

# Goodwood Fixed Income Strategies

Compound Return (%)	1 Month	1 Yr	3 Yr	5 Yr	10 Yr	Inception	Distribution Yield	Effective Duration
<b>Goodwood Milford Fund*</b>	<b>-0.53</b>	<b>-0.36</b>	<b>5.47</b>	<b>4.22</b>	<b>5.67</b>	<b>10.26</b>	<b>4.0%*</b>	<b>3.5</b>
iShares Core Canadian Universe Bond ETF	-0.17	0.75	-4.29	0.29	1.79	-	3.2%	7.2
iShares Canadian Corporate Bond ETF	-0.07	2.53	-2.67	1.07	2.27	-	3.9%	5.7
S&P/TSX Composite TR Index ("TSX")	-1.37	8.49	10.36	7.80	8.05	6.46	-	-

Returns are net of fees. Source: Goodwood Inc.; Goodwood Milford Fund LP - Class S and iShares by Blackrock. See page 2 for more detailed footnote.

\*Projected Fund distribution yield for 2023

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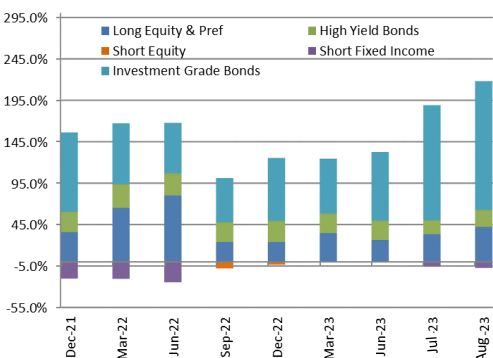

## Goodwood Fixed Income Strategies

**Goodwood Milford Fund Units** - The Goodwood Milford Fund has a core strategy of investing in corporate bonds selected to provide higher coupon income and capital gains from credit upgrades and credit-enhancing events. The Fund's manager uses a bottom-up, fundamental investment style to deliver strong returns with low monthly volatility. The Fund can invest a portion of its assets in long-short equity investments.

**Institutional Segregated Accounts** - Goodwood offers sub-advisory portfolio management services to pensions, endowments, foundations and other institutional investors. The [investment-grade bond](#) mandate's objective is to preserve capital and provide a high rate of cash coupon income. The environmental, social, and (corporate) governance ("[ESG](#)") [conscious investment-grade bond](#) mandate's objective is to preserve capital and generate income by investing in bonds with good relative ESG performance and attractive coupons.

**Private Client Accounts** - Goodwood offers segregated managed accounts to individual investors utilizing a corporate bond and equity investment strategy similar to the Goodwood Milford Fund; however, each account is customized to meet investors' goals, objectives and risk tolerances.

## Historical Asset Allocation\*



## Goodwood Milford Fund Portfolio Review

**Investment Grade Corporate Bonds** - The Fund's August and YTD returns were -0.53% and -0.78% compared to the FTSE TMX Canadian Universe Bond Broad Composite Index returns of -0.18% and +1.19%, respectively. Yields in Canada were more or less unchanged in August. The top performing segment of the bond index in August was Corporate AA at +0.24%.

In early September, the Bank of Canada (the "Bank") left its target for the overnight rate unchanged at 5.00%. The Bank cited a slowdown in the Canadian economy i.e., Q2 annualized GDP came in at -0.02%. A tight labour market and strong government spending remain concerns for the Bank which also noted inflation pressures are expected to be higher in the near term due to the recent rise in gasoline prices.

In the US, bond rating agency Fitch Ratings announced a downgrade of US government debt from AAA+ to AA+. The downgrade was more than a decade after S&P's similar downgrade (Moody's rating remains at Aaa). The Fitch downgrade had little effect on prices.

With no FOMC meetings in August, the annual Jackson Hole central bankers conference was a closely watched event for guidance regarding the direction of future US interest rates. FOMC Chairman Powell reiterated the committee's view that 2% inflation remains the target and the FOMC will not deviate from that. Bond yields rose (prices fell) after his speech. The US FOMC meets next on September 20th and market estimates are for no change in the Fed Funds rate.

**High Yield Bonds** - The US high yield bond ETF (iShares iBoxx \$ High Yield Corporate Bond ETF) returned +0.17% in August and +6.29% so far in 2023. High yield bond returns were up modestly in August.

**Equities** - The S&P/TSX Composite TR Index August and YTD returns were -1.37% and -0.78% and the Dow Jones Industrial Average total returns were -2.01% and +6.37%, respectively. Equities ended the month down even after an end of the month rally.

**Preferred Shares** - The S&P/TSX Preferred Share Index returned -4.21% in August and -2.68% in 2023. The Fund currently holds no preferred shares.

As a reminder, the Fund provides weekly & monthly liquidity and is open to new investors.

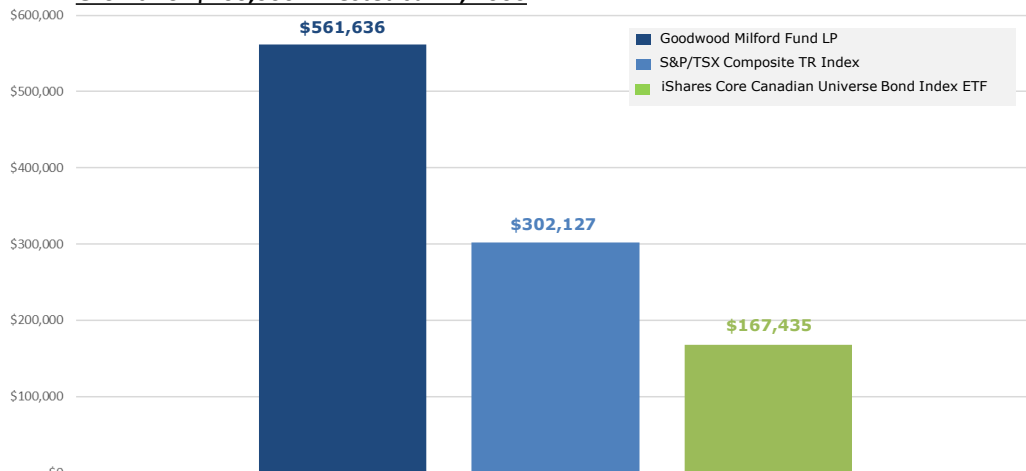
Portfolio Statistics	FUND
Current Yield (Net Weighted Ave)	7.5%
Effective Duration (Years) (Net)	3.5
Information Ratio (XBB) - 3 Year*	1.17
Information Ratio (XCB) - 3 Year*	1.06
Net Capital Invested	152.9%
Correlation to Broad Mkt (TSX)	0.61

\*The Information Ratio is a measure of risk-adjusted return similar to the Sharpe ratio, but in comparison to the iShares Core Canadian Corporate Bond Index ETF (XCB) and iShares Core Canadian Universe Bond Index ETF (XBB) rather than a risk-free rate. If the information ratio is less than zero, it means the manager underperformed the compared Index ETF. Of all the performance statistics, the information ratio is one of the most difficult hurdles to clear. Generally speaking, an information ratio above 0.40 range is considered good. See Information Disclosure

**Goodwood Fixed Income Strategies**
**Goodwood Milford Fund LP - 10 Year Monthly Return History\*:**

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2023</b>	1.6	-1.4	0.3	1.6	-3.2	-0.1	0.5	-0.5					<b>-0.8</b>
<b>2022</b>	-3.4	-1.0	0.8	-1.1	-2.1	-2.4	-1.0	-0.3	-1.7	1.7	2.3	-1.9	<b>-9.8</b>
<b>2021</b>	6.2	5.0	-0.5	0.6	1.0	-0.7	0.0	1.4	0.4	2.7	1.0	2.8	<b>21.5</b>
<b>2020</b>	3.9	-1.9	-20.6	9.0	1.1	-0.1	3.7	0.8	2.5	-1.2	4.5	1.9	<b>0.6</b>
<b>2019</b>	3.8	2.6	1.8	3.3	-0.5	2.8	2.2	0.8	-1.4	-0.1	1.8	0.4	<b>18.9</b>
<b>2018</b>	0.3	0.2	0.0	-1.0	0.6	-0.5	-1.1	1.0	-0.5	-2.9	-1.9	-0.2	<b>-5.9</b>
<b>2017</b>	0.5	1.1	-0.2	0.6	0.1	-0.9	-0.1	0.6	-0.2	1.4	0.7	0.1	<b>3.6</b>
<b>2016</b>	-3.1	-0.4	3.5	3.8	0.4	0.5	1.5	0.8	1.8	-0.3	0.6	2.6	<b>12.3</b>
<b>2015</b>	-0.9	-1.0	2.5	-2.3	3.8	0.1	1.2	-3.1	-0.6	-0.6	1.1	-1.3	<b>-1.2</b>
<b>2014</b>	4.9	4.1	0.2	1.0	2.2	3.0	2.5	-0.7	-1.4	-1.0	2.0	0.7	<b>18.5</b>

Returns are net of fees. Source: Goodwood Inc., Goodwood Milford Fund LP - Class S

**Award Winning Risk-Adjusted Returns**
**Growth of \$100,000 Invested Jan 1, 2006**


Returns are net of fees. Source: Goodwood Inc., Goodwood Milford Fund LP Class S

**Investment Awards:**

- 2021 – Global Manager Research (GMR) Top Performer Award: Alternatives – Credit Focused 3 Year Return
- 2021 – Global Manager Research (GMR) Top Performer Award: Alternatives – Credit Focused 1 Year Return
- 2019 – Canadian Hedge Fund Awards: Overall Best Hedge Fund Category
- 2019 – Canadian Hedge Fund Awards: Best 1 Year Return Category
- 2018 – Canadian Hedge Fund Awards: Best 5 Year Return Category
- 2017 – Canadian Hedge Fund Awards: Best 5 Year Return Category
- 2016 – Canadian Hedge Fund Awards: Best 5 Year Sharpe Ratio Category
- 2015 – Canadian Hedge Fund Awards: Best 5 Year Sharpe Ratio Category
- 2014 – Canadian Hedge Fund Awards: Best 5 Year Return Category
- 2012 – Canadian Hedge Fund Awards: Best 3 Year Sharpe Ratio Category
- 2012 – Canadian Hedge Fund Awards: Best 3 Year Return Category


**Information Disclosure:**

This communication is for information purposes only and is not, and under no circumstances is it to be construed as, an invitation to make an investment in the Goodwood Milford Fund LP (the "Fund") nor does it constitute a public offering to sell the Fund, strategy or any other products described herein. It should not be relied upon when evaluating the merits of a potential investment in any funds or strategies managed by Goodwood Inc. Prior performance of the Fund up to September 30, 2013 relates to periods of time when the Fund's Investment Manager was Milford Capital Management Inc. and the portfolio manager was Chris Currie, CFA. Goodwood Inc. became the Investment Manager of the Fund on October 1, 2013 and Chris Currie joined Goodwood Inc.'s investment team continuing as portfolio manager for the Fund. There is no change to the investment strategy of the Fund. **\*Performance returns within are calculated for the founding Class of Units for the Fund - Goodwood Milford Fund LP Class S Units. Other class or series, including the Goodwood Milford Fund Trust may charge different fees and/or have varying investments therefore returns between classes and Funds may vary. The returns are net of all management fees, expenses and incentive performance fees. Performance data from certain market indices/ETFs (iShares Core Canadian Corporate Bond Index ETF (XCB), iShares Core Canadian Universe Bond Index ETF (XBB) and TSX) are provided in this presentation for information purposes only. A comparison of the Fund's performance to such market indices is of limited use because the composition of the Fund's portfolio may contain other securities not found in the market index. As a result, no market indices are directly comparable to the results of the Fund or strategy.**