

YTM Capital Mortgage Income Fund



Strategy

Defensively-positioned fund delivering residential mortgage exposure



Target

Long term net returns of 5% - 7% with low volatility and monthly cash flow



Portfolio

Mortgages on Canadian owner-occupied homes and New York City area properties

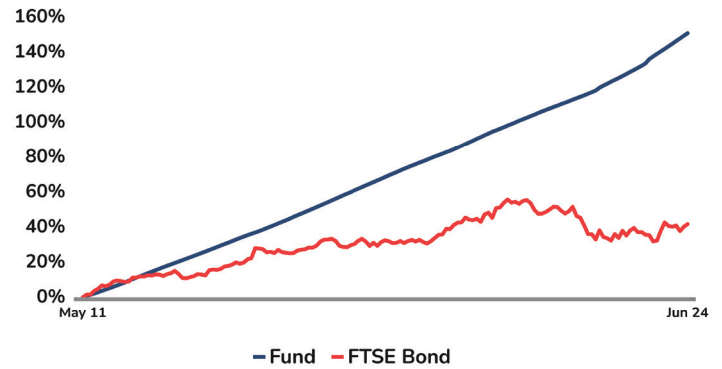


Uncorrelated

Compelling fixed-income alternative

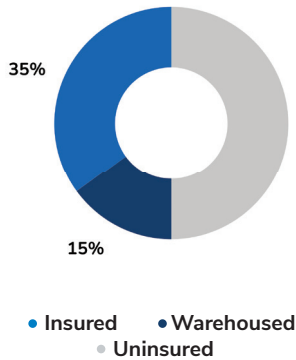
Net Annual Performance

	1 year	3 years	5 years	10 years
Fund	8.00%	6.46%	6.22%	6.70%
FTSE Bond	3.42%	-1.86%	-0.09%	1.86%

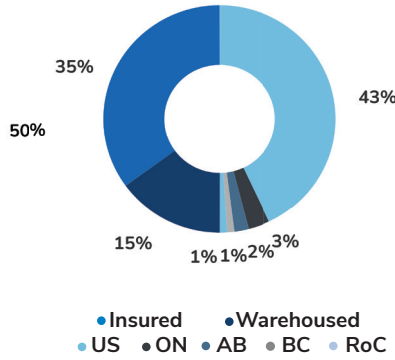


Portfolio

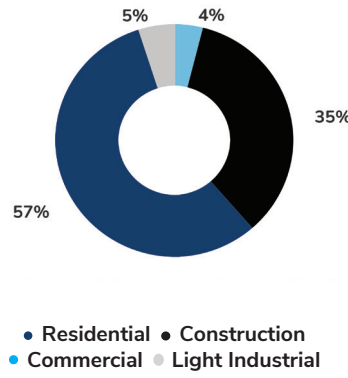
Incremental Security



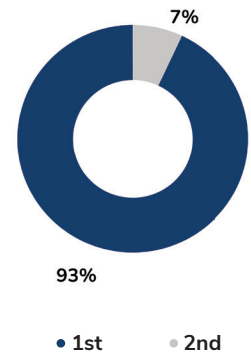
Geography



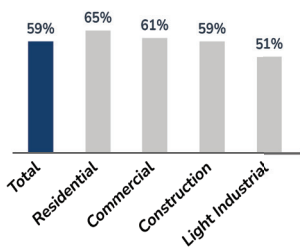
Asset Class



Priority



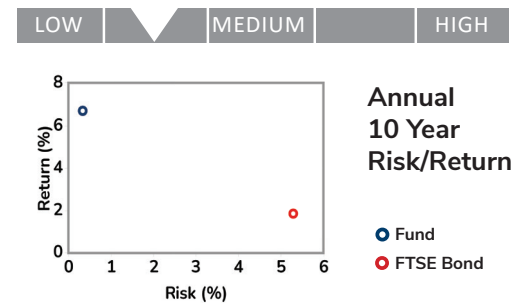
Uninsured LTV



Metrics

Current yield	7.24%
Fund Size	\$157 million
Portfolio maturity	5 months
Number of mortgages	835
Largest investment	3.5% of Fund
Loan facility	0.00%
FTSE Bond Correlation (10 yrs)	0.11

Risk



Portfolio Managers Daniel Child CA, CPA, CFA

Along with the rest of the economy, real estate markets where the Fund focuses its mortgage investing had a stable, positive quarter. In the New York City area a strong economy and continued government rent subsidy programs have contributed to a healthy rental market, a place where most of our borrowers focus. In Canada, housing prices remain stable. House prices have remained stable and, more importantly, while unemployment has edged up since September 2023 from 5.5% to 6.4%, it remains healthy from a historical perspective.

Our uninsured Canadian exposure is seasoned and continues to perform well. As a portion of the mortgages mature and are refinanced elsewhere, the sub-portfolio continues to shrink as a percentage of the Fund. It is currently at 7% and is as healthy as it ever has been from an arrears perspective.

In the New York City area, we funded 3 residential construction mortgages in Williamsburg Brooklyn, Jersey City, and the Bronx. The deals each have conservatively established low LTVs, strong, experienced borrowers, and

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neighbourhoods with sustainable economics. When we underwrite residential construction deals, we ensure that there is enough equity being created in the project to qualify for conventional take-out financing, even if market valuations decline materially by underwriting using conservative cap rates and mortgage re-financing assumptions.

We determined that a write-down on a Manhattan mortgage that has been in a lengthy work-out situation was necessary. The collateral is a rent-controlled building that the borrower had planned to convert to a free market building. This plan was frustrated by two rounds of legislative changes that put obstacles in the way of rent-control conversions. While we continue to pursue litigation, both to seize the collateral and against the borrower personally, our expectation is that resolution will take many years. Consequently, we wrote down half the value of the mortgage and a small amount of accrued interest amounting to \$350,500 against the general reserve. The Fund does not hold any other mortgages with borrowers who planned to convert a rent-controlled building.

Monthly Net Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2024	0.61	0.60	0.62	0.61	0.60	0.60							3.71
2023	0.50	0.50	0.53	0.50	0.52	0.51	0.57	1.06	0.65	0.61	0.58	0.60	7.37
2022	0.39	0.38	0.39	0.43	0.41	0.44	0.73	0.54	0.49	0.52	0.48	0.46	5.80
2021	0.45	0.42	0.47	0.43	0.42	0.40	0.41	0.37	0.42	0.37	0.41	0.41	5.10
2020	0.56	0.50	0.54	0.43	0.44	0.45	0.47	0.44	0.46	0.50	0.42	0.42	5.78
2019	0.45	0.45	0.49	0.42	0.52	0.54	0.53	0.55	0.54	0.53	0.55	0.51	6.23
2018	0.54	0.54	0.58	0.55	0.50	0.53	0.48	0.51	0.46	0.50	0.52	0.48	6.35
2017	0.58	0.58	0.61	0.57	0.59	0.60	0.57	0.55	0.58	0.57	0.59	0.57	7.19
2016	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	7.77
2015	0.52	0.58	0.63	0.63	0.63	0.63	0.64	0.63	0.63	0.64	0.72	0.63	7.74
2014	0.67	0.67	0.67	0.67	0.67	0.63	0.67	0.67	0.63	0.63	0.60	0.58	8.03
2013	0.75	0.69	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	8.41
2012	0.75	0.75	0.75	0.92	0.81	0.81	0.75	0.75	0.75	0.74	0.75	0.75	9.67
2011					0.81	0.64	0.68	0.75	0.75	0.75	0.75	0.75	6.04

Fund Details

Transactions	Month-end	Registered Plans	Yes
Redemptions	90 days notice	Fundserv	YTM101 (A) YTM103 (F)
Management fee	2.00% (A) 1.50% (F)	Fund Administrator	SGGG Fund Services Inc.
Distributions	Monthly	Auditor	PwC

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. Returns are for Class F, distributions reinvested, except for the simple monthly returns in the table above. There is no guarantee that the Fund will meet its target return. FTSE Bond = FTSE Canada Universe Bond Index. FTSE Bond returns are provided as a comparison to demonstrate the Fund's utility as an alternative investment. Although it is not possible to invest directly in the index, it can be used as a proxy for long-only traditional bond investing. Investors should consider differences between long-only fixed income funds and the Fund, such as risk profiles, fees, and taxation of returns, and discuss with their investment advisor. Risk is represented by standard deviation in the annual risk / return chart for 10 years. The insured portion of the Fund's portfolio includes cash. Warehoused mortgages are uninsured mortgages that are subject to a repurchase commitment by the originator and are "Protected". This document is for information only and is not intended to solicit orders for the Fund. Investors should read the Offering Memorandum (OM) including the Risk Factors section before investing. You can obtain the OM from YTM Capital Asset Management Ltd. or your advisor. Fund data will change without notice and past performance may not be repeated. www.ytmcapital.com

