

YTM Capital Fixed Income Alternative Fund

Offering Series A, Series TA, Series A-USD, Series F, Series TF, Series F-USD, and Series I units

Simplified Prospectus for an Alternative Mutual Fund

May 31, 2024

No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise. The Fund and the units of the Fund offered under this Simplified Prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registrations.



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INTRODUCTORY DISCLOSURE

This simplified prospectus contains selected important information to help you make an informed decision about investing in YTM Capital Fixed Income Alternative Fund (the “Fund”) and helps you understand your rights as an investor in the Fund. This Simplified Prospectus contains information about the Fund and the risks of investing in mutual funds generally, as well as about YTM.

To make this document easier to read and understand, we have used personal pronouns throughout much of the text. References to “YTM”, “our”, “we” or “us” generally refer to YTM Capital Asset Management Ltd. in its capacity as trustee and manager of the Fund. References to “you” are directed to the reader as a potential or actual investor in the Fund.

This simplified prospectus contains information about the Fund, including the series that comprise each Fund, and the risks of investing in mutual funds generally.

This document is divided into two parts. The first part contains general information about mutual funds. The second part contains specific information about the Fund.

Additional information about the Fund is available in the following documents:

- the most recently filed Fund Facts;
- the most recently filed annual financial statements;
- any interim financial reports filed after those annual financial statements;
- the most recently filed annual management report of fund performance; and
- any interim management report of fund performance filed after the annual management report of fund performance.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as a part of this document. You can get a copy of these documents at your request, and at no cost, by calling us toll-free at 1-833-828-4098, e-mailing us at info@ytmcapital.com or from your financial advisor.

These documents are available on the fund’s designated website at www.ytmcapital.com and are also available at www.sedarplus.ca.

RESPONSIBILITY FOR MUTUAL FUND ADMINISTRATION

Manager

We are the manager (“Manager” or “YTM Capital” or “YTM”) and trustee of the Fund. You may contact us at:

YTM Capital Asset Management Ltd.
202 - 295 Robinson Street
Oakville, ON L6J 1G7
ytmcapital.com
1-833-828-4098
info@ytmcapital.com

In our capacity as Manager of the Fund, we will either conduct the Fund’s day-to-day operations or hire third parties to do so, under the terms of the Declaration of Trust.

The services that we provide to the Fund, as Manager, include: (i) portfolio management, including making brokerage arrangements; (ii) promoting the sales of the Fund’s securities through independent financial advisors in each province and territory of Canada; and (iii) customer service to respond to dealer and investor enquiries concerning investor accounts.

We have engaged SGGG Fund Services Inc. (“SGGG”) to provide fund administration services including: (i) transfer agency and registrar services, (ii) daily calculations of the value of the Fund’s portfolio securities, the NAV of the Fund, and the NAV per Unit for each series of the Fund, (iii) fund accounting; and (iv) tax reporting by executing a fund administration agreement (“Fund Administration Agreement”). As manager of the Fund, we determine the terms of engagement and compensation payable by the Fund to SGGG and other third party service providers.

Directors and Officers of the Manager

The names, municipalities of residence and principal occupations during the preceding five years of each of the directors and officers of YTM Capital are:

Name and Residence	Position
Daniel Child Oakville, Ontario	Director, President, Chief Executive Officer, Partner, Ultimate Designated Person
Karl Burnham Oakville, Ontario	Director, Partner
David Burbach Oakville, Ontario	Director, Partner, Chief Compliance Officer, Senior Vice President

Portfolio Managers

The Manager provides all portfolio advice to the Fund. The portfolio managers are responsible for the investment advice given to the Fund. On a continuing basis, the portfolio managers evaluate the Fund’s portfolio, including the percentage that is invested in a type of security generally or in a particular security, diversification, and, in general, the makeup of the Fund. The portfolio managers of the Fund are:

Name and Title	With YTM since	Principal occupation in last five years
Daniel Child Oakville, Ontario	2010	Director, President, Chief Executive Officer, Partner of YTM
Edward Winiarz Toronto, Ontario	2022	Portfolio Manager, YTM; RBC Dominion Securities Inc., Director, Global Fixed Income

Brokerage Arrangements

We arrange brokerage transactions for the Fund. In selecting brokers and other financial intermediaries to execute transactions and negotiating commission rates, YTM considers one or more of: price, execution capabilities, reputation, reliability, financial resources, the quality of research products and services and the value and expected contribution of such services to the performance of the Fund. Where a broker agrees to provide other services relating to research and trade execution at no cost to YTM in exchange for brokerage business from Accounts, a “soft dollar arrangement” has been created. Although the brokers involved in soft dollar arrangements do not necessarily charge the lowest commissions, YTM will only enter into such arrangements when it is of the view that such brokers provide best execution and/or the value of the research and other services exceeds any incremental commission costs. To date, we have not entered a soft dollar arrangement. If you have any questions about the future status of YTM soft dollar arrangements, if any, call us at 1-833-828-4098 or email us at info@ytmcapital.com.

Trustee

YTM is the trustee of the Fund. Under the Declaration of Trust, the trustee may resign or may be removed by holders of Units (“Unitholders”) who pass an extraordinary resolution at an investor meeting. Where the trustee resigns, is removed or is otherwise incapable of acting, the manager can appoint a successor trustee. Prior written notice and investor approval of the appointment of a successor trustee is not required if (i) the successor trustee is the resultant entity of a business reorganization or transaction relating to the trustee; or (ii) the successor trustee is a trust company duly authorized to carry on business as a trust company.

Custodian

The Fund has appointed BMO Nesbitt Burns Inc. (“BMO”), Toronto, Ontario, and TD Securities Inc. (“TD”) to act as custodians and as prime brokers pursuant to Custodian Agreements. The custodians receive and hold all cash, portfolio securities and other assets of the Fund for safekeeping and will act upon our instructions with respect to the investment and reinvestment of the Fund’s assets from time to time. Under the terms of the custodian agreements and subject to the requirements of the Canadian Securities Administrators, the custodians may appoint one or more sub-custodians to facilitate effecting portfolio transactions outside of Canada. Other than cash or securities that may be deposited as margin, BMO and TD will hold all of the Fund’s Canadian cash, securities and other assets in Toronto. Foreign securities and related cash accounts will be held either at an office of BMO or TD or by its sub-custodians.

The Fund may appoint an additional custodian from time to time.

Auditor

PricewaterhouseCoopers LLP (“PwC”) of Toronto Ontario is the Fund’s auditor.

Registrar

SGGG acts as the registrar of the Fund at its office in Toronto, Ontario.

Cash Lender

The Fund entered into borrowing agreements with BMO and TD, the custodians of the Fund as part of the Custody Agreements. BMO and TD are not affiliates or associates of YTM.

Independent Review Committee

NI 81-107 requires all publicly offered investment funds to establish an independent review committee to whom the manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations on YTM to establish written policies and procedures for dealing with conflict of interest matters, maintain records in respect of these matters and provide assistance to the IRC in carrying out its functions. The IRC is required to conduct regular assessments and provide reports to YTM and to Unitholders in respect of its functions. The IRC's annual report of its activities for Unitholders is available on the Fund's designated website at www.ytmcapital.com, or at the Unitholder's request at no cost by contacting the Fund toll-free at 1-833-828-4098 or by email at info@ytmcapital.com.

The annual fee payable to each member is \$8,000 and \$10,000 for the Chair, plus applicable taxes or other deductions. Expenses incurred by the members of the IRC in connection with performing their duties are also the responsibility of Fund.

In accordance with NI 81-107, the mandate of the IRC is to consider and provide recommendations to the manager on conflicts of interest to which the manager may be subject when managing the Fund. The IRC is empowered to represent the best interest of the Fund in any matter where the Manager has referred a conflict of interest matter to it. In those cases, it has sought to ensure that the Manager's proposed course of action represents a fair and reasonable result for the Fund.

The current members of the IRC are Venkat Kannan (Chair), Robert Bogart, and Kevin Dalton.

YTM Policies

YTM maintains policies, procedures and guidelines ("Policies") relating to the governance of the Fund. These Policies aim to monitor and manage the business and sales practices, risk management and internal conflicts of interest relating to the Fund, and to ensure compliance with regulatory and corporate requirements. The Fund is also managed in accordance with its investment guidelines and compliance with those guidelines is monitored regularly by senior YTM management.

YTM is committed to the fair treatment of investors and we have established a Compliance Manual to guide the firm and its employees. This manual governs policies relating to the following subject matter: code of ethics and conduct, trading procedures and proxy voting, in addition to other procedures.

YTM manages the Fund in investors' best interest and in compliance with the requirements of NI 81-107 by setting out its policies and procedures for dealing with conflict of interest matters and providing guidance on managing these conflicts.

In addition, all YTM employees are bound by the code of ethics and conduct which, among other things, addresses proper business practices, personal trading, and conflicts of interest.

Affiliated Entities

There are no affiliated entities of YTM that provide services to the Fund.

Use of Derivatives

YTM may use derivative instruments to reduce or hedge against various risks and as a substitute for purchasing or selling securities directly to obtain investment exposures consistent with its investment objectives, strategies and risk management. The derivatives that YTM may use include, but are not limited to, options, swaps, futures and forwards. YTM may also employ various option strategies to increase the return of the Fund's portfolio including, but not limited to, covered call and put option writing. No assurance can be given that the Fund's portfolio will be hedged from any particular risk at any time. YTM has written policies and procedures in place that set out the objectives and goals for derivatives trading and the risk management procedures applicable to those transactions by the Fund ("Derivatives Policy"). YTM's Chief Compliance Officer ("CCO") is responsible for creating the Derivatives Policy and conducting a review no less than annually. The CCO monitors the derivatives risks and is functionally independent of the portfolio managers.

Supervision of Derivatives Trading

YTM has adopted the Derivatives Policy. It is reviewed at least annually by the CCO. It includes a pre-approval process for new derivatives strategies by the Fund conducted by the CCO to ensure compliance with securities law and to ensure that the derivative is suitable for the Fund within the context of the Fund's objectives and investment strategies. SGGG records, values, monitors and reports on the derivative transactions that are entered into the Fund's portfolio records.

Valuations of derivatives are carried out according to the procedures described under "Valuation of Portfolio Securities". The CCO conducts ongoing monitoring of derivatives strategies for compliance with regulation designed to ensure (i) all derivatives strategies of the Fund meet regulatory requirements; and (ii) derivative and counterparty exposures are reasonable and diversified.

When derivatives are used for hedging purposes, our internal policies require that the derivatives have a high degree of negative correlation to the position being hedged, as required by NI 81-102. Derivatives will be used to create leverage within the Fund's portfolio as permitted under NI 81-102. We do not simulate stress conditions to measure risk in connection with the Fund's use of derivatives.

The CCO will review quarterly updates from the portfolio managers on outstanding derivative strategies including, the classification of hedging versus non-hedging strategies, identification of risks being hedged, and hedge effectiveness or correlation. Any non-compliance will be dealt with by the CCO and portfolio managers.

Short Sales

The Fund may engage in short selling, in accordance with securities laws and exemptions granted therefrom, and in compliance with YTM written policies and procedures ("Short Selling Policy"). The CCO is responsible for creating the Short Selling Policy and conducting a review no less than annually. Authorizing short selling transactions and placing limits or other controls on short selling is the responsibility of the portfolio managers, with post-trade review conducted by the CCO. We do not simulate stress conditions to measure risk in connection with the Fund's use of short sales.

Securities Lending, Repurchase and Reverse Repurchase Transactions

The Fund may, from time to time, engage in securities lending, repurchase and reverse repurchase transactions to generate additional income consistent with its investment objectives in accordance with

securities laws and in compliance with YTM written policies and procedures (“Securities Lending Policy”). The CCO is responsible for creating the Securities Lending Policy and conducting a review no less than annually.

If YTM decides to cause the Fund to enter into a securities lending agreement, the authorization of securities lending, repurchase and reverse repurchase activities and placing limits or other controls on these transactions is the responsibility of the portfolio managers with post-trade review conducted by the CCO.

Proxy Voting Policy

In the normal course, YTM expects that it will have very few proxies, if any, to exercise because of the Fund’s focus on fixed-income securities. The proxies associated with the securities of each Fund may be voted by YTM in accordance with YTM’s proxy voting policy (“Proxy Voting Policy”). The objective in voting is to act in the best interests of Fund investors by supporting proposals and director nominees that are judged by the portfolio managers to have the best potential to maximize the value of the Fund’s investments over the long-term. In evaluating proxy proposals, information from many sources will be considered, including management or shareholders of a company presenting a proposal and independent proxy research services.

The current proxy voting policy and procedures of the Manager are available to Unitholders at no cost by calling toll-free at 1- 833-828-4098, on www.ytmcapital.com or by writing to YTM Capital, 202 – 295 Robinson Street, Oakville, ON, L6J 1G7. The Fund’s proxy voting record for the annual period from July 1 to June 30 will be available at any time after August 31 following the end of that annual period, to any Unitholder on request to YTM, at no cost, and may also be available on the www.ytmcapital.com. Information contained on YTM’s website is not part of this Simplified Prospectus and is not incorporated herein by reference.

Material Contracts

The material contracts entered into by the Fund as of the date of this simplified prospectus are:

- (a) the Declaration of Trust; and
- (b) the Custodian Agreements.

Copies of these agreements are available for inspection at the principal office of YTM during regular business hours and are also available on www.sedarplus.ca.

Designated Website

A mutual fund is required to post certain regulatory disclosure documents on a designated website. The designated website of Fund is: www.ytmcapital.com.

VALUATION OF PORTFOLIO SECURITIES

The portfolio securities of the Fund are valued as at the close of trading on the Toronto Stock Exchange (the “TSX”) (the “valuation time”) on each trading day. A “trading day” is any day that the TSX is open for

trading. The value of the portfolio securities and other assets of the Fund is determined by applying the following rules:

Asset	Valuation
Cash on hand or on deposit, bills and notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received	Full amount, unless we determine that any of these assets are not worth the full amount, in which event, the value shall be deemed to be the value that we reasonably assess.
Fixed-income securities	Fair value based on prices supplied by established pricing vendors, market participants or pricing models, as determined before the valuation time on that trading day.
Non-fixed income securities listed on a public securities exchange	Close price or last sale price reported before the valuation time on that trading day. If there is no close price and if no sale is reported to have taken place before the valuation time on that trading day, they are valued at the average of the last bid and ask prices reported before that time on that trading day.
Non-fixed income securities listed or traded on more than one public securities exchange	Close price or last sale price or the average of the last bid and ask prices, as the case may be, reported before the valuation time on the exchange or market that we determine to be the principal exchange or market for those securities.
Unlisted non-fixed income securities traded on an over-the-counter market	Last sale price reported before the valuation time on that trading day. If no sale is reported to have taken place before the valuation time on that trading day, they are valued at the average of the last bid and ask prices reported before that time on that trading day.
Long positions in options, debt-like securities and warrants	Current market value of their positions.
Fund written option	The premium received by the Fund for those options is reflected as a deferred credit. The deferred credit is valued at an amount equal to the current market value of the option which would have the effect of closing the position. Any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in calculating the NAV of the Fund. The Fund's portfolio securities which are the subject of a written option shall continue to be valued at their current market value as we determine.

Foreign currency hedging contracts	Current market value on trading day with any difference resulting from revaluation being treated as an unrealized gain or loss on investment.
Forward contract or swap	The gain or loss on the contract that would be realized if, on that trading day, the position in the forward contract or the swap were to be closed out
Standardized future	<p>If the daily limits imposed by the futures exchange through which the standardized future was issued are not in effect, the gain or loss on the standardized future that would be realized if, on that trading date, the position in the standardized future was closed out.</p> <p>If the daily limits imposed by the futures exchange through which the standardized future was issued are in effect, based on the current market value of the underlying interest of the standardized future.</p>
Margin paid or deposited on standardized futures or forward contracts	Reflected as an account receivable, and margin consisting of assets other than cash is noted as held as margin.
Portfolio securities, the resale of which are restricted or limited by law or by means of a representation, undertaking or agreement by the Fund	The lesser of: (i) their value based upon reported quotations in common use on that trading day; and (ii) the market value of portfolio securities of the same class or series of a class, whose resale is not restricted (the “related securities”) less a discount which reflects the difference between the acquisition cost of the securities versus the market value of the related securities on the date of the purchase; this amount decreases over the restricted period in proportion until the securities are no longer restricted.
Portfolio securities that are quoted in foreign currencies	Converted to Canadian dollars using an exchange rate as of the close of the North American markets on that trading day.

The purchase or sale of portfolio securities by the Fund will be reflected in the first calculation of the NAV for each series of securities after the date on which the transaction becomes binding.

Notwithstanding the foregoing, we will value assets at their fair value as determined by us, if:

- market quotations are, in our opinion, inaccurate, unreliable, not reflective of all available material information or not readily available; or
- If a portfolio security cannot be valued under the foregoing rules or under any other valuation rules adopted under applicable securities laws; or

- if any rules we have adopted are not set out under applicable securities laws but at any time are considered by us to be inappropriate under the circumstances, then we will use a valuation that we consider to be fair, reasonable and in your best interest. In those circumstances, we would seek third party information to support a valuation.

This discretion has not been exercised since the Fund's inception.

If, at any time, the foregoing rules conflict with the valuation rules required under applicable securities laws, we will follow the valuation rules required under applicable securities laws.

CALCULATION OF NET ASSET VALUE

The Fund's net asset value is calculated at the close of regular trading, normally 4:00 p.m. (Eastern Time), on a day the Toronto Stock Exchange ("TSX") is open (a "Valuation Day"). The net asset value of the Fund will be calculated in Canadian dollars. The Fund may issue an unlimited number of series of securities and may issue an unlimited number of units within each series. The Fund may offer new series, or cease to offer existing series, at any time, without notification to, or approval from you. The Fund offers Series A, Series TA, Series A-USD, Series F, Series TF, Series F-USD, and Series I. The expenses of each series of the Fund are tracked separately and a separate NAV is calculated for each series. Although the money which you and other investors pay to purchase securities of each series, and the expenses of each series, are tracked on a series-by-series basis in the Fund's administration records, the assets of all series of your Fund are combined into a single pool to create one portfolio for investment purposes.

Each series is divided into units of equal value and is denominated in Canadian dollars. When you invest in the Fund, you are purchasing units of a specific series of the Fund. A separate net asset value per unit is calculated for each series of units (the "Unit Price"). The Unit Price is the price used for all purchases, switches, reclassifications, and redemptions of units of that series (including purchases made on the reinvestment of distributions). The price at which units are issued or redeemed is based on the next applicable Unit Price determined after the receipt of the purchase or redemption order.

After the close of business on each trading day, we will calculate a separate NAV for each series of Units of the Fund because management fees for each series are different and the expenses may differ. The net asset value per unit for each Series A, TA, F, TF, and I unit is calculated and reported in Canadian dollars. The net asset value per unit for each Series A-USD and F-USD unit is calculated and reported in U.S. dollars. The exchange rate used for such conversion is the rate of exchange established on that Valuation Day using customary banking sources.

For each series of the Fund, the NAV per Unit is calculated by

- adding up the series' proportionate share of the cash, portfolio securities and other assets of the Fund;
- subtracting the liabilities applicable to that series of securities. The Fund's Declaration of Trust contains details of the liabilities to be included. The liabilities of the Fund include, without limitation, all bills, notes and accounts payable, all management fees, expenses payable or accrued, all contractual obligations for the payment of money or property, all allowances authorized or approved by us for taxes (if any) or contingencies and all other liabilities of the Fund. We will determine in good faith whether such liabilities are series expenses or common expenses of the Fund to be allocated to each series on a proportionate

basis. For example, any liabilities attributable to forward contracts used for currency hedging in connection with the offering of USD series will be allocated to Series A-USD and Series F-USD, as applicable. In calculating the NAV for each series of Units, we will use the latest reported information available to us on each trading day.; and

- dividing the net assets by the total number of securities of that series owned by investors.

The NAV of the Fund, as of any valuation time, is the market value of the Fund's assets, less its liabilities. Although the purchases and redemptions of units are recorded on a series basis, the assets attributable to all of the series of the Fund are pooled to create one fund for investment purposes. Each series pays its proportionate share of operating expenses in addition to its management fee and performance fee.

The difference in management fees and performance fees and any difference in operating expenses between each series means that each series has a different Unit Price. Any purchase, switch, reclassification or redemption instruction received after 4:00 p.m. (Toronto Time) on a Valuation Day will be processed on the next Valuation Day. As Manager, we are responsible for determining the net asset value of the Fund. However, we may delegate some or all of the responsibility in relation to such determination to the Administrator.

The NAV per Unit applied to purchase and redemption orders of securities of the Fund (except as noted in the next paragraph) will generally increase or decrease on each trading day as a result of changes in the value of the portfolio securities owned by the Fund. When distributions (other than Special Distributions) are declared by a series of the Fund, the NAV per Unit of that series will decrease by the per-security amount of the distributions on the payment date.

The Fund's Net Asset Value and its Net Asset Value per Unit by series is available at no cost by contacting us: info@ytmcapital.com or 1-833-824-4098.

PURCHASES, SWITCHES AND REDEMPTIONS

Purchases

Securities of the Fund are sold only through independent registered financial advisors who have a relationship with a registered dealer that has met the regulatory requirements allowing the dealer to sell Units of the Fund. The financial advisor you select is your agent to provide you with investment recommendations to meet your own risk/return objectives and to place orders on your behalf. We are not liable for the recommendations given to you by your financial advisor.

The issue price of Units you buy is based on the net asset value of a Unit next determined after the receipt by us of the purchase order. Your dealer may make provision in arrangements that it has with you that will require you to compensate your dealer for any losses suffered by the dealer in connection with a failed settlement of a purchase of securities of the Fund caused by you.

The issue price of units is based on the Unit Price for that particular series. The minimum investment amounts are described in the table below and may be adjusted or waived in our discretion.

If we receive your purchase order before 4:00 p.m. (Toronto time) on a Valuation Day, we will process your order at the Unit Price calculated later that day. Otherwise, we will process your order at the Unit

Price calculated on the next Valuation Day. We may process orders at an earlier time if the TSX closes for trading earlier on a particular day. Orders received after that earlier closing time would be processed on the next Valuation Day.

Please contact your dealer to find out how to place an order. Please note that dealers may establish cut-off times for receiving purchase orders so that they may be properly processed prior to the 4:00 p.m. (Toronto Time) deadline on the applicable Valuation Day. When you submit money with a purchase order, the money will be held in our trust account and any interest the money earns before it is invested in the Fund is credited to the Fund, not to your account.

We must receive the appropriate documentation and payment in full within two business days of receiving your purchase order in order to process a purchase order. The securities industry is moving to T + 1 settlement. We may move to T+1 in the future, in which case we will require the appropriate documentation and payment in full within one business day of receiving your purchase order.

If the Fund does not receive payment in full within the required time, we will sell the units that you bought. If we sell them for more than you paid, the Fund will keep the difference. If we sell them for less than you paid, we will bill you for the difference plus any costs or interest. We do not issue certificates when you purchase the Fund. We are entitled to reject any purchase order, but we can only do so within one business day of receiving it. If we reject an order, we will return immediately to your dealer any monies we have received from you in connection with that order. At YTM's sole discretion, the Fund may suspend new subscriptions. Please see "Fees and Expenses" and "Dealer Compensation" for more information on the fees and expenses and dealer compensation applicable to each series.

Series Eligibility and Minimum Investment

Series	Suggested suitability	Additional Eligibility Requirements	Minimum Investment
Series A	Retail investors	None	Initial purchase: \$2,000 Subsequent non-PAC purchase: \$500 Subsequent PAC purchase: \$50
Series TA	Retail investors who wish to receive regular monthly distribution of income and/or return of capital	None	Initial purchase: \$2,000 Subsequent non-PAC purchase: \$500 Subsequent PAC purchase: \$50

Series A-USD	Retail investors who wish to invest with U.S. dollars, with a currency hedge back to Canadian dollars	None	Initial purchase: US\$2,000 Subsequent non-PAC purchase: US\$500 Subsequent PAC purchase: US\$50
Series F	Retail investors who have a fee-based account	Only permitted with confirmation from your dealer that you are enrolled in a dealer-sponsored fee-for-service or wrap program, you are subject to an asset-based fee rather than commissions on each transaction or, at YTM's discretion, any other investor for whom YTM does not incur distribution costs.	Initial purchase: \$2,000 Subsequent non-PAC purchase: \$500 Subsequent PAC purchase: \$50
Series F-USD	Retail investors who wish to invest with U.S. dollars, with a currency hedge back to Canadian dollars	None	Initial purchase: US\$2,000 Subsequent non-PAC purchase: US\$500 Subsequent PAC purchase: US\$50
Series TF	Retail investors who have a fee-based account and who wish to receive regular monthly distribution of income and/or return of capital	Only permitted with confirmation from your dealer that you are enrolled in a dealer-sponsored fee-for-service or wrap program, you are subject to an asset-based fee rather than commissions on each transaction or, at YTM's discretion, any other investor for whom YTM does not incur distribution costs.	Initial purchase: \$2,000 Subsequent non-PAC purchase: \$500 Subsequent PAC purchase: \$50

Series I	For certain investors determined at YTM's discretion	Only permitted if you have entered into a Series I account agreement with us, which specifies the fees applicable to your account.	Determined by YTM at the time the investor enters into a Series I account agreement.
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If you cease to satisfy criteria for holding units of a particular series, YTM may reclassify your units as such number of units of another series of the Fund that you are eligible to hold with an aggregate equivalent net asset value.

Switches

You can switch — or reclassify — your Units of a series of the Fund into Units of another series of the Fund in the same currency by contacting your financial advisor, who will promptly pass your instructions on to us. You may only switch into another series if you are eligible for that series and the series is denominated in the same currency. If we receive your switch order before 4:00 p.m. (Toronto Time) on any Valuation Day, we will process your order at the Unit Price calculated later that day. Otherwise, we will process your order at the Unit Price calculated on the next Valuation Day. We may process orders at an earlier time if the TSX closes for trading earlier on a particular day. Orders received after that earlier closing time would be processed on the next Valuation Day.

You may have to pay a fee to your Dealer to effect such a switch. You negotiate the fee with your investment professional. See “Fees and Expenses” for details.

The value of your investment, less any fees, will be the same immediately after the switch. You may, however, own a different number of units because each series may have a different Unit Price. Switching units from one series to another series of the Fund is generally not a disposition for tax purposes. Please see “Income Tax Considerations” for details.

Redemptions

Securities of the Fund may be redeemed through your financial advisor or us. If we receive your redemption order before 4:00 p.m. (Toronto Time) on any Valuation Day, we will process your order at the Unit Price calculated later that day. Otherwise, we will process your order at the Unit Price calculated on the next Valuation Day. We may process orders at an earlier time if the TSX closes for trading earlier on a particular day. Orders received after that earlier closing time would be processed on the next Valuation Day.

The latest we will send you your money will be two business days after the Valuation Day used to process your sell order. Required documentation may include a written order to sell with your signature, guaranteed by an acceptable guarantor.

If you redeem through your Dealer, they will advise you what documents they require. Your dealer may make provision in arrangements that it has with you that will require you to compensate your dealer for any losses suffered by the dealer in connection with any failure by you to satisfy the requirements of the mutual fund or securities legislation for a redemption. Any interest earned on the proceeds of an order

to redeem before you receive the money will be credited to the Fund, not to your account. Redemption proceeds for Series A, TA, F, TF, and I are paid in Canadian dollars. Redemption proceeds for Series A-USD and F-USD are paid in U.S. dollars.

The amount that you will receive for your redemption order is based on the Fund's NAV per Unit for that series next calculated after your redemption order has been received in good order. Your redemption order must be in writing or, if you have made arrangements with your dealer, by electronic means through your dealer. To protect you from fraud, for redemptions above certain dollar amounts, your signature on your redemption order must be guaranteed by one of a bank, trust company, member of a recognized stock exchange or any other organization satisfactory to us.

If you request more than one redemption at a time, your redemption requests will be processed in the order in which they are received. Redemption orders involving transfers to or from registered plans may be delayed until all administrative procedures involved with registered plans are complete.

If we do not receive everything we need to complete your redemption order within ten (10) trading days after the redemption date, under securities law, we are required on that tenth (10th) trading day to purchase the same number of securities that you redeemed. We will apply your redemption proceeds to the payment required for those securities. If the NAV per security has decreased since the redemption date, the Fund must keep the excess proceeds. If the NAV per security has increased since that date, you or your dealer will be required to pay the Fund the deficiency and any additional expenses of processing the repurchase order. Your dealer may require you to pay this amount if you were the cause of the failed redemption order.

Under exceptional circumstances we may be unable to process your redemption order. This would most likely occur if market trading has been suspended on stock exchanges, options exchanges or futures exchanges on which more than 50% by value of the Fund's assets are listed and if the Fund's portfolio securities cannot be traded on any other exchange that represents a reasonably practical alternative. During these periods units will also not be issued or reclassified.

The Fund may postpone a redemption payment during any period which redemption rights are suspended in the circumstances described above as required by securities legislation or with the approval of the applicable securities regulatory authorities.

There are no redemption fees for the Fund, except as described under "Short-Term Trading Fee".

If the market value of your investment is no longer above \$2,000 because you redeem securities, we may, at our discretion, redeem your Units, close your account and return the proceeds of the redemption to you. We will not redeem your securities if their value drops below the specified minimum investment requirement as a result of a decline in the NAV per Unit rather than a redemption of your securities.

Short-Term Trading

We have adopted policies and procedures to detect and deter inappropriate and excessive short-term trading. Inappropriate short-term trading in units of the Fund can have an adverse effect on the Fund. Such trading can increase brokerage and other administrative costs of the Fund and interfere with our long-term investment decisions.

In order to protect the interest of the majority of unitholders in the Fund and to discourage inappropriate short-term trading in the Fund, investors may be subject to a short-term trading fee. If an investor redeems units of the Fund within 30 days of purchasing such units, the Fund may deduct and retain, for the benefit of the remaining unitholders in the Fund, two percent (2%) of the net asset value of the units of the particular series of the Fund being redeemed.

We also consider excessive short-term trading as a combination of purchases and redemptions, that occurs with such frequency within a 30-day period that we believe is detrimental to the Fund's investors.

Inappropriate short-term trading may harm Fund investors who do not engage in these activities by diluting the NAV of the Fund's units as a result of the market timing activities of other investors. Inappropriate and excessive short-term trading may cause the Fund to carry an abnormally high cash balance and/or high portfolio turnover rate, both of which may reduce the Fund's returns.

We may take such additional action as we consider appropriate to prevent further similar activity by you. These actions may include the delivery of a warning to you, placing you or your account(s) on a watch list to monitor your trading activity and the subsequent rejection of further purchases by you if you continue to attempt such trading activity and/or closure of your account.

In determining whether a short-term trade is inappropriate or excessive, we will consider relevant factors, including the following:

- bona fide changes in investor circumstances or intentions;
- unanticipated financial emergencies;
- the nature of the Fund;
- past trading patterns;
- unusual market circumstances; and
- an assessment of harm to the Fund or to us.

The short-term trading fee will not apply in certain circumstances, such as:

- redemptions of units purchased by the reinvestment of distributions;
- for systematic withdrawal plans;
- reclassification of units from one series to another series;
- redemptions initiated by YTM or where redemption notice requirements have been established by YTM;
- redemptions of units to pay management fees, administration fees, operating expenses and/or advisor fees with respect to Series I units; or
- in the absolute discretion of YTM.

OPTIONAL SERVICES

Pre-authorized Contribution Plan

You can make regular purchases of units of the Fund through a Pre-authorized Contribution Plan ("PAC"). You can invest weekly, bi-weekly or monthly. You can set up a PAC by contacting your Dealer. There is no administrative charge for this service.

When you enroll in a PAC, your Dealer will send you a complete copy of the Fund’s current Fund Facts, along with a PAC form agreement as described below.

You will not receive the Fund Facts when you make any subsequent purchases under the PAC unless you request this at the time of your initial investment, or subsequently send a request. You can get copies of these documents at www.ytmcapital.com or at www.sedarplus.ca, from your Dealer, or by e-mailing us at info@ytmcapital.com. We will only send you an updated copy of the Fund Facts annually upon renewal and any amendments if you have requested them.

You have a statutory right to withdraw from an initial purchase of the Fund under the PAC plan, but you do not have a statutory right to withdraw from subsequent purchases of the Fund under the PAC. However, you will continue to have all other statutory rights under securities law, including a right of action for damages or rescission in the event any Fund Facts or document incorporated by reference in any renewal simplified prospectus contains any misrepresentation, whether or not you have requested the Fund Facts.

You may change or terminate your PAC at any time before a scheduled investment date as long as we receive at least ten (10) business days’ notice.

The Canadian Payments Association has implemented Rule H1, which is intended to protect consumers from unauthorized debits. On PAC enrolment by your Dealer, you must be given the form or disclosure that describes the PAC terms and conditions and investors’ rights. By enrolling in a PAC, you are deemed to

- waive any pre-notification requirements;
- authorize us to debit your bank account;
- authorize us to accept changes from your registered dealer or financial advisor;
- agree to release your financial institution of all liability if your request to stop a PAC is not respected, except where the financial institution is grossly negligent;
- agree that a limited amount of your information will be shared with the financial institution for the purpose of administering your PAC;
- agree that you are fully liable for any charges incurred if the debits cannot be made due to insufficient funds or any other reason for which you may be held accountable; and
- be aware that you have rights and that you can change your instructions at any time, on ten (10) days’ advance notice to us and that you can find out more about your right to cancel a preauthorized debit agreement by contacting your financial institution or by visiting www.cdnpay.ca.

FEES AND EXPENSES

The tables below list the fees and expenses that you may have to pay if you invest in the Fund. You may have to pay some of these fees and expenses directly. Alternatively, the Fund may have to pay some of these fees and expenses directly, which will therefore reduce the value of your investment in the Fund. Unless otherwise indicated, the Fund pays management fees, performance fees, operating expenses, and applicable taxes.

Fees and Expenses Payable by the Fund	
Management Fees	YTM receives a management fee payable by the Fund. It is calculated and accrued daily based on the percentage of the net asset value of the series of

	<p>units, plus applicable taxes, and is payable on the last day of each calendar month.</p> <p>Annual management fees vary by series, as described below. You should make a specific request through your Dealer to purchase any lower-fee series you may be eligible to purchase.</p> <p>Series A, TA, A-USD units: 1.90% per annum Series F, TF, F-USD units: 0.90% per annum Series I units: Negotiated by the investor and paid directly by the investor. The management fee rate will not exceed the management fee payable on Series A Series TA, and Series A-USD units.</p> <p>The management fees for Series I units are negotiable by you and payable directly to us. Parties related to us and our employees and employees of our affiliates may be charged no fees or fees that are lower than those available to other investors.</p> <p>If you have at least \$5,000,000 invested in Series I units, you can either pay the management fee by cheque, wire, or by redeeming Series I units.</p> <p>If you have less than \$5,000,000 invested in Series I units you can pay the management fee by redeeming Series I units.</p> <p>The management fees are paid to us as manager of the Fund in exchange for the investment advisory services provided to the Fund, including portfolio analysis and decision-making, ensuring that all activities of the Fund are in compliance with its investment objectives and strategies, as well as marketing and promotion of the Fund, and the operation of the Fund.</p>
<p>Performance Fees</p>	<p>YTM is eligible to receive a performance fee in respect of each Series.</p> <p>The Fund will pay YTM a performance fee each calendar quarter (a “Performance Fee Determination Period”) equal to 15% of the Net Profit (as defined below) of Series A, TA, A-USD, F, TF, and F-USD units subject to the High Watermark (as defined below), plus applicable taxes.</p> <p>The performance fee will be 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.</p> <p>Net Profit means, in respect of any Series for any Performance Fee Determination Period, the amount calculated by deducting the initial NAV per unit of the Series for that Performance Fee Determination Period from the closing NAV per unit of such Series for that Performance Fee Determination Period and multiplying the resulting amount by the total</p>

	<p>number of the units of such series outstanding at the close of business on the last business day in that Performance Fee Determination Period (and, with respect to an intra-quarter redemption, on the relevant redemption date). In calculating Net Profit, we will eliminate the impact of any distributions paid during the Performance Fee Determination Period.</p> <p>No performance fee shall be paid in respect of a Series unless the Series NAV per unit exceeds the highest NAV per unit in respect of which a performance fee has been previously paid for that Series or, in the case of the start of a Series, unless the Series NAV per unit exceeds the initial NAV per unit (the “High Watermark”) and, in such circumstances, a performance fee shall only be paid on that portion of the Net Profit that exceeds the High Watermark.</p> <p>Investors in Series I units may negotiate a performance fee (in accordance with applicable regulatory requirements) to be paid by the investor that is different than the one described in this table or no performance fee at all.</p>
<p>Operating Expenses</p>	<p>The Fund pays its own operating expenses, other than advertising costs and costs of dealer compensation programs, which are paid by YTM. These expenses are allocated to each Series based on their net assets relative to the net assets of all series of the Fund. We may allocate operating expenses among each series of the Fund based on such other method of allocation as we consider fair and reasonable to the Fund.</p> <p>Operating expenses include, but are not limited to taxes, audit and legal fees, fees of the members of the IRC, costs and fees in connection with the operation of the IRC (including the costs of holding meetings, and fees and expenses of any advisers engaged by the IRC, and insurance), safekeeping and custodial fees, interest expenses, operating, administrative and systems costs, investor recordkeeping and transfer agency costs, servicing costs and costs of financial and other reports to investors, as well as prospectuses and fund facts. Operating expenses and other costs of the Fund are subject to applicable taxes including HST.</p> <p>Each member of the IRC, other than the Chair, is paid, as compensation for his services, \$8,000 (plus applicable taxes or other deductions) per annum. The Chair is paid \$10,000 (plus applicable taxes or other deductions) per annum.</p> <p>Management expense ratios (“MERs”) are calculated separately for each Series of units of the Fund and include that Series’ management fees and/or operating expenses.</p> <p>The Fund also pays its own brokerage commissions for portfolio transactions and related transaction fees. These expenses are not included in the Fund’s MER but are, for tax purposes, added to the cost base or subtracted from the sale proceeds of its portfolio investments. These expenses constitute part of the Fund’s trading expense ratio (“TER”). Both the MER and the TER</p>

	are disclosed in the Fund’s annual and semi-annual Management Report of Fund Performance.
Fund-on-fund fees and expenses	When a Top Fund invests in an underlying fund, the underlying fund may pay a management and performance fee and other expenses in addition to the fees and expenses payable by the Top Fund. The fees and expenses of the underlying fund will have an impact on the management expense ratio of a Top Fund that invests in such underlying fund as the Top Fund is required, in determining its management expense ratio, to take into account the expenses incurred by the Top Fund that are attributable to its investment in the underlying fund. However, the Top Fund will not pay a management or performance fee that, to a reasonable person, would duplicate a fee payable by the underlying fund(s) for the same service.

Management Fee, Performance Fee, and Operating Expense Reductions

Some investors in the Fund may be eligible for reduced fees or expenses. In order to implement the reduction, we will reduce the amount charged to the Fund, and the Fund will then make a special distribution to you by issuing Fund securities from the series in respect of which we authorized the reduction, equal in value to the amount of the reduction, and are not paid in cash. Special distributions will be paid first out of the Fund’s income and capital gains and then, if necessary, out of capital. We may, in our sole discretion, increase, decrease, or cease to make any special distribution to any investor at any time.

Fees and Expenses Payable by You	
Series I Units Management Fee and Performance fees	Series I Unitholders pay YTM a negotiated management fee based on the net asset value of the Series I units held, which will not exceed a management fee rate of 1.90%. There may be no management fee at all for Series I units. This fee will be set out in an agreement between you and YTM. Series I Unitholders may negotiate a performance fee (in accordance with applicable regulatory requirements) to be paid by the unitholder that is different than the one described above or no performance fee at all. The performance fee for Series I units will be paid directly to YTM.
Sales Charges	Your Dealer may charge you a sales commission of up to 5% of your Series A,TA, or A-USD investment. You may negotiate the amount with your Dealer. There are no sales commissions for Series F, TF, F-USD, and I units.
Reclassification fee	Your Dealer may charge you a reclassification fee of up to 2% based on the net asset value of the applicable Series of units you reclassify. You may negotiate the amount with your Dealer. Dealers’ fees for reclassifications are paid by redeeming units held by you.

Redemption fees	The Fund does not charge a redemption fee. However, it may charge a short-term trading fee if you redeem your units within 30 days of buying them.
Short-term trading fee	<p>A fee of 2% of the amount redeemed may be charged if you redeem units of the Fund within 30 days of purchasing such units and/or your trading is part of a pattern of short-term trading that we believe is detrimental to Fund investors. For a description of YTM's policy on short-term trading please see the disclosure under the subheading "Short-Term Trading Fee".</p> <p>The short-term trading fees charged will be paid directly to the Fund. The fee is designed to deter excessive trading and offset its associated costs. For the purposes of determining whether the fee applies, we will consider the units that were held the longest to be units which are redeemed first. At YTM's discretion, the fee will not apply in certain circumstances, such as:</p> <ul style="list-style-type: none"> • redemptions of units purchased by the reinvestment of distributions; • reclassification of units from one series to another series of the Fund; • redemptions initiated by YTM; • redemptions of units to pay management fees or operating and/or fees with respect to Series I units; or • in the absolute discretion of YTM.
Pre-authorized Contribution Plan Fees	Your Dealer may charge you an administrative fee for this service. You may negotiate the amount with your Dealer.
Registered Tax Plan Fees	Your Dealer may charge you an administrative fee for this service. You may negotiate the amount with your Dealer.

DEALER COMPENSATION

Your Dealer may receive three types of compensation – sales commissions, trailing commissions and reclassification fees as described in the table below.

Sales Commissions	You pay this commission to your Dealer at the time of purchase of Series A or TA units of the Fund. The maximum sales commission you may pay is 5% based on the net asset value of the Units you acquire. You may negotiate
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	this amount with your Dealer. There are no sales commissions payable to your Dealer for Series F, TF, or I units of the Fund.
Trailing Commissions	For Series A, TA, and A-USD units of the Fund, we pay dealers an ongoing annual service fee known as a “trailing commission,” based on the total value of Series A, TA, or A-USD units held in your account with the dealer. There are no trailing commissions paid on Series F, TF, F-USD, or I units of the Fund. The trailing commissions are paid monthly at a current annual rate of up to 1.00% of the value of the Series A TA, and A-USD units held by clients of the dealer. We may change the terms of the trailing commission program or cancel it at any time.
Reclassification Fees	You may pay a reclassification fee to your Dealer at the time of reclassifying from one series of units to another series of units in the Fund. The maximum reclassification fee you may pay is 2% based on the net asset value of the Units reclassified. You may negotiate this amount with your Dealer. Dealers’ fees reclassifications are paid by redeeming units held by you.

Other Kinds of Dealer Compensation

We may provide a broad range of marketing support programs to dealers which include research materials on the Fund and pre-approved advertising copy relating to the Fund. We may also provide advertising programs for the Fund which may indirectly benefit your Dealer, and in some cases, may share with your Dealer the cost of local advertising and marketing activities, including investor conferences and seminars. The cost sharing is on a case-by-case basis and will not exceed 50% of the total direct costs incurred by your Dealer. We may reimburse dealers for the registration fees of financial advisors attending certain conferences, seminars and courses organized and presented by third parties. We also may reimburse dealers and certain industry associations for up to 10% of the total direct costs they incur for other kinds of conferences, seminars and courses they organize and present. We may organize and present, at our expense, educational conferences and seminars for financial advisors and provide to financial advisors non-monetary benefits of a promotional nature and of minimal value.

It is important for you to know that all of the amounts described above are paid by us, not the Fund, and only in accordance with our policies and the rules set out in National Instrument 81-105 Mutual Fund Sales Practices.

INCOME TAX CONSIDERATIONS

The following is a general summary, at the time of filing, of certain principal Canadian federal income tax considerations generally applicable to you as an investor in units of the Fund offered under this Simplified Prospectus. This summary assumes you are an individual (other than a trust) who, for

purposes of the Tax Act, (i) is a resident of Canada, (ii) deals at arm's length and is not affiliated with the Fund, and (iii) holds units as capital property.

This summary is based on the current provisions of the Income Tax Act (Canada) and the regulations thereunder (collectively the "Tax Act"), an understanding of the current published administrative and assessing practices of the Canadian Revenue Agency ("CRA") and all specific proposals to amend the Tax Act and regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (such proposals referred to hereafter as the "Tax Proposals"). This summary does not otherwise take into account or anticipate any changes in law or the administrative and assessing practices of the CRA, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign income tax legislation or considerations. However, there can be no assurance that the Tax Proposals will be enacted in the form publicly announced or at all.

This summary assumes that none of the issuers of securities held by the Fund will be a foreign affiliate of the Fund or any unitholder of the Fund, or a non-resident trust that is not an "exempt foreign trust" as defined in section 94 of the Tax Act. This summary also assumes that the Fund will not be (i) a "SIFT trust" for the purposes of the Tax Act, (ii) a "financial institution" for purposes of the Tax Act, or (iii) required to include any amounts in income pursuant to section 94.1 or section 94.2 of the Tax Act.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to you in respect of an investment in units of the Fund and does not describe the income tax consequences relating to the deductibility of interest on money borrowed to acquire units. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. Accordingly, you are urged to consult with your own tax advisors for advice with respect to the income tax consequences of an investment in units, based on your particular circumstances.

Tax Status of the Fund

This summary is based on the assumptions that (i) the Fund will qualify, at all times, as a "mutual fund trust" within the meaning of the Tax Act and has validly elected under the Tax Act to be a "mutual fund trust" from the date it was established, (ii) the Fund will not be maintained primarily for the benefit of non-residents, and (iii) not more than 50% (based on fair market value) of the units of the Fund will be held by non-residents of Canada or by partnerships that are not Canadian partnerships as defined in the Tax Act, or by any combination of such partnerships and non-residents.

In order to continue to qualify as a "mutual fund trust", the Fund must, among other things, comply on a continuous basis with certain minimum requirements respecting the ownership and dispersal of units. If the Fund does not qualify as a "mutual fund trust" at all times, the income tax considerations described below could be materially and adversely different.

Taxation of the Fund

In each taxation year, the Fund will be subject to tax under Part I of the Tax Act on its net income, including the taxable portion of any net capital gains, if any, that is not paid or made payable to unitholders in that year. Provided the Fund distributes all of its net taxable income and its net capital gains to its unitholders on an annual basis, it should not be liable for any income tax under Part I of the Tax Act.

The Fund is required to include, in computing its income for each taxation year, the taxable portion of any net realized capital gains, any dividends received by it in that taxation year and all interest that

accrues to it during the year, or which becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year. In computing its income, the Fund will take into account any loss carry-forwards, any capital gains refund and all deductible expenses, including management fees. Generally, gains and losses realized by the Fund from derivative securities and securities will be treated as income and losses of the Fund.

Losses incurred by the Fund in a taxation year cannot be allocated to unitholders, but may be deducted by the Fund in future years in accordance with the Tax Act.

The Fund's portfolio may include securities which are not denominated in Canadian dollars. The cost and proceeds of disposition of securities, dividends, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars at the exchange rate prevailing at the time of the transaction, as more particularly determined in accordance with section 261 of the Tax Act. Accordingly, the Fund may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

The Fund may derive income or gains from investments in countries other than Canada and, as a result, may be liable to pay income or profits tax to such countries. To the extent such foreign tax paid by the Fund exceeds 15% of the amount included in the Fund's income from such investments, such excess may generally be deducted by the Fund in computing its income for purposes of the Tax Act, subject to the detailed provisions of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of such foreign source income and has not been deducted in computing the Fund's income, the Fund may generally designate a portion of its foreign source income in respect of its unitholders so that such income, and a portion of the foreign tax paid by the Fund, may be regarded as foreign source income of, and foreign tax paid by, the unitholders for the purposes of the foreign tax credit provisions of the Tax Act.

The Fund may be subject to the "suspended loss" rules contained in the Tax Act, which would generally apply where the Fund disposes of property and subsequently reacquires the property or acquires an identical property within the time period that begins 30 days before the disposition and ends 30 days following the disposition, and the Fund continues to own the reacquired or newly-acquired property following that period. Where the "suspended loss" rules apply, any losses arising from the initial disposition of property would be denied as a deduction against the Fund's capital gains, but may be realized at a future point in time in accordance with the rules in the Tax Act.

Currency Conversion

Subject to certain exceptions that are not discussed in this summary, for the purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of the Units must be determined in Canadian dollars based on the rate of exchange quoted by the Bank of Canada for the date such amount arose or such other rate of exchange as may be acceptable to the Minister of National Revenue (Canada).

Taxation of Unitholders

Although this summary applies to unitholders who hold units as capital property, it is worth noting that generally, Units will also be considered to be capital property to a purchaser, provided the purchaser does not hold such securities in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Provided that the Fund qualifies as a "mutual fund trust" for the purposes of the Tax Act at all material times, certain unitholders who might not otherwise be considered to hold units as capital

property may, in certain circumstances, be entitled to have such units and all other “Canadian securities” as defined in the Tax Act owned or subsequently acquired by them treated as capital property by making the irrevocable election available pursuant to subsection 39(4) of the Tax Act. Unitholders should consult their own tax advisors as to whether an election under subsection 39(4) of the Tax Act is available or advisable in their circumstances.

Units Held in a Registered Plan

If you hold units of the Fund in a registered retirement savings plan (“RRSP”), registered retirement income fund (“RRIF”), tax-free savings account (“TFSA”), registered education savings plan (“RESP”), registered disability savings plan (“RDSP”), first home savings account (“FHSA”), or a deferred profit sharing plan (“DPSP”) (each, a “Registered Plan” and collectively, “Registered Plans”), distributions from the Fund and capital gains from a redemption (or other disposition) of units in respect of the Registered Plan are generally not subject to tax under the Tax Act until withdrawals are made from the Registered Plan (however, withdrawals from a TFSA or a “qualifying withdrawal” (as defined in the Tax Act) from a FHSA are generally not subject to tax).

Notwithstanding the foregoing, if the units of the Fund are “prohibited investments” (as defined in the Tax Act) for your Registered Plan, you—as the holder of the TFSA, FHSA, or the RDSP, the annuitant under the RRSP or RRIF, or the subscriber of the RESP, as the case may be— may be subject to a penalty tax as set out in the Tax Act. The units of the Fund will be a “prohibited investment” for your Registered Plan, if you (i) do not deal at arm’s length with the Fund for purposes of the Tax Act, or (ii) have a “significant interest”, as defined in the Tax Act, in the particular Fund. Generally, you will not have a significant interest in the Fund unless you own interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with which you do not deal at arm’s length. In addition, your units will not be a “prohibited investment” if such units are “excluded property” as defined in the Tax Act for a Registered Plan.

You should consult with your own tax advisors to determine whether units of the Fund would be a “prohibited investment” for your Registered Plan, based on your particular circumstances.

Units Not Held in a Registered Plan

If you hold units of the Fund outside a Registered Plan, you will generally be required to include in computing your income for a taxation year the portion of the net income of the Fund, including the taxable portion of any capital gains, if any, paid (or payable) to you by the Fund in that taxation year, whether such amounts are paid in cash or automatically reinvested in additional units.

Generally, any distributions to you in excess of your share of the net income and net capital gains of the Fund in a taxation year are a return of capital and will not be taxable to you, but will reduce the adjusted cost base of your units. To the extent that the adjusted cost base of your units would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by you and your adjusted cost base will be nil immediately thereafter. The non-taxable portion of any net capital gains of the Fund that is distributed to you will not be taxable and will not, provided the appropriate designations are made by the Fund, reduce the adjusted cost base of your units.

The higher the portfolio turnover rate of the Fund in a year, the greater the chance that an amount will be declared payable or paid in respect of your units of the Fund prior to the end of the year. However,

there is not necessarily a relationship between a high turnover rate of the Fund's portfolio and the performance of the Fund.

Provided that appropriate designations are made by the Fund, such portion of (i) the taxable portion of any net realized capital gains of the Fund, and (ii) the taxable dividends received by the Fund on shares of taxable Canadian corporations as are paid or become payable to you will effectively retain their character and be treated as such in your hands. The gross-up and dividend tax credit rules contained in the Tax Act will apply to such amounts that are designated as taxable dividends from taxable Canadian corporations. If the Fund makes the appropriate designation, you may be entitled to claim a foreign tax credit in accordance with the provisions of, and subject to the general limitations under, the Tax Act for a portion of the foreign tax paid by the Fund in respect of income from foreign sources.

The net asset value per unit of the Fund at the time you acquire units may reflect income and gains of the Fund that have accrued prior to that time. Accordingly, if you acquire units, particularly late in a calendar year, you may become taxable on the income or gains of the Fund that accrued before those units were acquired by you.

We will provide you with prescribed information in the form required by the Tax Act to assist you in preparing your tax return.

Upon the redemption (or other disposition) of a unit of the Fund, including on a redemption of units to pay any applicable switch or reclassification fees, you will realize a capital gain (or capital loss) to the extent that your proceeds of disposition (i.e., the amount you receive for that unit) exceed (or are less than) your adjusted cost base of the unit and any reasonable costs of disposition. Your adjusted cost base of a single unit of the Fund at any particular time will generally be the average cost of all such units held by you at that time. For the purpose of determining the adjusted cost base of your units, when units are acquired, including on the reinvestment of distributions, the cost of the newly acquired units will generally be averaged with the adjusted cost base of all such units owned by you as capital property immediately before that time.

One-half of any capital gain realized by you in a taxation year on the disposition of units will be included in your income for that taxation year and one-half of any capital loss realized by you must be deducted from the taxable portion of any capital gains realized in that taxation year. One-half of any unused capital losses may be deducted by you against the taxable portion of any capital gains arising in the three immediately preceding taxation years or in subsequent taxation years, subject to the rules in the Tax Act. For capital gains realized on or after June 25, 2024, Tax Proposals in the Federal Budget released on April 16, 2024 (the "Capital Gains Amendments") would generally increase the capital gains inclusion rate from one-half to two-thirds for individuals on the portion of capital gains realized, including capital gains realized indirectly through a trust (including the Fund), in a taxation year (or the portion of the year beginning on June 25, 2024 in the case of the 2024 taxation year) that exceeds \$250,000. Under the Capital Gains Amendments, two-thirds of capital losses realized prior to 2024 will be deductible against capital gains included in income at the two-thirds inclusion rate, such that a capital loss will offset an equivalent capital gain regardless of the inclusion rate. Legislation to implement the Capital Gains amendments has not been released. Unitholders who may be subject to the increased inclusion rate for capital gains as a result of the Capital Gains Amendments should consult with their own tax advisors.

Certain provisions of the Tax Act may apply to (a) deny a mutual fund trust a deduction for any income of the mutual fund trust designated to a unitholder on a redemption of units, where the unitholder's proceeds of disposition are reduced by the designation, and (b) deny a mutual fund trust a deduction for the portion of a capital gain of the mutual fund trust designated to a unitholder on a redemption of

units that is greater than the unitholder's accrued gain on those units, where the unitholder's proceeds of disposition are reduced by the designation.

In general terms, net income of the Fund paid or payable to you that is designated as net realized taxable capital gains, taxable Canadian dividends or taxable capital gains realized on the disposition of units may increase your potential liability for alternative minimum tax.

A reclassification of units of the Fund should not generally be considered to give rise to a taxable disposition for the purposes of the Tax Act.

Management fees and performance fees paid directly to YTM by holders of Series I units will generally not be deductible by those unitholders.

Calculating the Adjusted Cost Base of a Unit of the Fund

You must separately compute the adjusted cost base in respect of each series of units of the Fund that you own. The adjusted cost base in respect of any series of units of the Fund that you own must be calculated in Canadian dollars.

The total adjusted cost of your units of a particular series of units of the Fund (the "subject series") is generally equal to:

- the total of all amounts you paid to purchase those units, including any sales charges paid by you at the time of purchase; plus
- the adjusted cost base of any units of another series of units of the Fund that you hold that were reclassified as units of the subject series; plus
- the amount of any reinvested distributions in respect of units of the subject series; less
- the return of capital component of distributions paid to you in respect of your units of the subject series; and less
- the adjusted cost base of any of your units of the subject series that have been redeemed.

The adjusted cost base of a single unit of a subject series is the total adjusted cost base of units of the subject series held by you divided by the number of units of the subject series that you hold at the relevant time.

Tax Reporting

Generally, you will be required to provide your financial advisor with information related to your citizenship, tax residence and, if applicable, your foreign tax identification number. If you are identified as a U.S. citizen (including a U.S. citizen living in Canada), U.S. resident, or a foreign tax resident, details of your investment in the Fund will generally be reported to the CRA unless units are held inside a Registered Plan. The CRA may provide the information to the relevant foreign tax authorities under exchange of information treaties or other agreements.

International Tax Reporting

Part XIX of the Tax Act implements the Organization for Economic Co-operation and Development Common Reporting Standard. Pursuant to Part XIX of the Tax Act, “Canadian financial institutions” that are not “non-reporting financial institutions” (as both terms are defined in Part XIX of the Tax Act) are required to have procedures in place to identify accounts held by residents of foreign countries (other than the U.S.) or by certain entities the “controlling persons” of which are tax resident in a foreign country and to report required information to the CRA. Such information is expected to be exchanged on a reciprocal, bilateral, basis with the tax authorities of the foreign country in which the account holders or such controlling persons are tax resident, pursuant to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. Pursuant to Part XIX of the Tax Act, unitholders are required to provide certain information regarding their investment in the Fund for the purpose of such information exchange, unless the investment is held within certain Registered Plans.

U.S. Foreign Account Tax Compliance Act Risk

In March 2010, the U.S. enacted FATCA (as hereinafter defined), which imposes certain reporting requirements on non-U.S. financial institutions. The governments of Canada and the United States have entered into an IGA (as hereinafter defined), which establishes a framework for cooperation and information sharing between the two countries and may provide relief from the FATCA Tax (as hereinafter defined), for Canadian entities, such as the Fund, provided that (i) the Fund complies with the terms of the IGA and the Canadian legislation implementing the IGA in Part XVIII of the Tax Act, and (ii) the government of Canada complies with the terms of the IGA. The Fund will endeavour to comply with the requirements imposed under the IGA and Part XVIII of the Tax Act. Under Part XVIII of the Tax Act, holders of units of the Fund are required to provide identity and tax residency and other information to the Fund (and may be subject to penalties for failing to do so), which, in the case of “Specified U.S. Persons” or certain non-U.S. entities controlled by “Specified U.S. Persons”, will be provided, along with certain financial information (for example, account balances), by the Fund to the CRA and from the CRA to the IRS. The Fund may be required to treat holders of units of the Fund that fail to provide required information to the Fund as having a “U.S. Reportable Account” or if indicia of US status is present for FATCA purposes. The Fund is required to provide certain account-related information to the CRA in respect of all U.S. Reportable Accounts, which is thereafter provided by the CRA to the IRS. The Fund may be subject to FATCA Tax if it cannot satisfy the applicable requirements under the IGA or Part XVIII of the Tax Act, or if the Canadian government is not in compliance with the IGA and if the Fund is otherwise unable to comply with any relevant and applicable U.S. legislation.

Eligibility for Investment

Provided that the Fund qualifies as a “mutual fund trust” for purposes of the Tax Act, units of that Fund will be “qualified investments” under the Tax Act for Registered Plans – subject to the above-noted rules relating to “prohibited investments”.

WHAT ARE YOUR LEGAL RIGHTS?

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Fund Facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy securities of a mutual fund and get your money back, or to make a claim for damages, if (i) the Fund Facts are not sent or delivered to you within the time required under securities legislation, or (ii) the simplified prospectus, Fund Facts or financial statements misrepresent any facts about the mutual fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult a lawyer.

EXEMPTIONS AND APPROVALS

The Fund is subject to securities law investment restrictions and practices, including National Instrument 81-102 (“NI 81-102”). These rules are designed to ensure that mutual fund investments are diversified and relatively liquid and to ensure the proper administration of mutual funds. The Fund is managed in accordance with these rules, except for the following exemptions that were granted by the Canadian Securities Administrators.

Exemption to Permit Short Selling Activities

In order to permit the Fund to short sell “government securities” as that term is defined in NI 81-102, up to a maximum of 300% of the Fund’s net asset value, the Fund has obtained an exemption from:

- (a) subparagraph 2.6.1(1)(c)(v) of NI 81-102, which restricts the Fund from selling a security short if, at the time, the aggregate market value of the securities sold short by the Fund exceeds 50% of the Fund’s NAV; and
- (b) section 2.6.2 of NI 81-102, which states that the Fund may not borrow cash or sell securities short if, immediately after entering into a cash borrowing or short selling transactions, the aggregate value of cash borrowing combined with the aggregate market value of the securities sold short by the Fund would exceed 50% of the Fund’s NAV.

In connection with this relief, the Fund has implemented the following controls when conducting a short sale:

- (a) the Fund will assume the obligation to return to the Borrowing Agent (as defined in NI 81-102) the securities borrowed to effect the short sale;
- (b) the Fund will receive cash for the securities sold short within normal trading settlement periods for the market in which the short sale is effected;

- (c) YTM will monitor the short positions of the Fund at least as frequently as daily;
- (d) the security interest provided by the Fund over any of its assets that is required to enable the Fund to effect a short sale transaction is made in accordance with section 6.8.1 of NI 81-102 and will otherwise be in accordance industry practice for that type of transaction and relates only to obligations arising under such short sale transactions;
- (e) the Fund maintains appropriate internal controls regarding short sales, including written policies and procedures for the conduct of short sales, risk management controls and proper books and records; and
- (f) YTM and the Fund keep proper books and records of short sales and all of its assets deposited with Borrowing Agents as security.

Exemption to Appoint More than One Custodian

In order to permit the Fund to appoint more than one custodian, each of which is qualified to be a custodian under Section 6.2 of NI 81-102 and each of which is subject to all of the other requirements in NI 81-102 Part 6— *Custodianship of Portfolio Assets*, the Fund has obtained an exemption from the prohibition against the Fund appointing more than one custodian in subsection 6.1(1) of NI 81-102.

In connection with the relief, the Fund must follow these conditions:

- (a) a single entity reconciles all the portfolio assets of the Fund and provides the Fund with valuation and securityholder recordkeeping services and will complete daily reconciliations amongst the custodians before calculating a daily net asset value;
- (b) YTM maintains such operational systems and processes, as between two or more custodians and the single entity referred to in (a) above, in order to keep a proper reconciliation of all the portfolio assets that will move amongst the custodians, as appropriate; and
- (c) an additional custodian will act as custodian, securities lending agent, and/or prime broker only for the portion of portfolio assets of the Funds transferred to it.

Exemption to Deposit Portfolio Assets with a Borrowing Agent

In order to permit the Fund to deposit portfolio assets with a borrowing agent that is not the Fund's custodian or sub-custodian in connection with a short sale of securities, if the aggregate market value of the portfolio assets held by the borrowing agent after such deposit, excluding the aggregate market value of the proceeds from outstanding short sales of securities held by the borrowing agent, does not exceed 25% of the Fund's NAV at the time of deposit, the Fund has obtained an exemption from the requirement that all Fund assets be held by one custodian in subsection 6.1(1) of NI 81-102.

In connection with the relief, the Fund must ensure that it otherwise complies with subsections 6.8.1(2) and (3) of NI 81-102.

CERTIFICATE OF YTM CAPITAL FIXED INCOME ALTERNATIVE FUND AND THE MANAGER, TRUSTEE AND PROMOTER OF YTM CAPITAL FIXED INCOME ALTERNATIVE FUND

This simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of all of the provinces and territories of Canada and do not contain any misrepresentations.

Dated the 31st day of May, 2024.

(Daniel Child)

Daniel Child
Chief Executive Officer
YTM Capital Asset Management Ltd.

(David Burbach)

David Burbach
In the capacity of Chief Financial Officer
YTM Capital Asset Management Ltd.

ON BEHALF OF THE BOARD OF DIRECTORS OF YTM CAPITAL ASSET MANAGEMENT LTD.
IN ITS CAPACITY AS MANAGER, PROMOTER AND TRUSTEE OF THE FUND

(Daniel Child)

Daniel Child
Director
YTM Capital Asset Management Ltd.

(Karl Burnham)

Karl Burnham
Director
YTM Capital Asset Management Ltd.

(David Burbach)

David Burbach
Director
YTM Capital Asset Management Ltd.

SPECIFIC INFORMATION ABOUT YTM CAPITAL FIXED INCOME ALTERNATIVE FUND

WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?

What is a Mutual Fund?

A mutual fund is a pool of money contributed by people with similar investment objectives. Investors share the fund's income and expenses, and also the gains and losses that the fund makes on its investments, in proportion to their investment in the fund.

What are the General Risks of Investing in a Mutual Fund?

A mutual fund may own many different types of investments – bonds, stocks, securities of other mutual funds, derivatives, cash – depending on the fund's investment objectives. The values of these investments vary from day to day, reflecting changes in interest rates, economic conditions, stock market developments and individual company news. As a result, a mutual fund's net asset value ("NAV") will go up and down on a daily basis, and the value of your investment in a mutual fund may be more, or less, when you redeem it than when you purchased it.

We do not guarantee that the full amount of your original investment in the Fund will be returned to you. Unlike bank accounts or guaranteed investment certificates, mutual fund securities are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Under exceptional circumstances, mutual funds may suspend redemptions. Please see "Purchases, Switches, and Redemptions" for more details.

Mutual funds are subject to a variety of risks. These risks may cause you to lose money on your investment. This section provides a list of the risks of investing in mutual funds.

Arbitrage Risk

Arbitrage is the simultaneous purchase and sale of similar securities to profit from a perceived imbalance in the prices. Employing arbitrage involves the risk that anticipated opportunities may not play out as planned, resulting in potentially reduced returns or losses to the Fund as it unwinds failed trades.

Borrowing Risk

Borrowing cash or securities by a fund magnifies the impact of any movements in the prices of the fund's underlying investments and therefore the value of your investment. Consequently, these investments may produce more volatile gains or losses compared to investing in the same investments without borrowing.

Buying Late in the Year

As described in the Income Tax Considerations section, a NAV per Unit may include income and/or capital gains that the Fund has earned or realized but not yet distributed. Distributions of a Fund's

income and capital gains are taxable even if that income and capital gains is attributable to a time before you acquired the Units. This could be particularly significant if you purchase Units late in the year.

Capital Depletion Risk

Series TA and TF are designed to provide monthly cash flow to Unitholders. Where this cash flow exceeds net income, it includes a return of capital. In other words, a return of capital is an amount originally invested rather than earned by the Fund. You should not draw conclusions about the performance of the Fund based on the amount of these distributions. A return of capital reduces the net asset value of the Series on which it is paid and the investor's investment. It also reduces the assets available to the Fund to generate future returns.

Company Risk

Equity investments, such as stocks and investments in trusts, and fixed-income investments, such as bonds, carry several risks that are specific to the company that issues the investments. A number of factors may cause the price of these investments to fall. These factors include specific developments relating to the company, conditions in the market where these investments are traded, and general economic, financial and political conditions in the countries where the company operates.

Developed country markets may subject mutual funds to regulatory, political, currency, security, economic and other risks. Developed countries generally tend to rely on services sectors such as the financial services sector as the primary means of economic growth. A prolonged slowdown in the services sectors is likely to have a negative impact on developed countries economies, although individual developed country economies can be impacted by slowdowns in other sectors. In the past, developed countries have been targets of terrorism. Acts of terrorism in developed countries or against their interests may cause uncertainty in the financial markets and adversely affect the performance of the issuers to which mutual funds have exposure. Heavy regulation of certain markets, including labour and product markets, may have an adverse effect on issuers. Such regulations may negatively affect economic growth or cause prolonged periods of recession. Many developed countries are heavily indebted and face rising healthcare and retirement expenses. In addition, price fluctuations of certain commodities and regulations impacting the import of commodities may negatively affect developed country economies.

While these factors impact all securities issued by a company, the values of equity securities generally tend to change more frequently and vary more widely than fixed-income securities. As a mutual fund's NAV is based on the value of its portfolio securities, an overall decline in the value of portfolio securities that it holds will reduce the value of the mutual fund and, therefore, the value of your investment.

Concentration Risk

A mutual fund may invest a large portion of its net assets in a small number of issuers, in a particular industry or geographic region, or may use a specific investment style, such as growth or value. A relatively high concentration of assets in or exposure to a single issuer, or a small number of issuers, may reduce the diversification of a mutual fund and may result in increased volatility in the mutual fund's NAV. Issuer concentration may also increase the illiquidity of the mutual fund's portfolio if there is a shortage of buyers willing to purchase those securities. The Fund may be subject to increased

concentration risk as it is permitted to invest up to 20% of its net asset value in the securities of a single issuer.

Convertible Securities Risk

Convertible securities are fixed-income securities, preferred stocks or other securities that are convertible into common stock or other securities. The market value of convertible securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. A convertible security's market value, however, tends to reflect the market price of the issuer's common stock when that price approaches or exceeds the convertible security's "conversion price". The conversion price is defined as the predetermined price at which the convertible security could be exchanged for the associated stock. As the market price of the common stock declines, the price of the convertible security tends to be influenced more by the yield of the convertible security. Thus, it may not decline in price to the same extent as the underlying common stock.

In the event of a liquidation of the issuing company, holders of convertible securities would be paid before the company's common stockholders but after holders of any senior debt obligations of the company. Consequently, the issuer's convertible securities generally entail less risk than its common stock but more risk than its senior debt obligations.

Credit Risk

An issuer of a bond or other fixed-income investment, including asset-backed securities, may not be able to pay interest or to repay the principal at maturity. The risk of such a failure to pay is known as credit risk. Some issuers have more credit risk than others. Issuers with higher credit risk typically pay higher interest rates than interest rates paid by issuers with lower credit risk because higher credit risk companies expose investors to a greater risk of loss. Credit risk can increase or decline during the term of the fixed-income investment.

Companies, governments and other entities, including special purpose vehicles that borrow money, and the debt securities they issue, are assigned credit ratings by specialized rating agencies such as Dominion Bond Rating Service Limited ("DBRS") and Standard & Poor's Corporation ("S&P"). The ratings are a measure of credit risk and take into account many factors, including the value of any collateral underlying a fixed-income investment. Issuers with low or no ratings typically pay higher yields, but can subject investors to substantial losses. Credit ratings are one factor used by the portfolio managers of the mutual funds in making investment decisions. A credit rating may prove to be wrong, which can lead to unanticipated losses on fixed-income investments. If the market perceives that a credit risk rating is too high, then the value of the investments may decrease substantially. A downgrade in an issuer's credit rating or other adverse news regarding an issuer can reduce a security's market value.

The difference in interest rates between an issuer's bond and a government-issued bond that are otherwise identical in all respects except for the credit rating is known as the credit spread. Credit spreads widen if the market determines that a higher return is necessary to compensate for the increased risk of owning a particular fixed-income investment. An increase in credit spread after the purchase of a fixed-income investment decreases the value of that investment.

Currency Risk

The NAV of most mutual funds are calculated in Canadian dollars. Foreign investments are generally purchased in currencies other than Canadian dollars. When foreign investments are purchased in a currency other than Canadian dollars, the value of those foreign investments will be affected by the value of the Canadian dollar relative to the value of the foreign currency. If the Canadian dollar rises in value relative to the other currency but the value of the foreign investment otherwise remains constant, the value of the investment in Canadian dollars will have fallen. Similarly, if the value of the Canadian dollar has fallen relative to the foreign currency, the value of the mutual fund's investment will have increased.

Mutual funds may use derivatives such as options, futures, forward contracts, swaps and customized types of derivatives to hedge against losses caused by changes in exchange rates. Please see the Investment Strategies section of the Fund description in Part B.

We will use derivatives to hedge against changes in the exchange rate between Canadian dollars and U.S. dollars for Series A-USD and F-USD. There is no guarantee that we will be able to hedge all the currency risk and there is a cost associated with the use of derivatives.

Cyber Security Risk

With the increased use of technology to conduct business, mutual funds are exposed to operational, information security and related risks. Cyber security incidents can result from deliberate attacks or unintentional events that threaten the integrity, confidentiality or availability of the Fund's information resources. A cyber security incident includes, but is not limited to, gaining unauthorized access to the Fund's electronic systems to corrupt data, disrupt business operations or steal confidential or sensitive information, or may involve denial of service attacks which may cause system failures and disrupt business operations. Failures or breaches of the electronic systems of mutual funds, fund managers other service providers such as transfer agents, custodians, sub-custodians and prime brokers or the issuers of securities have the ability to cause disruptions and negatively impact mutual funds' business operations. These disruptions could potentially result in financial losses, interference with the ability to calculate NAV's, impediments to trading, inability to process transactions including redeeming units, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or compensation or additional compliance costs associated with corrective measures. Similar adverse consequences could result from cyber security incidents affecting the issuers of securities in which the mutual funds invest and transaction counterparties. In addition, substantial costs may be incurred to prevent any cyber security incidents in the future. While mutual funds establish business continuity plans and risk management systems seeking to address system breaches or failures, there are inherent limitations in such plans and systems and there is no guarantee that such efforts will succeed. Furthermore, mutual funds cannot control the cyber security plans and systems of service providers or issuers of securities.

Derivatives Risk

Some mutual funds use derivatives to pursue their investment objectives. Generally, a derivative is a contract between two parties, whose value is determined with reference to the market price of an asset, such as a currency, commodity or stock, or the value of an index or an economic indicator, such as a stock market index or a specified interest rate (the "underlying interest").

Most derivatives are options, forwards, futures or swaps. An option gives the holder the right, but not the obligation, to buy or sell the underlying interest at an agreed price within a certain time period. A call option gives the holder the right to buy; a put option gives the holder the right to sell. A forward is a commitment to buy or sell the underlying interest for an agreed price on a future date. A future is similar to a forward, except that futures are traded on exchanges. A swap is a commitment to exchange one set of payments for another set of payments.

Some derivatives are settled by one party's delivery of the underlying interest to the other party; others are settled by a cash payment representing the value of the contract.

The use of derivatives carries several risks:

- There is no guarantee that a market will exist for some derivatives, which could prevent the mutual fund from selling or exiting the derivative prior to the maturity of the contract. This risk may restrict the mutual fund's ability to realize its profits or limit its losses.
- It is possible that the other party to the derivative contract ("counterparty") will fail to perform its obligations under the contract, resulting in a loss to a mutual fund.
- When entering into a derivative contract, the mutual fund may be required to provide margin or collateral to the counterparty. If the counterparty becomes insolvent, the mutual fund could lose its margin or its collateral or incur expenses to recover it.
- Some mutual funds may use derivatives to reduce certain risks associated with investments in foreign markets, currencies or specific securities. Using derivatives for these purposes is called hedging. Hedging may not be effective in preventing losses. Hedging may also reduce the opportunity for gain if the value of the hedged investment rises, because the derivative could incur an offsetting loss. Hedging may also be costly or difficult to implement.
- Securities and commodities exchanges could set daily trading limits on options and futures. Such rule changes could prevent the mutual fund from completing a futures or options transaction, causing the mutual fund to realize a loss because it cannot hedge properly or limit a loss.

ETF Risk

A mutual fund may invest in a fund whose securities are listed for trading on an exchange (an "exchange-traded fund" or "ETF"). The investments of ETFs may include stocks, bonds, commodities and other financial instruments. Some ETFs, known as index participation units ("IPUs") attempt to replicate the performance of a widely quoted market index. Not all ETFs are IPUs. While investment in an ETF generally presents the same risks as investment in a conventional mutual fund that has the same investment objectives and strategies, it also carries the following additional risks, which do not apply to investment in conventional mutual funds:

- The performance of an ETF may be significantly different from the performance of the index, assets, or financial measure that the ETF is seeking to track. There are several reasons that this might occur, including that ETF securities may trade at a premium or a discount to their NAV or that ETFs may employ complex strategies, such as leverage, making tracking with accuracy difficult.
- An active trading market for ETF securities may fail to develop or fail to be maintained.

- There is no assurance that the ETF will continue to meet the listing requirements of the exchange on which its securities are listed for trading.

Also, commissions may apply to the purchase or sale of ETF securities. Therefore, investment in ETF securities may produce a return that is different than the change in the NAV of these securities.

Exchange-Traded Notes Risk

Mutual funds may invest in exchange-traded notes. The return on these notes is typically linked to the performance of an underlying interest such as an industry, market sector or currency. Exchange-traded notes are unsecured debt obligations of an issuer. The payment of any amount due on the exchange-traded notes is subject to the credit risk of the issuer. In addition, any decline in the issuer's credit rating or in the market's view of the issuer's creditworthiness may adversely affect the market value of the exchange traded note. Lastly, the exchange-traded notes may not achieve the same performance as the underlying interest, due to the fees and expenses associated with the exchange-traded notes and the difficulty of replicating the underlying interest.

Fixed Income Investment Risk

A mutual fund's fixed income investments are subject to company risk, credit risk, and interest rate risk. If those risks cause the value of the mutual fund's fixed income securities to decline, then the value of your investment will decline as well.

Foreign Markets Risk

The value of an investment in a foreign issuer depends on general global economic factors and specific economic and political factors relating to the country or countries in which the foreign issuer operates. The regulatory environment in some foreign countries may be less stringent than in Canada, including legal and financial reporting requirements. There may be more or less information available with respect to foreign companies. The legal systems of some foreign countries may not adequately protect investor rights. Securities markets in foreign countries may have lower trading volumes and sharper price corrections. A foreign country may also impose foreign investment or exchange laws that make it difficult to sell an investment or may impose withholding or other taxes that could reduce the return on the investment. Some or all of these factors could make a foreign investment more or less volatile than a Canadian investment.

Fund of Funds Risk

Mutual funds may invest directly in, or obtain exposure to, other mutual funds and/or ETFs as part of their investment strategy. Consequently, these funds are also subject to the risk of the underlying funds. If an underlying fund suspends redemptions, a fund that invests in the underlying fund may be unable to value part of its portfolio and may be unable to redeem its investment in the underlying fund, which may have an adverse impact on the fund's ability to satisfy redemption requests from its unitholders.

High Portfolio Turnover Risk

The investment techniques and strategies utilized by mutual funds, including investments made on a shorter term basis or in derivative instruments or instruments with a maturity of one year or less at the time of acquisition, may result in frequent portfolio trading and high portfolio turnover. High portfolio turnover rates may cause a fund to incur higher transaction costs, which in the case of fixed-income securities is reflected in a bid / ask spread, if any. Higher levels of transaction costs may reduce performance and may cause higher levels of current tax liability to unitholders.

High Yield Securities Risk

Funds may be subject to high yield securities risk. High yield securities risk is the risk that securities that are rated below investment grade (below “BBB-” by S&P or by Fitch Rating Service Inc., or below “Baa3” by Moody’s® Investor’s Services, Inc.) or are unrated at the time of purchase may be more volatile than higher-rated securities of similar maturity. High yield securities may also be subject to greater levels of credit or default risk than higher-rated securities. The value of high yield securities can be adversely affected by overall economic conditions, such as an economic downturn or a period of rising interest rates, and high yield securities may be less liquid and more difficult to sell at an advantageous time or price or to value than higher-rated securities. In particular, high yield securities are often issued by smaller, less creditworthy companies or by highly leveraged firms, which are generally less able than more financially stable firms to make scheduled payments of interest and principal.

Illiquidity Risk

A fund may hold up to 15% or more of its net assets in illiquid securities. A security is illiquid if it cannot be sold at an amount that at least approximates the amount at which the security is valued. Illiquidity can occur: (a) if the securities have sale restrictions; (b) if the securities do not trade through normal market facilities; (c) if there is simply a shortage of buyers; or (d) for other reasons. In highly volatile markets, such as in periods of sudden interest rate changes or severe market disruptions, securities that were previously liquid may suddenly and unexpectedly become illiquid. Illiquid securities are more difficult to sell, and a mutual fund may be forced to accept a discounted price.

Some structured fixed-income securities, such as asset-backed securities, some high-yield debt securities, which may include but are not limited to security types commonly known as high-yield bonds, floating rate debt instruments and floating rate loans, as well as some fixed-income securities issued by corporations and governments in emerging market economies, may be more illiquid in times of market stress or sharp declines. In addition, the liquidity of individual securities may vary widely over time. Illiquidity in these instruments may take the form of wider bid/ask spreads – which means significant differences in the prices at which sellers are willing to sell and buyers are willing to buy that same security. Illiquidity may take the form of extended periods for trade settlement and delivery of securities. In some circumstances of illiquidity, it may be more difficult to establish a fair market value for particular securities, which could result in losses to a fund that has invested in these securities.

Interest Rate Risk

Interest rates have an impact on a whole range of investments. Mutual funds that invest in fixed income securities are sensitive to changes in interest rates. Interest rates impact the cost of borrowing for governments, companies and individuals, which in turn impacts overall economic activity. Interest rates

may rise during the term of a fixed-income investment. If interest rates rise, then the value of that fixed-income investment generally will fall. Conversely, if interest rates fall, the value of the investment will generally increase.

Longer-term bonds and strip bonds are generally more sensitive to changes in interest rates than other kinds of securities. The cash flow from debt instruments with variable rates may change as interest rates fluctuate.

Changing interest rates can also indirectly impact the share prices of equity securities. When interest rates are high, it may cost a company more to fund its operations or pay down existing debt. This can impair a company's profitability and earnings growth potential, which can negatively impact its share price. Conversely, lower interest rates can make financing for a company cheaper, which can potentially increase its earnings growth potential. Interest rates can also impact the demand for goods and services that a company provides by impacting overall economic activity as described above.

Mutual funds may use shorting or use derivatives such as options, futures, forward contracts, swaps and customized types of derivatives to hedge against losses caused by changes in interest rates. Please see the Investment Strategies section of the Fund description in Part B.

Large Transaction Risk

The securities of some mutual funds are bought by other mutual funds, investment funds or segregated funds, financial institutions in connection with other investment offerings, and/or investors who participate in an asset allocation program or model portfolio program. Independently or collectively, these other parties may, from time to time, purchase, hold or redeem a large proportion of a mutual fund's securities. A large purchase of a mutual fund's securities will create a relatively large cash position in that mutual fund's portfolio. The presence of this cash position may adversely impact the performance of the mutual fund, and the investment of this cash position may result in significant incremental trading costs, which are borne by all of the investors in the mutual fund. Conversely, a large redemption of a mutual fund's securities may require the mutual fund to sell portfolio investments so that it can pay the redemption proceeds. This sale may impact the market value of those portfolio investments and result in significant incremental transaction costs, which are borne by all of the investors in the mutual fund, and it may accelerate or increase the payment of distributions, if any, to these investors.

Legislation Risk

Securities, tax, or other regulators in Canada and foreign countries make changes to legislation, rules, and administrative practice. Those changes may have an adverse impact on the value of a mutual fund.

Leverage Risk

When the Fund makes investments in derivatives, borrows cash for investment purposes, or uses physical short sales on equities, fixed income securities or other portfolio assets, leverage may be introduced into the Fund. Leverage occurs when the Fund's notional exposure to underlying assets is greater than the amount invested. It is an investment technique that can magnify gains and losses. Consequently, any adverse change in the value or level of the underlying asset, rate or index may amplify losses compared to those that would have been incurred if the underlying asset had been directly held by the Fund and may result in losses greater than the amount invested in the derivative itself. Leverage may increase volatility, may impair the Fund's liquidity and may cause the Fund to

liquidate positions at unfavourable times. The Fund is subject to a gross aggregate exposure limit of three times its net asset value which is measured on a daily basis.

Market Risk

There are risks associated with being invested in the equity and fixed-income markets generally. The market value of a mutual fund's investments will rise and fall based on specific company developments and broader equity or fixed-income market conditions. Market value will also vary with changes in the general economic and financial conditions in countries where the investments are based.

Pandemic Risk

Pandemic risk is a specific kind of market risk. As COVID-19 has illustrated, pandemics can create considerable health risk, leading to significant economic, market, and political upheaval. Pandemics cause securities markets to become more volatile and less predictable, making the future performance of funds much less certain.

Performance Fee Risk

A fund manager may receive a performance fee paid by a mutual fund where the performance of the fund meets criteria set out in offering documents. The performance fee theoretically may create an incentive for a fund manager to make investments that are riskier than would be the case if such fee did not exist. In addition, because the performance fee is calculated on a basis that includes unrealized appreciation of a Fund's assets, it may be greater than if such compensation were based solely on realized gains.

Portfolio Manager Risk

A mutual fund is dependent on its portfolio manager to select its investments. Mutual funds are subject to the risk that poor security selection cause a fund to underperform relative to its benchmark or other funds with similar investment objective.

Potential Conflicts of Interest Risk

Fund managers are required to satisfy a standard of care in exercising its duties to a fund. However, fund managers and their principals are not required to devote all or any specified portion of their time to their fund responsibilities. Certain inherent conflicts of interest arise from the fact that a fund manager may carry on investment activities for other clients. Also, where a manager decides to establish new funds or engage in other new activities, additional conflicts of interest may be created. A fund manager may also engage in the promotion and management for other funds or trusts or engage in other activities.

Prepayment Risk

Certain fixed-income securities, including mortgage-backed or other asset-backed securities, can be prepaid before maturity. If a prepayment is unexpected or if it occurs faster than predicted, the fixed-income security may pay less income and its value may decrease. In addition, because issuers generally

choose to prepay when interest rates are falling, the mutual fund may have to reinvest this money in securities that have lower rates.

Securities Lending, Repurchase and Reverse Repurchase Transaction Risk

Mutual funds may enter into securities lending, repurchase and reverse repurchase transactions. In a securities lending transaction, the mutual fund lends its securities through an authorized agent to another party (often called a “counterparty”) in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the mutual fund sells its securities for cash through an authorized agent, while, at the same time, it assumes an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the mutual fund buys securities for cash while, at the same time, it agrees to resell the same securities for cash (usually at a higher price) at a later date. Set out below are some of the general risks associated with securities lending, repurchase and reverse repurchase transactions:

- When entering into securities lending, repurchase and reverse repurchase transactions, the mutual fund is subject to the credit risk that the counterparty may go bankrupt or may default under the agreement and the mutual fund would be forced to make a claim in order to recover its investment.
- When recovering its investment on a default, a mutual fund could incur a loss if the value of the securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased relative to the value of the collateral held by the mutual fund.
- Similarly, a mutual fund could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by such mutual fund to the counterparty, plus interest.

Senior Loans Risk

The risks associated with senior loans are similar to the risks of high yield bonds, although senior loans are typically senior and secured, whereas high yield bonds are often subordinated and unsecured. Investments in senior loans are typically below investment grade and are considered speculative because of the credit risk of their issuers.

Historically, such companies have been more likely to default on their payments of interest and principal owed than companies that issue investment grade securities, and such defaults could reduce the NAV and distributions of the Fund. These risks may be more pronounced in the event of an economic downturn. Under certain market conditions, the demand for senior loans may be reduced, which may, in turn, reduce prices. No active trading market may exist for certain senior loans, which may impair the ability of a holder of a senior loan to realize full value in the event of the need to liquidate such asset. Adverse market conditions may impair the liquidity of some actively traded senior loans. Although these loans are generally secured by specific collateral, there can be no assurance that such collateral would be available or would otherwise satisfy the borrower’s obligation in the event of non-payment of scheduled interest or principal or that such collateral could be readily liquidated. In these circumstances, the holder of a loan may not receive payments to which it is entitled.

Senior loans may also be subject to certain risks due to longer settlement periods than the settlement periods associated with other securities. Settlement of transactions in most securities occurs two days after the trade date, and is referred to as “T+2” settlement. In contrast, transactions in senior loans may have longer than normal settlement periods and have settlement periods that exceed T+2. Unlike

equities trades, there is no central clearinghouse for loans, and the loan market has not established enforceable settlement standards or remedies for failure to settle. This potentially longer settlement timeline may create a mismatch between the settlement time for a senior loan and the time in which an investment fund holding the senior loan as an investment must settle redemption requests from its investors.

Series Risk

A mutual fund may offer more than one series. If one series of such a mutual fund is unable to pay its expenses or satisfy its liabilities, then the assets of the other series of that mutual fund will be used to pay the expenses or satisfy the liability. This could lower the investment returns of the other series.

Short-Selling Risk

Mutual funds are permitted to engage in short selling. A short sale is a transaction in which a mutual fund sells, on the open market, securities that it has borrowed from a lender for this purpose. At a later date, the mutual fund purchases identical securities on the open market and returns them to the lender. In the interim, the mutual fund must pay compensation to the lender for the loan of the securities and provide collateral to the lender for the loan.

Short selling involves certain risks:

- There is no assurance that the borrowed securities will decline in value during the period of the short sale by more than the compensation paid to the lender, and securities sold short may instead increase in value.
- A mutual fund may experience difficulties in purchasing and returning borrowed securities if a liquid market for the securities does not exist at that time.
- A lender may require a mutual fund to return borrowed securities at any time. This may require the mutual fund to purchase such securities on the open market at an inopportune time.
- The lender from whom a mutual fund has borrowed securities, or the prime broker who is used to facilitate short selling, may become insolvent and the mutual fund may lose the collateral it has deposited with the lender and/or the prime broker.

Small Company Risk

A mutual fund may make investments in equities and, sometimes, fixed-income securities issued by smaller capitalization companies. These investments are generally riskier than investments in larger companies for several reasons. Smaller companies are often relatively new and may not have an extensive track record. This lack of history makes it difficult for the market to place a proper value on these companies. Some of these companies do not have extensive financial resources and, as a result, they may be unable to react to events in an optimal manner. In addition, securities issued by smaller companies are sometimes less liquid, meaning there is less demand for the securities in the marketplace at a price deemed fair by sellers.

Taxation of a Fund Risk

Under special rules contained in the Income Tax Act (Canada) (the "Tax Act"), trusts that constitute "SIFT trusts" (as defined in the Tax Act) will generally be precluded from deducting certain amounts that

would otherwise be deducted for tax purposes if they were paid or became payable to unitholders in a particular taxation year. If a mutual fund was found to be a “SIFT trust”, the amounts available to be distributed by the fund to its unitholders could be materially reduced.

If a Fund ceases to qualify as a “mutual fund trust” under the Tax Act, the income tax considerations described under the heading “Income Tax Considerations for Investors” would be materially and adversely different in certain respects. More generally, there can be no assurance that income tax laws and the treatment of a fund will not be changed in a manner which adversely affects unitholders and such fund.

Trust Loss Restriction Rule Risk

A mutual fund may be subject to loss restriction rules (the “Loss Restriction Rules”) contained in the Tax Act unless the fund qualifies as an “investment fund” as defined in the Tax Act, which, among other things, requires that certain investment diversification restrictions are met, and that unitholders hold only fixed (and not discretionary) interests in the fund. If a fund experiences a “loss restriction event” (i) the fund will be deemed to have a year-end for tax purposes (which would result in an allocation of the fund’s net income and net realized capital gains at such time to unitholders so that the fund is not liable for income tax under Part I of the Tax Act on such amounts), and (ii) the fund will be deemed to realize any unrealized capital losses and its ability to carry forward losses will be restricted. Generally, a fund will have a loss restriction event when a person becomes a “majority-interest beneficiary” of the fund, or a group of persons becomes a “majority-interest group of beneficiaries” of the fund, as those terms are defined in the Tax Act.

U.S. Foreign Account Tax Compliance Act Risk

In March 2010, the U.S. enacted the Foreign Account Tax Compliance Act (“FATCA”), which imposes certain reporting requirements on non-U.S. financial institutions. The governments of Canada and the United States have entered into an Intergovernmental Agreement (“IGA”) which establishes a framework for cooperation and information sharing between the two countries and may provide relief from a 30% U.S. withholding tax under U.S. tax law (the “FATCA Tax”) for Canadian entities such as mutual funds, provided that (i) a Fund complies with the terms of the IGA and the Canadian legislation implementing the IGA in Part XVIII of the Tax Act, and (ii) the government of Canada complies with the terms of the IGA. Under Part XVIII of the Tax Act, unitholders of a fund are required to provide identity and residency and other information to the fund (and may be subject to penalties for failing to do so), which, in the case of Specified U.S. Persons or certain non-U.S. entities controlled by Specified U.S. Persons, such information and certain financial information (for example, account balances) will be provided by the Fund to the Canada Revenue Agency (the “CRA”) and from the CRA to the U.S. Internal Revenue Service (“IRS”). A Fund may be required to treat holders of units of the Fund that fail to provide required information to the Fund as having a “U.S. Reportable Account” for FATCA purposes. A Fund is required to provide certain account-related information to the CRA in respect of all U.S. Reportable Accounts, which is thereafter provided by the CRA to the IRS. A fund may be subject to FATCA Tax if it cannot satisfy the applicable requirements under the IGA or Part XVIII of the Tax Act, or if the Canadian government is not in compliance with the IGA and if the Fund is otherwise unable to comply with any relevant and applicable U.S. legislation. Any such FATCA Tax in respect of a fund would reduce the fund’s distributable cash flow and net asset value.

Units Risk

Mutual funds structured as trusts issue units that represent an undivided fractional interest in a fund. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. Unitholders will not take part in the management or control of a fund's business, which is the sole responsibility of the fund manager. Unitholders have certain limited voting rights, including the right to amend the Declaration of Trust under certain circumstances, but do not have any authority or power to act for or bind a fund. In certain circumstances, the trustee also has the right to dissolve a fund or the fund manager may require a unitholder to redeem its units.

YTM CAPITAL FIXED INCOME ALTERNATIVE FUND

Type of Fund	Alternative Strategies
Start Date	June 24, 2019
Securities offered	Series A, TA, A-USD, F, TF, F-USD, and I Units
Registered Plan Qualified	Yes
Management Fee	Series A, TA, A-USD 1.90% Series F, TF, F-USD 0.90% Series I negotiated and paid by each Series I unitholder
Performance Fee	Series A, TA, A-USD, F, F-USD, and TF: 15% of any performance above the perpetual high-water mark

What Does the Fund Invest In?

Investment Objectives

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 will use alternative strategies including engaging in physical short sales, cash borrowing for investment purposes, and using 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.

Any proposed change in the fundamental investment objectives of the Fund must be approved by a majority of the votes cast at a meeting of the Fund's investors called for that purpose.

Investment Strategies

YTM's strategies are intended to mitigate the impact of market corrections and to deliver returns based on YTM's expertise in evaluating credit markets. The strategies generally fall into three categories:

1. Carry trades: Carry trades involve investing in a security or position that offers a compelling risk-adjusted rate of return that is partially offset by a lower cost of obtaining funds to finance the purchase of the security or position.
2. Active trading: YTM will invest in securities that it has identified are mispriced by the market either on a short-term trading basis or a more fundamentally long-term view.

3. New issuances: YTM will invest in new debt issuances by corporations which typically appreciate in value after initial distribution.

YTM will ordinarily seek to hedge out unwanted risk – such as interest rate or currency risk.

These strategies can be implemented by YTM executing a paired trade. For example, in a positive or neutral credit environment, YTM will buy an investment grade bond (long position) and sell a corresponding Government of Canada bond (short position). The Fund earns the difference in interest rate between the securities, less borrowing costs, and in the process has hedged against interest rate risk. This paired strategy executed in the physical securities market allows YTM to create leverage. YTM may also execute these strategies and create leverage by investing in credit derivatives or by borrowing cash for investment purposes.

The Fund will invest primarily in investment grade fixed-income securities or seek similar exposure using derivatives. If an issuance is unrated, but it is issued by an issuer with investment grade ratings or with other issuances that have investment grade ratings, YTM may consider the issue to be investment grade. It may also invest up to 25% of its net assets, on a levered basis, in non-investment grade securities or seek similar exposure using derivatives. “Non-investment grade issuers” are any issuers that are rated by a major rating agency (Moody’s, S&P, DBRS, Fitch) below investment grade, provided that the issuer will not be considered “non-investment grade” if one or more major agency rates it investment grade. The Fund may also take positions in preferred shares, convertible securities, or in distressed securities of companies involved in bankruptcy proceedings, reorganizations and financial restructurings.

When taking a short position the Fund sells an instrument that it does not own and would then borrow the security to meet its settlement obligations. The Fund may also take short positions in futures, forwards or swaps. A short position will benefit from a decrease in price of the underlying instrument and will lose value if the price of the underlying instrument increases. A long position will benefit from an increase in price of the security and will lose value if the price of the security decreases.

The Fund may invest in derivatives for both hedging and non-hedging purposes, including swaps, futures, options, and forward contracts. It may invest in a basket of credit default swaps or in single name credit default swaps. It may also invest in interest rate futures.

The Fund may engage in securities lending, repurchase and reverse repurchase transactions to earn additional income. On any securities lending, repurchase and reverse repurchase transaction, the Fund must, unless it has been granted relief:

- deal only with counterparties who meet generally accepted creditworthiness standards and who are unrelated to the Fund’s portfolio manager, manager or trustee as defined in NI 81-102;
- hold collateral equal to a minimum 102% of the market value of the portfolio securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions);
- adjust the amount of the collateral on each business day to ensure the value of the collateral relative to the market value of the portfolio securities loaned, sold or purchased remains at or above the minimum 102% limit; and
- limit the aggregate value of all portfolio securities loaned or sold through securities lending and repurchase transactions to no more than 50% of the net asset value of the Fund, not including collateral for loaned securities or cash for sold securities.

Depending on market conditions, the portfolio managers’ investment styles may result in a higher portfolio turnover rate than less actively managed funds. A higher portfolio turnover rate may lead to

higher transaction costs, which in the case of fixed-income securities is reflected in a bid / ask spread, if any. A higher portfolio turnover rate may also accelerate distributions paid by the Fund. These accelerated distributions may be taxable if you hold the Fund outside a registered plan. There is no proven relationship between a high turnover rate and the performance of a mutual fund.

YTM employs alternative strategies that are not permitted for other types of mutual funds, including the use of leverage up to 300% of the Fund's net assets, the short sale of government securities up to 300%, or the short sales of securities up to 50%. These strategies will be used in accordance with the Fund's investment objective and strategies. During certain market conditions these strategies may accelerate the pace at which your investment decreases in value. Please also refer to the explanation of these risks under "Borrowing Risk", "Derivatives Risk", "Short Selling Risk" and "Leverage Risk" in the "What are the Risks of Investing in a Mutual Fund?" sections of this Simplified Prospectus.

As Manager of the Fund, YTM may change the investment strategies from time to time, but will give Fund investors notice of our intention to do so if it would be a material change as defined in NI 81-106. Under NI 81-106, a change in the business, operations or affairs of the Fund is considered to be a "material change" if a reasonable investor would consider it important in deciding whether to purchase or continue to hold units of the Fund.

The Fund may depart from its investment objectives or strategies by temporarily investing all or a portion of its assets in cash or fixed income securities issued or guaranteed by a Canadian or U.S. government, government agency or company. YTM may take this action to try to protect the Fund during a market downturn, or for other reasons.

The Fund (the "Top Fund") may invest in other mutual funds, including mutual funds managed by us (the "underlying funds"). Where we are the manager of both a Top Fund and an underlying fund, we will not vote the securities of the underlying fund held directly by the Top Fund. Instead, in our sole discretion, we may arrange either for such securities to be voted, by the beneficial unitholders of the applicable Top Fund, or, for the beneficial owners of the applicable Top Fund to direct us with respect to the exercise of voting rights attached to securities of an underlying fund managed by YTM.

Investment Restrictions

The Fund is subject to restrictions and requirements contained in securities legislation, including National Instrument 81-102 Investment Funds, that are designed in part to ensure that the investments of the Fund are diversified and relatively liquid and to ensure the proper administration of the Fund.

For example, the Fund is not permitted to borrow cash or short sell securities, either individually or combined, in excess of 50% of its net asset value. The Fund has received a partial exemption from this NI 81-102 rule from securities regulators. It is permitted short sell up to 300% of its NAV in "government securities" as that term is defined in 81-102, provided that it implements a series of controls when conducting a short sale. This exemption is described under "Exemptions and Approvals".

The Fund is managed in accordance with securities law restrictions and requirements, except for the exemption.

The Fund has not deviated in the last year from the provisions of the Tax Act that are applicable to the Fund in order for the Fund's units to be either qualified investments within the meaning of the Tax Act for plans registered under the ITA, or registered investments within the meaning of the Tax Act. Such a deviation, if it had occurred, may have adverse tax consequences on Fund unitholders.

Description of Securities Offered by the Fund

The Fund offers Series A, TA, A-USD, F, TF, F-USD, and I Units. YTM can create and offer new series without your approval. The expenses of each series of the Fund are tracked separately and a separate net asset value (“NAV”) is calculated for each series with issued Units. The assets of all the series are combined into one pool for investment purposes.

The Fund’s net return is determined by adding income earned by the Fund to any appreciation or depreciation in the securities owned by the Fund less management fees, performance fees, expenses of the Fund, and taxes. The series of the Fund are entitled to a pro rata share in the net return of the Fund, taking into account Series-specific management and performance fees, and to receive redemption proceeds on demand.

Distributions

Series A, A-USD, F, F-USD, and I

The Fund normally distributes any net income and net capital gains each quarter, including December of each year and may pay distributions at other times during the year.

Distributions will be automatically reinvested in additional units of the series on which they are paid, unless you instruct us to pay cash distributions.

Series TA and TF

Series TA and TF Units are for investors who wish to receive monthly cash distributions from the Fund. The amount of the monthly distribution will equal the NAV per security of the Series on the last day of the previous calendar year (or, on the start date of the Series, if the Series started in the current calendar year), multiplied by the distribution rate applicable to that Series and divided by 12 (“Target Distribution”). **The distribution rates may be adjusted from time to time at the Manager’s discretion. You should be aware that the distribution rate may be higher than the Fund’s rate of return or yield. You should not confuse this distribution with the Fund’s rate of return or the yield of its portfolio.**

Each monthly distribution will consist of net income and/or of return of capital. Return of capital may over time result in the return of the entire amount of the original investment to you.

Monthly distributions will be paid to you in cash. Any income or capital gains earned by the Series that is excess of the Target Distribution will be reinvested into additional Units of the Series in which an investor holds Units at or after the end of each calendar year.

All Series

The Fund:

- expects to distribute sufficient net income (including where applicable, Canadian dividends) and net capital gains to its investors each year to ensure that the Fund does not pay income tax;

- may distribute returns of capital; and
- may pay a distribution of net income, net capital gains and/or returns of capital when YTM determines.

The net income and net capital gains of the Fund will be distributed first to pay any special distributions to investors who are entitled to benefit from a reduction in the fees and/or operating expenses of the Fund (“Special Distributions”).

The Fund may allocate net capital gains as a redemption distribution to an investor who redeems the Fund’s Units. Any remaining net income or net capital gains of the Fund to be distributed will be allocated among the series of securities of the Fund based on the relative NAVs of the series and on each series’ expenses available to offset net income or net capital gains on or before the date of the distribution and distributed pro rata to investors in each series on the distribution payment date. Any such distribution will occur on or about the business day following the distribution record date or dates, at YTM’s discretion.

Voting rights and changes requiring investor approval

You have the right to exercise one vote for each dollar you have invested at meetings of all investors of the Fund and at any meetings held solely for investors of that series of Units. We are required to convene a meeting of investors of the Fund to ask them to consider and approve, by not less than a majority of the votes cast at the meeting, any of the following material changes if they are ever proposed for the Fund:

- a change in the management agreement of the Fund or the entering into of any new contract as a result of which the basis of the calculation of management fee rates or of other expenses that are charged to the Fund or to you could result in an increase in charges to the Fund or to you, unless
 - the contract is an arm’s length contract with a party other than YTM or an associate or affiliate of YTM for services relating to the operation of the Fund, and
 - you are given at least 60 days’ written notice of the effective date of the proposed change;
- a change of the manager of the Fund (other than a change to a YTM affiliate);
- any change in the investment objectives of the Fund;
- any decrease in the frequency of calculating the NAV for each series;
- certain material reorganizations of the Fund; and

- any other matter which is required by the constating documents of the Fund, by the laws applicable to the Fund, or by any agreement to be submitted to a vote of the investors in the Fund.

Other changes

You will be provided with at least 60 days' written notice of

- a change of auditor of the Fund; and
- certain reorganizations with, or transfer of assets to, another mutual fund, if the Fund will cease to exist thereafter and you will become a securityholder of the other Fund (otherwise an investor vote will be required).

Except as noted below, we generally provide at least 30 days' notice to you (unless longer notice requirements are imposed under securities legislation) to amend the Fund's Declaration of Trust in the following circumstances:

- when securities legislation requires that written notice be given to you before the change takes effect; or
- when the change would not be prohibited by the securities legislation and we reasonably believe that the proposed amendment has the potential to adversely impact your financial interests or rights, so that it is equitable to give you advance notice of the proposed change.

We are generally also entitled to amend the Declaration of Trust without prior approval from, or notice to, you if we reasonably believe that the proposed amendment does not have the potential to adversely affect you, or

- to ensure compliance with applicable laws, regulations or policies;
- to protect you;
- to remove conflicts or inconsistencies between the Declaration of Trust and any law, regulation or policy affecting the Fund, trustee or its agents;
- to correct typographical, clerical or other errors;
- to facilitate the administration of the Fund or to respond to amendments to the Tax Act which might adversely affect the tax status of the Fund or you if no change is made, or
- to make changes to investment restrictions.

Other Rights

If the Fund is terminated, each Unit that you own will participate equally with each other Unit in the series in receiving a share of the assets less any liabilities attributable to your series.

You may convert your Units to Units of a different series, if you meet the eligibility requirements of the destination series.

Name, Formation and History of the Fund

YTM Capital Fixed Income Alternative Fund (the “Fund”) was established as a trust under the laws of the Province of Ontario by Declaration of Trust dated May 22, 2019. The Declaration of Trust was amended and restated on May 18, 2022 in order to create Series TA and TF and amended and restated on May 15, 2024 in order to create Series A-USD and F-USD. The Fund’s address is 202 – 295 Robinson Street, Oakville, ON, L6J 1G7. YTM Capital Asset Management Ltd. (“YTM”) is the manager, promoter, and trustee of the Fund.

What are the Risks of Investing in the Fund?

Please see “What are the specific investment risks of investing in a mutual fund?” section of this Simplified Prospectus for a full discussion of the risks associated with investing in the Fund. The Fund is generally exposed to the following risks:

Arbitrage Risk	Interest Rate Risk
Borrowing Risk	Large Transaction Risk
Buying Late in the Year Risk	Legislation Risk
Capital Depletion Risk	Leverage Risk
Company Risk	Market Risk
Concentration Risk	Pandemic Risk
Convertible Securities Risk	Performance Fee Risk
Credit Risk	Portfolio Manager Risk
Currency Risk	Potential Conflicts of Interest Risk
Cyber Security Risk	Prepayment Risk
Derivatives Risk	Securities Lending, Repurchase and Reverse Repurchase Transaction Risk
ETF Risk	Senior Loans Risk
Exchange-Traded Notes Risk	Series Risk
Fixed Income Investment Risk	Short-Selling Risk
Foreign Markets Risk	Small Company Risk
Fund of Funds Risk	Taxation of a Fund Risk
High Portfolio Turnover Risk	Trust Loss Restriction Rule Risk
High Yield Securities Risk	U.S. Foreign Account Tax Compliance Act Risk
Illiquidity Risk	Units Risk

The Fund is an alternative fund and uses investment strategies that are not permitted for other types of mutual funds, specifically short selling up to 300% of its NAV in “Government Securities” and borrowing up to 50% of its NAV. Although this investment strategy is designed to hedge or reduce the Fund’s risk, it may increase risk to the Fund in certain circumstances, as described in Short-Selling Risk and Borrowing Risk.

As an alternative fund, the Fund may invest up to 20% of its NAV in securities issued by a single issuer at the time of purchase. Subsequent to the purchase, the value held may increase to more than 20% of NAV. In the 12 months before the date of this Simplified Prospectus, the Fund held more than 10% of its NAV in securities in a number of issuers. Higher concentrations in single issuers can lead to greater

losses if securities issued by those issuers fall in price or it may be more difficult to meet redemption requests in times of financial distress if it is difficult to sell those concentrated positions of securities at fair prices.

Investment Risk Classification Methodology

YTM has rated the Fund's risk as Low.

The risk rating of "Low" assigned to the Fund is required to be determined in accordance with a standardized risk classification methodology that is based on the historical volatility of the Fund, as measured by the 10-year standard deviation of the returns of the Fund. Since the Fund is less than 10 years old, we calculate the investment risk level using a reference index that is reasonably expected to approximate, the standard deviation of the Fund.

Here are the investment risk rating categories:

- Low – for Funds with a level of risk that is typically associated with investments in money market funds and/or Canadian fixed-income funds;
- Low to Medium – for Funds with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed-income funds;
- Medium – for Funds with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large-capitalization Canadian and/or international equity securities;
- Medium to High – for Funds with a level of risk that is typically associated with investments in equity funds that may concentrate their investments in specific regions or specific sectors of the economy; and
- High – for Funds with a level of risk that is typically associated with investment in equity portfolios that may concentrate their investments in specific regions or specific sectors of the economy where there is a substantial risk of loss (e.g., emerging markets, precious metals).

The Fund uses Bloomberg Canada Aggregate Corporate Total Return Index Value Unhedged (CAD) Index. The Fund used FTSE TMX Canada Corporate Bond Index as the reference index last year. The new reference index is similar from an investment perspective and YTM has access to its return data.

There may be times when we believe this methodology produces a result that does not reflect the Fund's risk based on other qualitative factors. As a result, we may place the Fund in a higher risk rating category, but the Fund can never be placed in a lower risk rating category. You should know that other types of risks, both measurable and non-measurable, exist. Also, just as historical performance may not be indicative of future returns, historical volatility may not be indicative of future volatility. The risk rating of the Fund is identified under the sub-heading "Who Should Invest in this Fund?" and is reviewed annually and at any time that the risk rating is no longer reasonable in the circumstances. A more detailed explanation of the risk classification methodology used to identify the risk ratings of the Fund is available on request, at no cost, by contacting us toll-free at 1-833-828-4098 or at info@ytmcapital.com.

Who Should Invest in this Fund?

This Fund may be right for you if:

- you are looking for a low risk, diversified portfolio of alternative investment strategies to hold as part of your balanced portfolio;
- want a medium-term or longer investment; and
- can tolerate a low level of risk.

This Fund is not suitable for investors who are investing for the short term or who are not willing to accept periodic volatility.

YTM Capital Fixed Income Alternative Fund

Additional information about the Fund is available in the Fund's Fund Facts, management reports of fund performance and financial statements.

You can get a copy of these documents at no cost by calling toll-free 1-833-828-4098, or from your financial advisor, or by e-mail at info@ytmcapital.com.

These documents and other information about the Fund, such as information circulars and material contracts, are also available is also available at www.ytmcapital.com or at www.sedarplus.com.

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