

Goodwood Fixed Income Strategies

Compound Return (%)	1 Mo	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	Inception	Weighted Average Yield	Effective Duration
Goodwood Milford Fund*	2.49	4.04	11.17	1.32	3.38	4.76	9.61	10.12	6.9%	6.6
iShares Core Canadian Universe Bond ETF	1.20	2.20	6.88	0.87	0.35	1.49	2.87	-	3.3%	7.4
iShares Canadian Corporate Bond ETF	1.06	2.60	8.74	2.73	1.75	2.44	3.51	-	3.9%	5.8
S&P/TSX Composite TR Index ("TSX")	3.48	6.47	25.19	9.97	11.45	8.96	8.92	7.49	2.9%	-

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.

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Portfolio Manager

Chris Currie, CFA
ccurrie@goodwoodfunds.com



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.

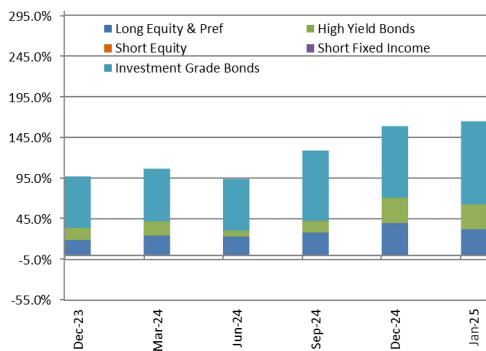
Private Client Accounts - Goodwood offers segregated managed accounts to individual investors utilizing a corporate bond and equity investment strategy similar to the Goodwood Milford Fund; however, each account is customized to meet investors' goals, objectives and risk tolerances.

President

Curt Cumming
 416-203-2522
ccumming@goodwoodfunds.com



Historical Asset Allocation*



Goodwood Milford Fund Portfolio Review

Investment Grade Corporate Bonds - Tariffs, Tariffs, Tariffs are the major economic issue concerning investors right now. The early February tariff announcement by President Trump on Canada, Mexico and China created extreme levels of investor anxiety on February 3rd. Markets opened down hard (equities and Canadian dollar) and higher (bonds flight to safety trade). Markets started to reverse losses after Mexico announced it had negotiated a 30 day pause in the tariffs by agreeing to increase troops at the southern US border and increase spending directed towards slowing fentanyl and migrant border crossings. Canada reached a similar agreement for a 30 day pause later Monday afternoon. Markets experienced wild swings throughout February 3rd. Canadian 10 year bond yields fell by approximately 18 bps (prices up by about \$1.50) at the market open; after the news release from Mexico this trade reversed and 10 year prices fell by about a dollar (yields increased by approximately 12 bps). The Canadian dollar dropped at the market open by about 4/100 from 1.4396 to 1.4789. After Mexico announced its agreement with Trump, the Canadian dollar recovered its losses to end the day at 1.4393. Canadian equities opened sharply down - approximately 800 points or 3%. The TSX recovered by 600 points to end February 3rd down 1.1%.

In January, both the Bank of Canada and the US released interest rate announcements. The Bank of Canada cut by 25 basis points to bring the policy rate to 3.00%. The Bank of Canada has cut rates at every meeting since June 2024 for a total of six cuts reducing the policy rate by 200 bps. Goodwood anticipates the Canadian policy rate may fall to 2.50% by Q2 2025. The US FOMC stayed put with no change in rates. Goodwood believes one more cut in the US is likely in Q3. In our view, FOMC Chairman Powell risks a rise in inflation expectations if he cuts rates further.

Portfolio Statistics	FUND
Effective Duration (Years) (Net)	6.6
Net Capital Invested	164.6%
Correlation to Broad Mkt (TSX)	0.60

The Fund returned +2.49% in January as a result of strong bond and equity prices.

High Yield Bonds - The US high-yield bond ETF (iShares iBoxx \$ High Yield Corporate Bond ETF) returned +1.41% in January. High yield bonds rallied in line with the rally in risk assets in January. On February 3rd, spreads in the Canadian high yield bond market widened at the market open by 5-10 bps. There was little to no recovery noticed by traders after the Mexican and Canadian announcements.

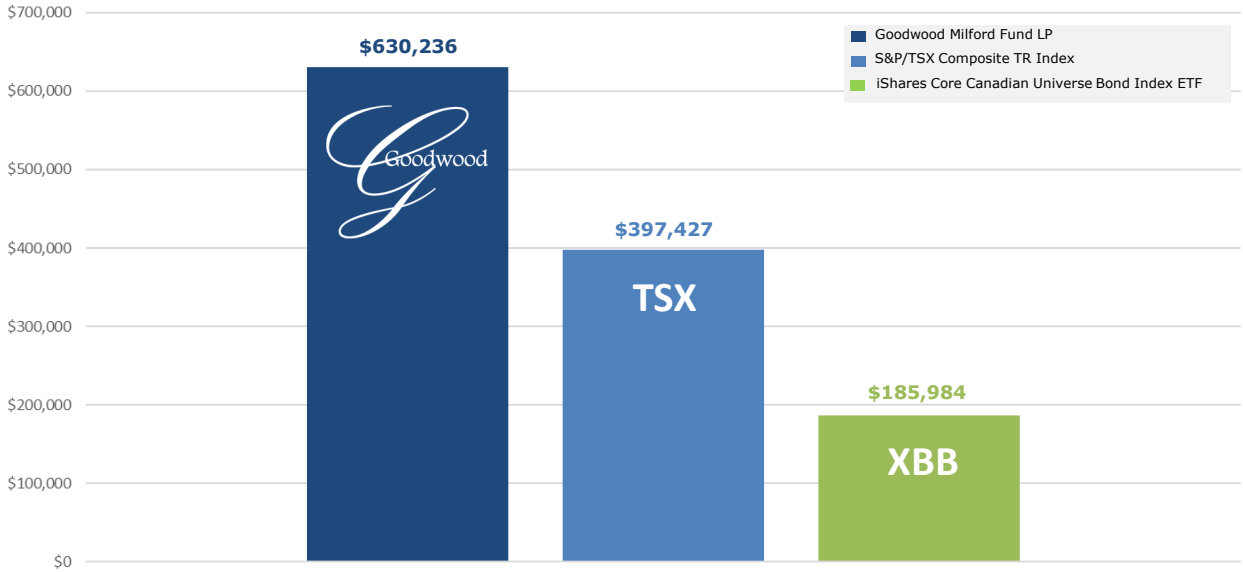
Equities - The S&P/TSX Composite TR Index January return was +3.48%, and the Dow Jones Industrial Average total returns was +4.78%. US stock returns were strong in January. The tech sector suffered a setback when news relating to results from Chinese AI company Deepseek hit the newswires.

Preferred Shares - The S&P/TSX Preferred Share Index returned +2.25% in January. The Fund currently holds no preferred shares.

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

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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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