**Federal Open Market Committee Statement Summary and Commentary**: As expected the US Federal Open Market Committee (the "FOMC") cut the target rate for the federal funds rate by 25 basis points to 3.75% to 4.00%.

The FOMC stated "Available indicators suggest that economic activity has been expanding at a moderate pace. Job gains have slowed this year, and the unemployment rate has edged up but remained low through August; more recent indicators are consistent with these developments. Inflation has moved up since earlier in the year and remains somewhat elevated."

To no one's surprise, newly elected governor and Trump nominee Stephen I. Miran dissented and proposed a 50 basis point cut. Interestingly, Kansas City Fed Governor Jeffrey R. Schmid preferred no change to the target range for the federal funds rate at this meeting.

With the US Government shutdown affecting the data the FOMC receives, the FOMC stated "The Committee's assessments will take into account a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments."

The FOMC also announced the end of Quantitative Tightening on December 1, 2025.

**Goodwood Portfolio Reaction:** The FOMC's 25 basis point interest rate cut announcement was well anticipated by the market. After the announcement bond yields rose by about 5-7 basis points across most tenors. Chairman Powell did say at the press conference a further 25 basis point cut at the December meeting is not a foregone conclusion. In the table below we set out our current internal interest rate forecasts for the remainder of the year, which guide our portfolio positioning.

**Goodwood Fixed-Income Strategies:** Goodwood uses a disciplined, bottom-up, and fundamental approach in analyzing Canadian investment-grade corporate bonds. The investment-grade portfolios seek to preserve capital and provide a high cash coupon income. We have been adding new issues to the portfolios with cash coupons in the 4.0% to 5.0% per annum range. In addition, we believe bonds in our portfolios may appreciate as a result of spread tightening from improving company and industry fundamentals. Our strategies are well diversified by position size, industry sectors and term-to-maturity. Goodwood's flexible, tactical approach can capitalize on inefficiencies in the fixed-income markets. The long-only investment-grade bond mandate invests in 20-30 fixed-income securities. Similar Long-Short mandates: Goodwood Milford Fund and RRSP eligible Goodwood Milford Fund Trust. Goodwood also acts as sub-advisor, managing investment grade bond and ESG-conscious investment grade bond mandates for third-party clients, institutions, pensions and endowments.

**Historical Interest Rate Trend and Forecast:**

| Quarter | BOC | 3M | 2Y | 5Y | 10Y | 30Y | FED | 3M | 2Y | 5Y | 10Y | 30Y |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Q1'24 | 5.00 | 5.01 | 4.19 | 3.54 | 3.47 | 3.36 | 5.50 | 5.36 | 4.62 | 4.21 | 4.19 | 4.34 |
| Q2'24 | 4.75 | 4.66 | 4.00 | 3.52 | 3.51 | 3.40 | 5.50 | 5.36 | 4.72 | 4.33 | 4.34 | 4.50 |
| Q3'24 | 4.25 | 3.94 | 2.91 | 2.74 | 2.96 | 3.14 | 4.75 | 4.63 | 3.65 | 3.58 | 3.80 | 4.13 |
| Q4'24 | 3.25 | 3.20 | 2.94 | 2.97 | 3.24 | 3.34 | 4.50 | 4.33 | 4.25 | 4.39 | 4.58 | 4.78 |
| Q1'25 | 2.75 | 2.64 | 2.47 | 2.62 | 2.97 | 3.23 | 4.50 | 4.30 | 3.91 | 3.98 | 4.35 | 4.61 |
| Q2'25 | 2.75 | 2.68 | 2.66 | 2.83 | 3.29 | 3.56 | 4.50 | 4.30 | 3.72 | 3.79 | 4.23 | 4.98 |
| Q3'25 | 2.50 | 2.44 | 2.47 | 2.75 | 3.19 | 3.63 | 4.25 | 3.95 | 3.60 | 3.73 | 4.15 | 4.73 |
| Q4'25 | 2.25 | 2.25 | 2.30 | 2.55 | 3.00 | 3.35 | 3.75 | 3.50 | 3.25 | 3.50 | 3.80 | 4.50 |

Actual | Forecast | Sources: Historical: LSEG; Forecast: Goodwood Inc., internal forecast used to position our Goodwood bond portfolios

**Goodwood C$ Fixed-Income Strategies:**

| Strategy | Effective Duration* | Yield to Maturity* |
|---|---|---|
| **Goodwood Milford Fund LP** | 5.1 | 5.4 |
| **Goodwood Investment-Grade Bonds** | 4.3 | 3.5 |
| **Goodwood ESG-Conscious Investment-Grade Bonds** | 3.4 | 3.4 |
| iShares Core Canadian Universe Bond ETF | 7.0 | 3.4 |
| iShares Canadian Corporate Bond ETF | 5.5 | 4.3 |

Available through Goodwood Inc.

Sources: Goodwood Inc., iShares by Blackrock *As at September 30, 2025. See full disclosure below.

**Recent Investment-Grade Additions to Portfolios:**
N/A

**Recent Investment-Grade Deletions from Portfolios:**
TMX Group 4.836% 02/18/2032 [sold]
Definity C30 3.709% 09/12/2030 [sold]
Stantec Inc. 4.374% 06/10/2032 [sold]
Fairstone BK 3.937% 09/18/2028 [sold]
Bell Canada 4.7% 03/14/2036 [sold]
GoEasy Ltd CB 6% 05/15/2030 [sold]
CI Financial Corp 7% 12/02/2025 [sold]

**Important Information:**
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 funds (the "Funds") nor does it constitute a public offering to sell the Funds, 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. **Performance returns within are calculated for the founding Class of Units for Goodwood Milford Fund LP. Other classes or series or strategies, may charge different fees and/or have different holdings and therefore returns between classes and Funds may vary. In addition, although the Goodwood Milford Fund LP has a similar mandate to the Investment Grade Corporate Bond mandate, each mandate may charge different fees, have different portfolio holdings and asset classes and therefore performance returns between the mandates will vary. As a result, the Goodwood Milford Fund Class S returns are not directly comparable and there can be significant differences between mandates. Fund returns are net of all fees. Past performance is not indicative of future results. Please contact Goodwood to better understand the differences between the Goodwood Milford Fund returns and the Investment Grade Corporate Bond and ESG-Conscious Investment Grade Bond mandates. The Investment Grade Bond Mandate and ESG-Conscious Investment Grade Bond Mandate are part of a third-party investment manager UMA account program for which Goodwood Inc. acts as sub-advisor. The information provided herein is for informational purposes. The UMA mandates are only available to clients of the third-party manager's advisors who are part of the third-party UMA account program.** Performance data from certain market indices/ETFs (iShares Core Canadian Universe Bond ETF and iShares Canadian Corporate Bond ETF) are provided in this presentation for information purposes only. A comparison of the Fund's performance to such ETFs is of limited use because the composition of the portfolios may contain other securities not found in the market index/ETF. As a result, no market indices/ETFs are directly comparable to the results of the Fund or strategy.

This communication is not a product of any research department. Goodwood Inc. does not have a research department. Any views and/or commentary in this communication is by the Author (Portfolio Manager of the Goodwood funds). This commentary is not a recommendation and does not take into account whether any product or transaction is suitable for any particular investor. The information contained herein is drawn from sources believed to be reliable, but the accuracy or completeness of the information is not guaranteed. The opinions expressed are based upon our analysis and interpretation of these particulars and are not to be construed as a solicitation or an offer to buy or sell the securities mentioned herein. The Goodwood funds and/or the principals, officers, directors, employees of Goodwood Inc. may have a position in the securities mentioned herein and may make purchase and/or sales of these securities from time to time. Our valuations may contain forward-looking information which is subject to change. Actual results or performance may differ materially from those expressed or implied in this document as a result of unforeseen events and their effects on our valuations and opinions. No representation is being made that any account will or is likely to achieve profits or losses similar to those mentioned herein. There can be significant differences between hypothetical performance results and the actual results subsequently achieved by any particular portfolio or trading strategy.