

YTM Capital Liquid Alt Credit: 5 Outstanding Years

In 2018 we set out to create a Fund to give all Canadian investors access to a compelling institutional strategy that we had mastered over decades.

Our first step was to become the first in Canada to obtain regulatory relief permitting the Fund to eliminate interest rate risk by shorting Government of Canada Bonds.

Our second step took 5 years to unfold: we managed the Fund on-style through some of the choppiest fixed income markets in history and we delivered results. The YTM style is to eliminate virtually all interest rate risk and invest in short maturity bonds issued by high quality Canadian corporations. The results are compelling.

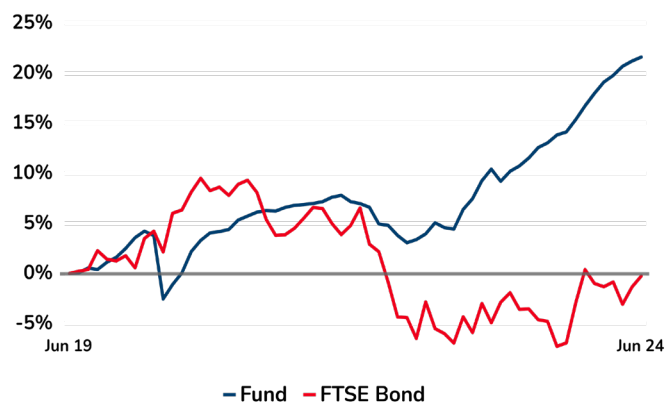
We judge ourselves against these long-range targets:

1. absolute returns
2. low volatility
3. net returns of 4% - 6%
4. meaningful diversification from interest rate-sensitive traditional bond investing

Despite historical market upheaval, we succeeded on all these measures.

Here are the results compared to the FTSE Canada Universe Bond Index, a proxy for traditional interest rate exposed fixed income investing.

	Fund	FTSE Bond
Positive Return by Calendar Yr	4 of 4	2 of 4
Standard Deviation	3.8%	6.3%
Net Annualized Return (SI)	4.0%	0.0%
Correlation of Fund to Index	0.28	n/a
1 Year net return	9.0%	3.4%
3 year net return	4.4%	-1.9%
5 year net return	4.0%	0.0%



Credit is a Core Holding

Credit has long been a core investment focus of institutional investors. Pension plans like CPP have positioned Credit as a separate sleeve within the fixed income allocation to counteract the interest rate volatility of long-only traditional bond investing.

As suggested by Morningstar, the core of your portfolio requires investments that will be reliable year in and year out. They should be the solid foundation designed to meet your investment goals, to be supplemented by riskier or thematic investments in the non-core portion. We'd add that your core should be diversified.

The Fund's track record, along with its sister Offering Memorandum Fund with a 9 year track record, has demonstrated those attributes. Consider that since inception, the Fund has a higher Sharpe Ratio (0.47) than both traditional asset classes, represented by indexes, that are viewed as core holdings: the FTSE Bond Index (-0.35) and the S&P/TSX Composite Index (0.45).

Ask us for a Morningstar Direct analysis of your fixed income portfolio and how the Fund can boost it.

Data as of June 30, 2024. 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. There is no guarantee that the Fund will be able to achieve the stated target returns. Performance presented is net returns, distributions reinvested, for F Series of YTM Capital Fixed Income Alternative Fund. SI = Since Inception = June 24, 2019. Please read the Fund's simplified prospectus and Fund Facts (you can obtain them from YTM Capital Asset Management Ltd.) and speak to your investment advisor before investing. www.ytmcapital.com

