

# DYNAMIC SHORT TERM CREDIT PLUS FUND

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September was a good month for credit overall, with the US outperforming Canada. The fact the corporates gained in the month was impressive given the massive amount of supply we saw in both currencies, \$20.5B in CAD and \$216.5B USD (a US\$ issuance record for September). This highlights the strong demand for corporate bonds given the relative attractive all-in yields and still solid fundamentals. We took the opportunity to reduce tighter spread holdings and risk overall by selling outperforming higher-beta names. That said we also took advantage of some attractive new issues across Core Fixed Income's fund mandates. We highlight some below.

## Diversified Financial:

- Since September 4's issuance, we sold approximately half of our position **26 basis points TIGHTER, which OUTPERFORMED the US IG Index which tightened 3 bps** over the same time period.
- This Diversified Financial entity was the 2<sup>nd</sup> best new issue performer for the month of September in the < 5 year bond bucket.

## US\$ Money Centre Banks:

- After US\$ Money Centre Banks widened ~15 bps in the 2<sup>nd</sup> half of August due to expectations of the massive amount of supply in September, we RE-PURCHASED 5 year and 10 year US Money Centre Banks at attractive new issue concessions.
- Since our purchase, Citigroup's 5-year and 10-year bonds **TIGHTENED 10-14 bps** compared to the **US IG Index which tightened 5 bps** over the same time period.

## Royal Caribbean Cruises/RCL

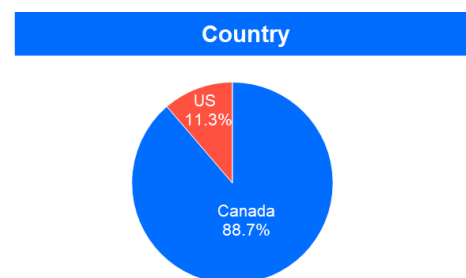
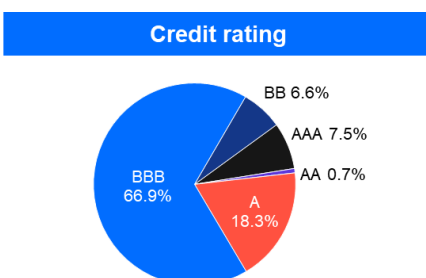
- **RCL bonds TIGHTENED 10 bps while the US IG Index has widened 2 bps** since September 22, 2025's issuance date.

The government shut down, while a possible concern if it lasts for an extended period of time, has had no impact on the credit markets thus far. If the past is any indicator, we would not expect a material move to occur. That said, we believe that any volatility related specifically to the shutdown would represent an opportunity to add risk assets.

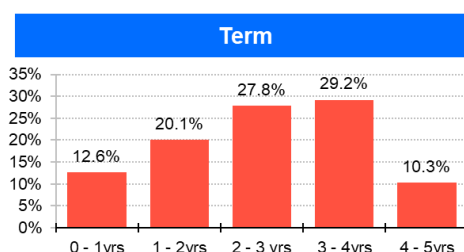
As always, we appreciate your support and are available to discuss markets or portfolio positioning.

## Fund Positioning

Asset allocation	
Cash	-14.1%
Government	-99.5%
Corporate IG	200.5%
Corporate HY	13.1%



Key statistics	
YTM (Gross)	5.08%
Duration	2.56 yrs
Credit Duration*	4.87 yrs
Net Leverage*	2.00



## Fund Performance

Annualized net of fees	YTD	1m	3m	6m	1yr	3yr	SI	2022*	2023	2024
Dynamic Short Term Credit PLUS Fund	5.4	1.1	2.6	4.4	8.3	10.2	7.6	(0.7)	10.9	12.3
FTSE Canada Short Term Corporate Bond Index	4.2	0.9	1.7	2.6	5.3	6.4	3.9	(3.4)	6.7	7.3

Source: 1832 Asset Management, September 30, 2025, Fund Inception: January 27, 2022

\*Net of hedges

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