

# Goodwood Fixed Income Strategies

Compound Return (%)	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception	Distribution Yield	Effective Duration
<b>Goodwood Milford Fund*</b>	<b>3.78</b>	<b>4.14</b>	<b>0.40</b>	<b>3.42</b>	<b>4.09</b>	<b>10.02</b>	<b>4.0%*</b>	<b>3.1</b>
iShares Core Canadian Universe Bond ETF	-0.42	3.60	-1.87	-0.15	1.73	-	3.4%	7.2
iShares Canadian Corporate Bond ETF	1.10	6.35	-0.22	1.13	2.37	-	4.1%	5.8
S&P/TSX Composite TR Index ("TSX")	6.05	12.13	5.98	9.28	6.95	6.75	-	-

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 2024

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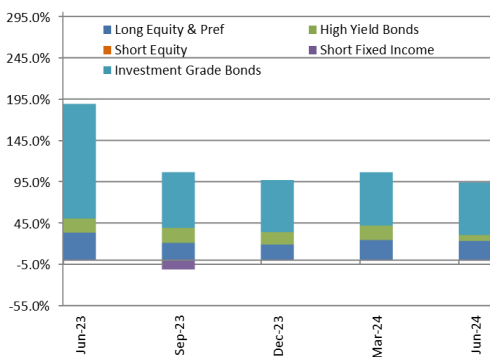

## Goodwood Fixed Income Strategies

**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 June and year-to-date returns were +0.29% and +3.78% compared to the FTSE TMX Canadian Universe Bond Broad Composite Index ("FTSE") of +1.13% and -0.38%, respectively. June was a volatile month for fixed income. The month began with a rally that took the US 10-year yield down approximately 30 bps to 4.20% (yields down, price up) at mid-month. However, after the June 12 FOMC 'no cut' rate decision, US yields rose steadily to end the month around 4.34%. The FOMC rate decision contained the latest Summary of Economic Projections which included updates to the "dot plots" that set out Committee members forecasts on future levels of GDP, inflation, unemployment, and targets for the Fed Funds rate. In our view, the market was surprised (which precipitated the mid month sell-off) when the latest "dot plot" showed a median forecast of only one rate cut in 2024, down from 3 cuts in the March publication.

In Canada, the Bank of Canada (the "BoC") cut the policy interest rate by 25 bps on June 5. The BoC noted that they have gained confidence that inflation was easing towards their 2% inflation target and that monetary policy no longer needs to be as restrictive. The BoC cut was the first amongst the G7 nations. The ECB followed the BoC cut with a similar 25 bps cut. Yields in the Canadian bond market followed a similar path to the US with a start of the month rally in the 10-year to 3.26%. After the FOMC rate decision, yields rose to 3.66%. The top performing sectors in the FTSE in June were long Provincials and Canadas.

**High Yield Bonds** - The US high-yield bond ETF (iShares iBoxx \$ High Yield Corporate Bond ETF) returned +0.95% in June, and the year-to-date return was +2.18%.

**Equities** - The S&P/TSX Composite TR Index ("TSX") June and year-to-date returns were -1.42% and +6.05%. The Dow Jones Industrial Average ("DJIA") June and year-to-date returns were +1.23% and +4.79%. The TSX and the DJIA indices pulled back slightly from the all-time highs reached in May while the NASDAQ and the S&P in the US hit fresh new all-time highs in June.

**Preferred Shares** - The S&P/TSX Preferred Share Index returned -0.02% in June and +14.19% year-to-date. 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)	4.0%
Effective Duration (Years) (Net)	3.1
Net Capital Invested	94.0%
Correlation to Broad Mkt (TSX)	0.60

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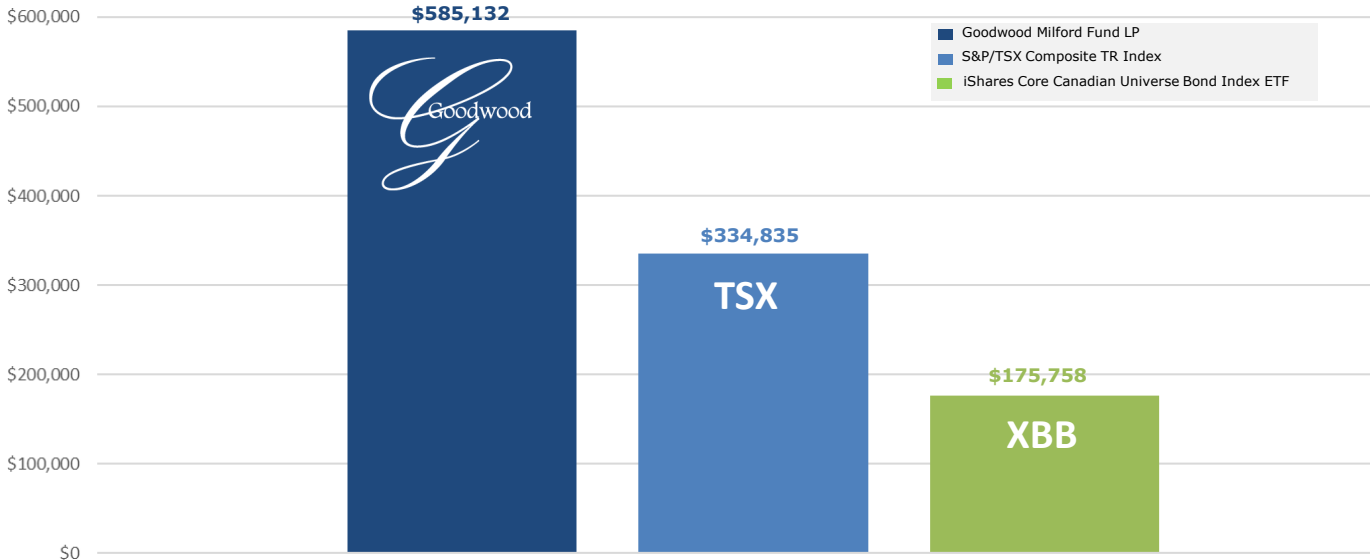
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**Growth of \$100,000 Invested January 1, 2006**



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

**Investment Awards:**

- 2021 Global Manager Research Top Performer: **Credit-Focused Alternatives - 3-Year Return**
- 2021 Global Manager Research Top Performer: **Credit-Focused Alternatives - 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**



**Goodwood Milford Fund**

WINNER OF THE 2019 CANADIAN HF AWARDS  
**Credit Focused**  
 Best 1 Year Return  
**1st Place**



**Goodwood Milford Fund**

WINNER OF THE 2019 CANADIAN HF AWARDS  
**Overall Best Hedge Fund**  
 Best Combined 10 Year Return AND Sharpe Ratio  
**1st Place**

**Information Disclosure:**

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