



# Goodwood – Investment-Grade Bonds

Updated: July 3, 2024

## 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 150-200 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. Where we see opportunities, we have been extending duration exposure in our portfolios by selectively adding 7-10 year securities.

## PERFORMANCE

Compound Return (%) June 30, 2024	YTD	1 Yr	3 Yr	Since Inception*	Yield to Maturity	Effective Duration
<b>Investment-Grade Bond UMA</b>	<b>1.4</b>	<b>4.4</b>	<b>1.0</b>	<b>0.9</b>	<b>4.9</b>	<b>3.6</b>
iShares Core Canadian Universe Bond ETF	-0.4	3.6	-1.9	-1.5	4.3	7.2
iShares Canadian Corporate Bond ETF	1.1	6.4	-0.2	0.0	5.0	5.8

\*Inception: June 22, 2021. Since inception performance for iShares Core Canadian Universe Bond Index ETF & iShares Canadian Corporate Bond Index ETF calculated from June 30, 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 (founding UMA), gross of fees and referencing sources believed to be reliable. Performance returns may vary from the founding UMA due to variations in the percentage of each security held, the timing and pricing of security purchases and sales, and account fees. 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

Security	Weight	Moody's	Fitch	S&P	DBRS	Sector
Bell Canada 4.55% 09/02/2030	4%	Baa1		BBB+	BBB (high)	Technology
BMW Canada 4.76% 02/10/2025	4%	A2		A		Consumer
BP Capital Markets 3.47% 05/15/2025	4%	A1	A+	A-		Energy
CAE INC C28 5.541% 06/12/2028	4%			BBB-		Industrials
Canada Housing Trust FRN 03/15/2027	4%	Aaa			AAA	Financials
Canada Post 4.08% 07/16/2025	4%	Aaa			AAA	Industrials
Choice Properties REIT 6.003% 06/24/2032	4%			BBB	BBB (high)	Real Estate
CI Financial Corp 3.759% 05/26/2025	4%	Baa3			BBB (low)	Financials
CNHI Capital Canada Ltd. 5.50% 08/11/2026	4%	Baa2	BBB+	BBB		Industrials
Dollarama C29 2.443% 07/09/2029	4%				BBB	Consumer
Granite REIT Holdings LP 6.074% 04/12/2029	4%	Baa2			BBB (high)	Real Estate
Honda Canada Financial 4.899% 02/21/2029	4%	A3			A (high)	Financials
Hydro One 4.39% 03/01/2034	4%	A3			A (high)	Utilities
Loblaw Co CB 4.488% 12/11/2028	4%			BBB	BBB (high)	Consumer
Manulife Bank 4.546% 03/08/2029	4%			A+		Financials
Merc-Benz CA 5.14% 06/29/2026	4%	A2	A	A	A	Consumer
Ontario Power Generation 4.922% 07/19/2032	4%	A3		BBB+	A (low)	Utilities
Province of B.C. MTN 5% 06/18/2031	4%	Aaa		AA	AA (high)	Government Activity
RBC 5.235% 11/02/2026	4%	A1	AA-	A	AA	Financials
Rogers Comm CB 4.25% 04/15/2032	4%	Baa3	BBB-	BBB-	BBB (low)	Technology
Saputo CB-29 5.25% 11/29/2029	4%	Baa1			BBB	Consumer
South Coast BC Transportation Authority 3.05% 06/04/2025	4%	Aa2			AA	Industrials
Telus Corp 4.95% 02/18/2031	4%			BBB		Technology
Toyota Credit Canada 5.29% 07/13/2026	4%	A1		A+		Financials
Veren Inc. 5.505% 06/21/2034	4%				BBB (low)	Utilities

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](mailto:cscumming@goodwoodfunds.com).