

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

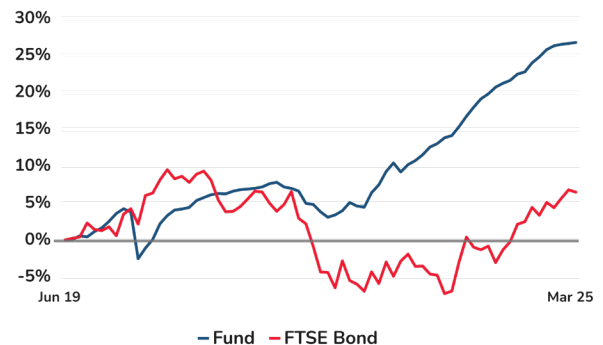


Uncorrelated

Compelling fixed-income alternative

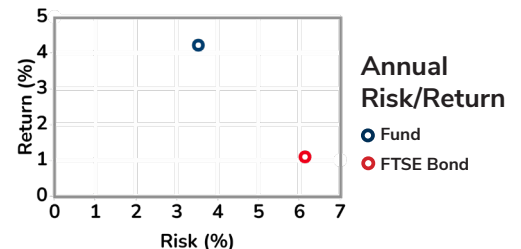
Net Performance

	1 month	1 year	3 year	5 year	S.I.
Fund	0.17%	5.89%	6.57%	5.41%	4.21%
FTSE Bond	-0.28%	7.38%	2.41%	0.83%	1.09%



Risk

LOW		MEDIUM		HIGH	
CR01 as a percent of NAV		0.028%		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		0.52		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

March was marked by a cautious shift in investor sentiment amid economic uncertainty. The sell-off in risk assets was not triggered by a single event but by a combination of factors, including underperforming economic reports, a cooling U.S. economy, and high policy uncertainty. The services sector contracted, and consumer confidence deteriorated, signaling slowing consumer demand. In Washington, renewed tariff threats and potential spending cuts added to market concerns. Despite the recent volatility, the U.S. economy entered 2025 with momentum, supported by strong consumer demand. However, uncertainties around immigration, tariffs, deregulation, and taxes blur the economic outlook. While deregulation and tax cuts could provide positive momentum, immigration restrictions and tariffs threaten the economy. The current business cycle expansion, now at 58 months, appears to have further to run, but the mix of policies debated during March and implemented at the start of April significantly impact future growth.

Against this backdrop, Canadian IG was 5 bps wider, outperforming US IG, which widened by 7 bps. Autos were the clear underperformer in March, widening by +15 bps, followed by NVCC and REITs each widening by +12 bps. On the other end of the spectrum, Telcos have recently gained favor among investors due to various leverage-improving measures, such as bond tenders, hybrid issuances, and asset monetization initiatives. Telcos tightened by -2 bps month-over-month, led by BCE and TELUS, with the long end outperforming (-8 bps), heavily influenced by BCE's repurchase of \$1.13 billion in long bonds and expectations of future LME debt management in the sector.

Gross issuance during the month amounted to \$11.7 billion, with nearly half concentrated in the 5-7 year bucket and 64% coming from the BBB category. Banks were the most represented at 27% of the total, followed by Utilities at 21%. The monthly volume fell 14% short of the 10-year average for March, and April typically sees \$8.6 billion in issuance. This brings the total year-to-date supply to roughly in line with the year-ago. Fund flows remain strong.

We continue to prioritize liquidity and quality over chasing beta compression. Overall credit risk continues to hover around our multi-year lows and while giving up spread carry is never ideal, we believe exercising caution and selectivity while waiting for more attractive opportunities will ultimately prove beneficial to long term, risk adjusted returns.



Portfolio Managers



Seasoned

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



Accomplished

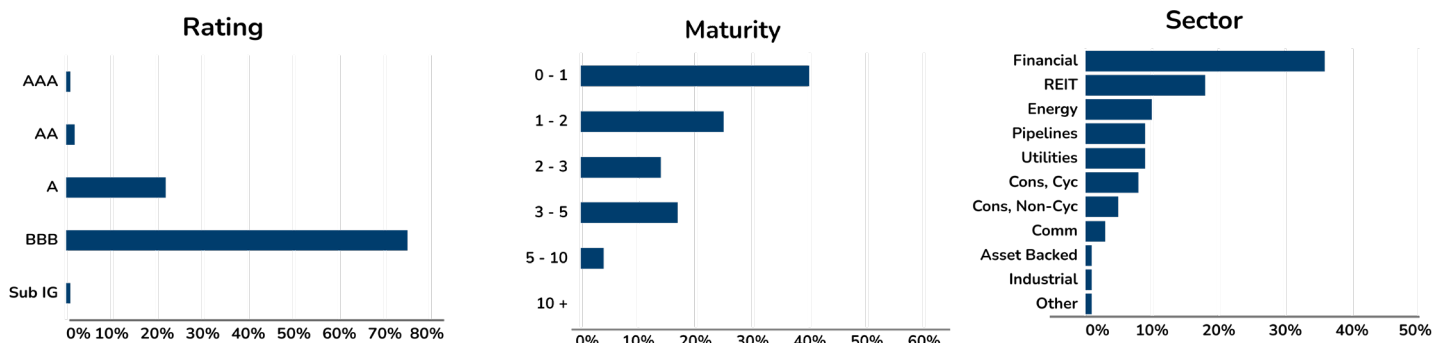
Head Corporate Trader and Director at major Canadian dealers responsible for billions of at-risk capital



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										0.42
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

Transactions	Daily	Distributions	Monthly (4%/yr target; TA/TF) Quarterly (A/F/US)
Management fee	1.90% (A/TA/US) 0.90% (F/TF/US)	Fundserv	YTM401 (A) YTM402 (TA) YTM404 (A-USD) YTM405 (F) YTM406 (TF) YTM408 (F-USD)
Performance fee	15%, high watermark	Reg Pans	Yes
Fund Administrator	SGGG Fund Services Inc.		
Auditor	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 MARCH 31, 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

