YTM Capital Credit Opportunities Fund

Strategy
Long / short hedge fund delivering Canadian investment grade credit exposure

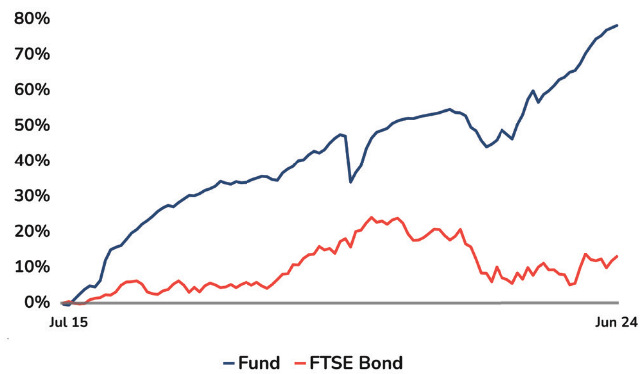
Target
Long-term net returns of 6% - 8% with low volatility

Portfolio
Short maturity investment grade credit with neutralized interest rate risk

Uncorrelated
Compelling fixed-income alternative

Net Performance

	1 month	1 year	3 year	5 year	S.I.
Fund	0.38%	10.51%	5.19%	4.80%	6.63%
FTSE Bond	1.13%	3.42%	-1.86%	-0.09%	1.37%

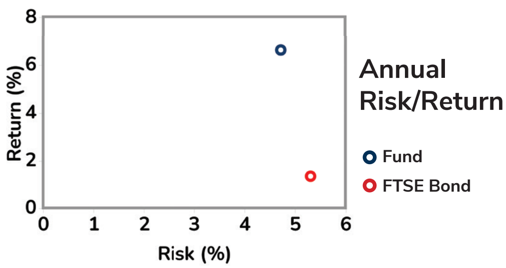


Risk

LOW | MEDIUM | HIGH

CR01 as a percent of NAV	0.052%
Average Weighted Maturity	1.5 years
Modified Duration	0.41
Annualized Standard Deviation	4.7%
Sharpe Ratio	1.06
Correlation to FTSE Bond	0.23

Months Positive	76%
Best Month	5.33%
Worst Month	-8.89%
Maximum Drawdown	-9.18%
Upside Capture - FTSE Bond	60
Downside Capture - FTSE Bond	-26



Portfolio Manager Commentary

Daniel Child CA, CPA, CFA **Edward Winiarz** CFA

The theme of the month was new issues. The quarter's torrid pace ended with the busiest June on record and the second busiest month on record. Non-financials dominated, including the largest ever corporate bond deal at $7.15B. Canadian banks continue to source cheaper funding alternatives in the US, Europe, and Asia. The combination of a hectic new issue calendar with historically low financial issuance is surprising. The new issue supply may have, at least temporarily, caught up with demand as spreads struggled to tighten. Spreads widened by approximately 3 basis points by months end with some inter-month volatility. This result is not a surprise, but we see it as a temporary imbalance that, with what are usually quieter primary markets in the summer months, will be absorbed.

After growing the level of risk primarily through the new issue market in the first half of the month we reduced risk in the second half with the secondary market softening. We added risk as a near term trade with Canada lagging other credit markets. Once we saw a pickup in weakness in US investment grade markets we started to re-focus on "upping liquidity and quality", our key strategy for the past 12 months. This is yet another example of why Canadian corporate bonds are attractive compared to international markets, including the U.S. Spreads here are less volatile and slower to react to market dynamics, thereby allowing the U.S. and Europe, not to mention CDX, to act as a "canary in a coal mine" – effectively an early warning system.

While we did not expect the Bank of Canada to cut rates in June, we did acknowledge it was a 50/50 chance. In our view the cut was premature and the risk of waiting until July was small compared to the risks of going too early. The real issue is not the timing of the first cut, it is the rate of subsequent cuts. The Bank of Canada has to walk the tightrope between inflation re-ignition, with potentially devastating economic impact, and cooling off the economy to the point it stalls badly.

New money entering the corporate bond market remains strong, driven by historically attractive yields, and we see no reason why this positive demand factor will not continue for the foreseeable future. While we still expect that spreads could widen in an orderly fashion, the amount of demand for yield product leads us to believe the summer could be benign from a volatility standpoint. Until we see spreads widen to an attractive level, at which we would deploy our dry powder, we will continue to run a conservative level of risk focused on short maturity bonds issued by quality issuers.

Portfolio Managers

Seasoned

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

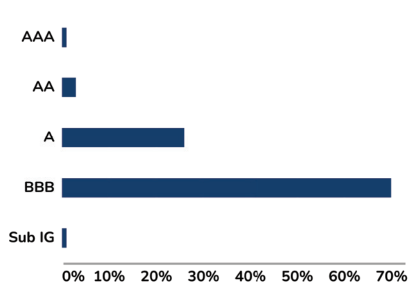
Accomplished

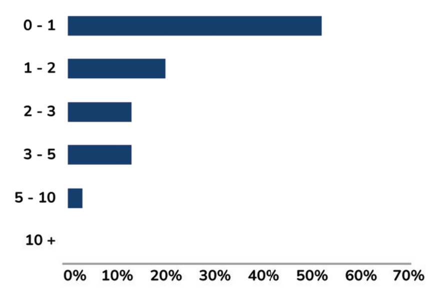
Head Corporate Trader and Director at major Canadian dealers responsible for billions of at-risk capital

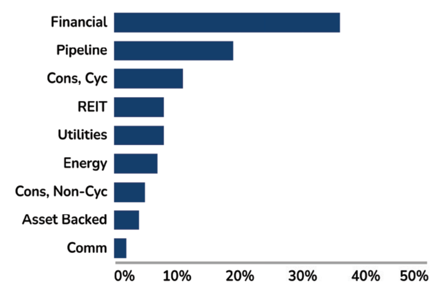
Conservative

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

Portfolio







Monthly Net Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2024	1.25	1.15	0.52	0.89	0.37	0.38							4.65
2023	2.84	1.55	-2.03	1.41	0.67	0.89	1.07	0.41	0.85	0.28	1.19	1.68	11.28
2022	-0.54	-2.09	-0.68	-1.83	-1.22	0.52	0.78	1.91	-0.85	-0.85	2.80	1.79	-0.40
2021	0.30	0.18	-0.05	0.29	0.22	0.18	0.18	0.20	0.34	0.27	-0.55	-0.09	1.48
2020	0.69	-0.29	-8.89	2.07	1.43	3.47	2.08	1.14	0.36	0.38	0.92	0.47	3.33
2019	1.55	0.82	0.55	1.18	0.17	1.04	0.69	-0.36	0.66	0.42	0.87	0.95	8.86
2018	1.06	-0.37	-0.23	0.53	-0.16	0.07	0.47	0.38	0.39	-0.09	-0.58	-0.16	1.32
2017	1.14	0.84	0.52	-0.28	0.94	0.77	0.74	-0.09	0.44	0.73	0.41	0.46	6.82
2016	-0.30	1.74	5.33	2.66	0.64	0.38	1.50	1.54	0.84	1.25	0.79	0.94	18.62
2015							-0.43	-0.13	1.52	1.44	1.41	0.96	4.84

Fund Details

Transactions	Monthly	**Distributions**	*Monthly (5%/yr target; TA,TF)* *Quarterly (A,F)*
Redemptions	30 days notice	**Reg Plans**	Yes
Management fee	2.00% (A, TA) 1.50% (F, TF)	**Fundserv**	YTM500 (A) YTM530 (TA) YTM510 (F) YTM540 (TF)
Performance fee	15%, Highwater Mark		

YTM Capital

YTM is a credit fund manager established in 2010. We have more than $650 million in assets under management and are based in Oakville, Ontario.

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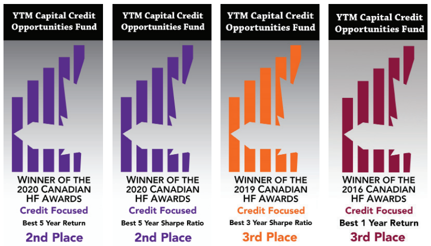

As of JUNE 30, 2024. FTSE Bond = FTSE Canada Universe Bond Index. CR01 measures the impact on a Fund's value by a 1 basis point change in credit spreads. Sharpe Ratio is calculated using a 3 month GOC T-Bill as the risk free rate. Drawdown represents the percentage loss for the Fund from peak to trough. In risk/return chart, risk is represented by standard deviation since inception ("SI" = July 1, 2015) and returns are SI. The Canadian Hedge Fund Awards are administered by Alternative IQ. The awards are based on a quantitative measure of a fund's performance in the Credit Focused category. Of the 33 funds considered, the Fund had the 3rd highest return for the year ending June 30, 2016. Of the 27 funds considered, the Fund had the 3rd highest Sharpe ratio for the 3 years ending June 30, 2019. Of the 18 funds considered, the Fund had the 2nd highest Sharpe ratio and 2nd highest return for the 5 years ending June 30, 2020. This document is for information only and is not intended to solicit orders for the Fund. Investors should read the Offering Memorandum (OM), incldung the risk section before investing. You can obtain the OM from YTM Capital Asset Management Ltd. Fund data will change and past performance may not be repeated. There is no guarantee the Fund will provide returns similar to its target. Performance is net of fees and expenses, is for Class F, Initial Series, distributions reinvested, and the SI figure is annualized. Rating and maturity information exclude cash and GOC securities. YTM rates unrated securities by using third party data and judgment. Maturity and CR01 are calculated using the expected maturity date for securities with call features. www.ytmcapital.com