%	(68.3)%	(14.9)%
5 to 10 years	61.3%	(18.0)%	43.3%
10 or more years	6.6%	(5.0)%	1.6%
<b>Total Portfolio Allocation</b>	<b>335.8%</b>	<b>(240.7)%</b>	<b>95.1%</b>

## Rating Allocation

	% of Net Asset Value		
	Long	Short	Net
AAA	4.1%	(239.5)%	(235.4)%
AA	16.3%	-	16.3%
A	98.4%	-	98.4%
BB	8.6%	-	8.6%
BBB	208.4%	(1.2)%	207.2%
<b>Total Portfolio Allocation</b>	<b>335.8%</b>	<b>(240.7)%</b>	<b>95.1%</b>

## Top 25 Long Holdings

Issuer	% of Net Asset Value
Enbridge Inc.	19.2%
The Goldman Sachs Group Inc.	17.8%
Canadian Imperial Bank of Commerce	15.2%
Coast Capital Savings Federal Credit Union	14.8%
General Motors Financial of Canada Ltd.	14.2%
Ford Credit Canada Co.	13.9%
The Bank of Nova Scotia	12.7%
The Toronto-Dominion Bank	12.2%
Bank of Montreal	11.7%
Canadian Western Bank	11.6%
Royal Bank of Canada	9.6%
SmartCentres Real Estate Investment Trust	9.4%
Master Credit Card Trust II	8.5%
Artis Real Estate Investment Trust	8.1%
Choice Properties Real Estate Investment Trust	7.8%
TransCanada PipeLines Ltd.	6.8%
Daimler Trucks Finance Canada Inc.	6.8%
Cenovus Energy Inc.	6.2%
Honda Canada Finance Inc.	5.8%
Sun Life Financial Inc.	5.7%
National Bank of Canada	5.4%
CARDS II Trust	5.4%
Rogers Communications Inc.	5.1%
Dream Industrial Real Estate Investment Trust	4.9%
MCAP Commercial LP	4.8%

## Total Percentage of Net Asset Value

Represented by Holdings 243.6%

## All Short Holdings

Issuer	% of Net Asset Value
Government of Canada Debt	(239.5)%
Enbridge Inc.	(1.2)%

## Total Percentage of Net Asset Value

Represented by Holdings (240.7)%

The "Top 25 Holdings" of the Fund, as a percentage of Net Asset Value of the Fund, have been presented in accordance with National Instrument 81-106.

The Investment Portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates of the Investment Portfolio are available within 60 days of each quarter end.