



Goodwood – Investment-Grade Bonds

Updated: November 10, 2023

OBJECTIVE

The Goodwood investment-grade bond mandate's objective is to preserve capital and provide a high rate of cash coupon income. Goodwood uses a disciplined, fundamental, bottom-up approach to constructing investment-grade bond portfolios that they believe will reward investors with capital gains due to credit improvements and credit rating upgrades. The strategy is well diversified in position size, industry sectors and term-to-maturity. The portfolio invests in very liquid issues; for safety, the portfolio may invest in Canadas or Provincials and manages duration exposure rather than create a perpetual short-duration portfolio. The flexible, tactical approach allows the mandate to capitalize on inefficiencies in fixed-income markets. The mandate invests in approximately 25 investment-grade fixed-income securities, targeting 200-300 basis points returns over 5-year Canadas.

PORTFOLIO CONSTRUCTION

The Goodwood investment-grade bond mandate is typically invested in a portfolio of issues generating a yield-to-maturity greater than 4% with an average term-to-maturity of 3-5 years. Although, where we see opportunities, we have been both extending duration exposure in our portfolios by selectively adding 10-year+ maturities and, due to the inverted shape of the yield curve, adding sub 2 year securities.

PERFORMANCE

Compound Return (%) October 31, 2023	1 Mo	3 Mo	6 Mo	YTD	1 Yr	Yield to Maturity	Effective Duration
Investment-Grade Bond UMA	0.6	-0.7	0.0	2.5	3.6	5.6	2.3
iShares Core Canadian Universe Bond ETF	0.3	-2.5	-5.2	-1.2	-0.1	4.6	7.1
iShares Canadian Corporate Bond ETF	0.4	-1.5	-3.1	1.0	2.9	5.6	5.6

*Inception: June 24, 2021

Note: The Investment Grade Bond Mandate is part of a Third-Party UMA Program, Goodwood Inc. acts as sub-advisor for this Mandate. Performance returns above are displayed for the founding Investment-Grade Bond UMA referencing sources believed to be reliable. Performance is not guaranteed, and past performance is not indicative of future results and may not be repeated. Performance data from certain market indices/ETFs is provided for information purposes only. These ETFs are not a benchmark of the UMA portfolio but rather are displayed for comparison purposes to the broad market.

HOLDINGS, SECTOR BREAKDOWN & CREDIT RATING

CUSIP	Security	Weight	Moody's	Fitch	S&P	DBRS	Sector
02138ZBG7	Altagas Ltd 4.638% 05/15/2026	4%		BBB	BBB-		Utilities
07813ZBZ6	Bell Canada 3.35% 03/12/2025	4%	Baa1		BBB+	BBB (high)	Industrials
05590HBB2	BMW Canada 4.76% 02/10/2025	4%	A2		A		Consumer
05565QDS4	BP Capital Markets 3.47% 05/15/2025	4%	A2	A	A-		Energy
124765AC2	CAE INC C28 5.541% 06/12/2028	4%			BBB-		Industrials
13509PHY2	Canada Housing Trust FRN 03/15/2027	4%	Aaa			AAA	Financials
14046ZAC3	Capital Power 4.284% 09/18/2024	4%			BBB-	BBB (low)	Utilities
17039AAW6	Choice Properties REIT 6.003% 06/24/2032	4%			BBB	BBB (high)	Real Estate
125491AJ9	CI Financial Corp 3.759% 05/26/2025	4%	Baa2			BBB	Financials
12658MAB7	CNHI Capital Canada Ltd. 5.50% 08/11/2026	4%	Baa2	BBB+	BBB		Industrials
25675TAN7	Dollarama 5.084% 10/27/2025	4%				BBB	Consumer
13521JAC5	Canada Post 4.08% 07/16/2025	4%	Aaa			AAA	Industrials
9611488Y2	George Weston Ltd 4.115% 06/17/2024	4%			BBB-	BBB	Consumer
58769CAA0	Merc-Benz CA 5.14% 06/29/2026	4%	A2	A	A	A (low)	Consumer
68321ZAK7	Ontario Power Generation 4.922% 07/19/2032	4%	A3		BBB+	A (low)	Utilities
110709FV9	Province of B.C. MTN 5% 06/18/2031	4%	Aaa		AA	AA (high)	Government Activity
780086VV3	RBC 5.235% 11/02/2026	4%	A1	AA-	A	AA	Financials
775109CL3	Rogers 4.35% 01/31/2024	4%	Baa3	BBB-	BBB-		Technology
80310ZAK5	Saputo CB-29 5.25% 11/29/2029	4%	Baa1			BBB	Consumer
83740TAE7	South Coast BC Transportation Authority 3.05% 06/04/2025	4%	Aa2			AA	Industrials
87971MAX1	Telus Corp 3.75% 01/17/2025	4%	Baa2	BBB	BBB	BBB	Technology
89117F8V4	Toronto Dominion 4.344% 01/27/2026	4%	A1		A	AA	Financials
892329BU6	Toyota Credit Canada 5.29% 07/13/2026	4%	A1		A+		Financials
89353ZCG1	TransCanada Pipeline FRN 06/09/2024	4%	Baa2	BBB+	BBB+	BBB (high)	Energy
918423BB9	VW Credit Canada Inc. 5.8% 11/17/2025	4%	A3		BBB+		Consumer

Portfolio holdings are subject to change.

PORTFOLIO MANAGER

Goodwood Inc. ("Goodwood"), founded in 1996, is one of Canada's first alternative investment managers. Our primary objective is to increase wealth through investment in undervalued securities. We seek to achieve our objective by consistently adhering to our unique and successful investment approach to maximize income while also offering investors the benefit of portfolio diversification and capital growth. Our strategy aims to generate idiosyncratic return profiles with low correlation to the broader market over the long term. Our investment approach focuses on preserving capital through rigorous investment analysis on a position and portfolio basis.

Chris Currie, CFA, brings over 30 years of fixed-income experience managing corporate bond portfolios in Canada. Chris is the lead portfolio manager of the multiple award-winning fixed-income funds, the Goodwood Milford Fund LP and the Goodwood Milford Fund Trust. Before founding the Milford Funds in 2006, Chris was a portfolio manager at TAL Global Asset Management Inc. and before that, a portfolio manager at the Ontario Municipal Employees Retirement System ("OMERS") pension plan and ran the corporate bond research group at CIBC World Markets. Chris holds a Bachelor of Arts from Western University, a Law Degree from Osgoode Hall Law School, York University, and the Chartered Financial Analyst (CFA) designation.

Curt Cumming, President, Goodwood Inc., sits on Goodwood's investment committee and has over 20 years of institutional equity trading and investment management experience, combining extensive knowledge of capital markets, financial analysis, portfolio management and business development experience. Prior to joining Goodwood, Curt was an Institutional Equity Trader with Kearns Capital (now Paradigm Capital) and prior to that a high net worth Investment Advisor with Altamira Securities. Curt is available at (416) 203-2522 or cscumming@goodwoodfunds.com.