

# 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

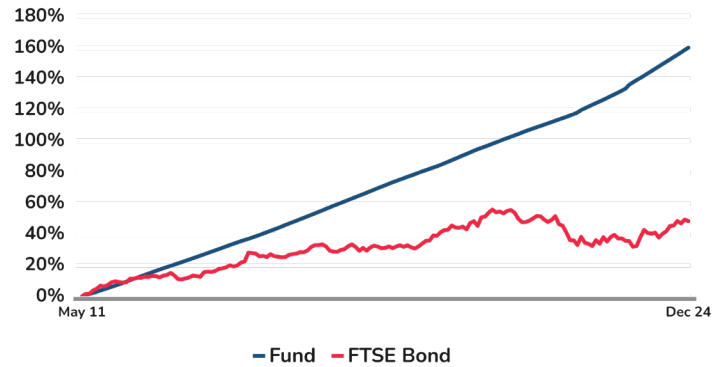


## Uncorrelated

Compelling fixed-income alternative

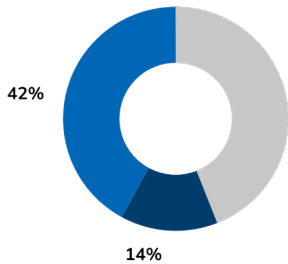
## Net Annual Performance

	1 year	3 years	5 years	10 years
Fund	7.47%	6.87%	6.30%	6.68%
FTSE Bond	3.96%	-0.69%	0.74%	1.94%



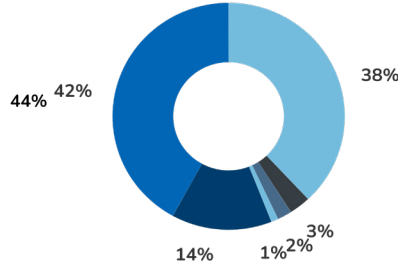
## Portfolio

### Incremental Security



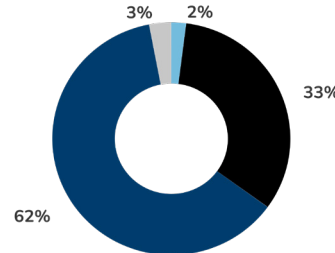
• Insured • Warehoused  
• Uninsured

### Geography



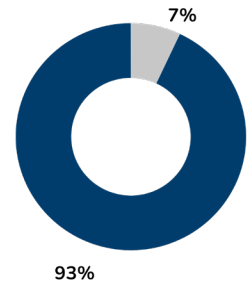
• Insured • Warehoused  
• US • ON • AB • RoC

### Asset Class



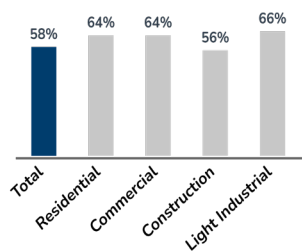
• Residential • Construction  
• Commercial • Light Industrial

### Priority



• 1st • 2nd

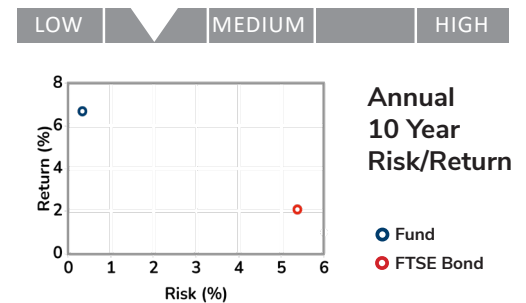
### Uninsured LTV



## Metrics

Current yield	6.96%
Fund Size	\$159 million
Portfolio maturity	5 months
Number of mortgages	817
Largest investment	4.1% of Fund
Loan facility	0.00%
FTSE Bond Correlation (10 yrs)	0.11

## Risk



## Portfolio Managers Daniel Child CA, CPA, CFA

Although the incoming U.S. administration is creating apprehension in many ways, we believe that the elected leader's pro-growth and anti-regulation agenda should have a positive impact on the Fund. The Fund earns returns based on debt secured by residential housing in the greater New York City area. A growth environment would have a positive impact on the greater NYC housing market - one of the most robust real estate markets in the world. The Fund had a successful, steady 2024. Year-over-year allocations remained largely consistent.

The seasoned Canadian uninsured portfolio declined from 8% to 6% of the Fund. This sub-portfolio is a great performer, with arrears close to zero, and, given that the Fund's other Canadian mortgage exposure is insured or protected, the key residential housing risk that we have focused on in the past - unemployment - is less of a risk for the Fund as a whole than it has been

## David Burbach CAIA, LL.B

in the past. That said, unemployment, while rising, is still within reasonable bounds on a historical basis.

The New York City allocation remained the same at 38%. And the protected mortgage sub-portfolio increased from 54% to 56%. This mix of Assets returned 7.47% for the year.

We experienced positive turnover in the NYC area sub-portfolio, with 6 mortgages paying out the second half of the year and 4 new mortgages funded during that period. The Fund also invested in two mortgages at the start of January that are likely to increase the New York City allocation to 42%. We continue to see deals with good risk DNA and expect that the allocation will remain in the low to mid 40% and that the uninsured Canadian portfolio will continue to shrink in favour of Canadian-protected mortgages.

## 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	0.59	0.61	0.57	0.61	0.62	0.58	7.47
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

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

## YTM Capital

YTM is a credit fund manager established in 2010, based in Oakville, Ontario that focuses on providing better fixed income solutions.

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**As of DECEMBER 31, 2024.** Returns are for Class F, and 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](http://www.ytmcapital.com)

