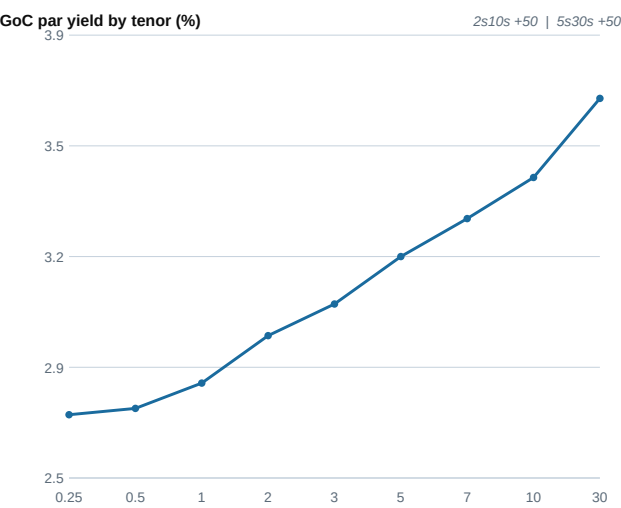


PORTFOLIO RISK SUMMARY

Metric	Value
Market value	\$212.5mm
Weighted yield	3.76%
Modified duration	8.52
Convexity	114.8
Portfolio DV01	\$181,077 / bp
Spread DV01 (provincial)	\$107,347 / bp
Green allocation	14.9%

GOVERNMENT OF CANADA PAR CURVE



KEY-RATE DURATION (WHERE CURVE RISK SITS)

Key tenor	Duration	DV01 \$/bp
2y	0.00	0
5y	1.39	29,583
10y	4.50	95,525
30y	2.63	55,846

SCENARIO P&L (FULL REPRICE)

Scenario	P&L \$mm	% MV
Parallel +50bp	-8.76	-4.1%
Parallel -50bp	+9.37	+4.4%
Bear flattener	-4.40	-2.1%
Bull steepener	+4.52	+2.1%

PROVINCIAL RELATIVE VALUE (SPREAD VS SECTOR AVG)

Bond	Issuer	Spd bp	vs avg	Call
ALB-2035	Alberta	72	+11	cheap
QC-2055	Quebec	64	+3	fair
QC-G-35	Quebec	64	+3	fair
ONT-2035	Ontario	60	-1	fair
ONT-G-35	Ontario	60	-1	fair
BC-2031	B.C.	46	-15	rich

CREDIT / SPREAD RISK (SPREAD DV01 BY ISSUER)

Issuer	Spread DV01 (\$/bp)
Ontario	40,603
Quebec	39,240
Alberta	16,164
British Columbia	11,341
Total provincial	107,347

SOURCES & REFERENCES

Input	Source
Curve data	Bank of Canada, Selected Bond Yields (Jun 2026)
Provincial	Ontario Financing Authority; Min. des Finances du Quebec
Green bonds	ICMA GBP (2021); ON Framework (Jan 2024); QC Framework (Jul 2022)
Live levels	Bloomberg (BVAL, yield analytics)
Risk method	Tuckman & Serrat (2011); Fabozzi, Bond Markets
Key-rate	Ho (1992), Journal of Fixed Income
Standards	CFA Institute, Fixed Income curriculum

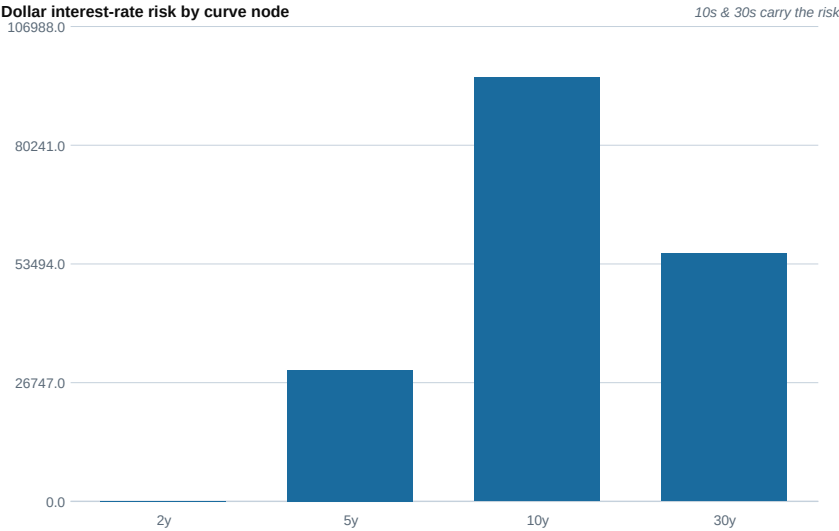
HOLDINGS & BOND-LEVEL RISK (green rows highlighted)

Bond	Issuer	Mat	Yld %	Mod dur	DV01 \$/bp	MV \$mm
GOC-2030	Canada	5	3.20	4.60	18,250	39.6
GOC-2035	Canada	10	3.45	8.46	29,102	34.4
GOC-2055	Canada	30	3.70	18.24	26,377	14.5
ONT-2035	Ontario	10	4.05	8.17	24,409	29.9
ONT-G-35	Ontario	10	4.05	8.20	16,194	19.8
QC-2055	Quebec	30	4.34	16.80	29,537	17.6
QC-G-35	Quebec	10	4.09	8.18	9,703	11.9
BC-2031	B.C.	5	3.66	4.53	11,341	25.0
ALB-2035	Alberta	10	4.17	8.13	16,164	19.9

EXPOSURE (% MARKET VALUE)

Issuer	% MV	Sector / liquidity	% MV
Canada (GoC)	41.6	High liquidity	67.5
Ontario	23.4	Medium liquidity	32.5
Quebec	13.9	GoC sovereign	41.6
British Columbia	11.8	Provincial credit	58.4
Alberta	9.4		

PORTFOLIO DV01 BY KEY TENOR (\$/bp)



CURVE STRESS GRID -- PORTFOLIO P&L (\$mm)

Level	Flattener -20	Parallel	Steepener +20
50bp	+9.33	+9.37	+9.48
-25bp	+4.52	+4.60	+4.76
0bp	-0.13	0.00	+0.20
+25bp	-4.63	-4.45	-4.22
+50bp	-8.97	-8.76	-8.49

RECOMMENDED TRADES

Trade	Rationale	Risk impact
Trim duration 8.52 to 6.5	DV01 sits in 10y (~\$96k/bp) and 30y (~\$56k/bp); cut the long end	-2.02y, ~-\$43k/bp
Buy ALB 10s vs sell BC 5s	Alberta cheap at 72bp (+11); B.C. rich at 46bp (-15)	Pick up ~26bp
Rotate QC 30s into ON/QC green 10s	Lifts green above 15% and cuts duration together	Two aims, one trade

RISK LIMITS & GOVERNANCE

Control	Current	Limit / note
Modified duration	8.52	Band 6.0-9.0; target 6.5
Single issuer (Canada)	41.6%	Max 50%
Top province (Ontario)	23.4%	Max 25%
High-liquidity sleeve	67.5%	Floor 60%
Provincial spread DV01	\$107k/bp	Monitored vs mandate

POSITIONING RECOMMENDATION

Stance: long the right assets, wrong point on the curve. Reduce duration to 6.5 out of the 10y and 30y, add Alberta on spread against rich B.C., and use the green rotation to cut duration and lift the ESG sleeve at once. The book is then carry-positive, inside every limit, and shorter duration into a curve that still prices term-premium risk.

- Canadian rates
- GoC + provincials
- Duration / DV01 / key-rate
- Scenario reprice
- Relative value
- ESG overlay
- Pure Python

Tenor: Canadian Fixed-Income Positioning

GoC curve, portfolio risk and scenario P&L · published 15 June 2026

MEASURE	AT PUBLICATION	SEP 17, 2026
Bank of Canada target rate	n/a	2.25%
CORRA	n/a	2.29%
GoC 2-year	n/a	3.35%
GoC 5-year	n/a	3.64%
GoC 10-year	n/a	3.92%

The curve levels current as of this review are listed above.¹ The build itself is a method rather than a dated call: duration, DVo1, key-rate risk and scenario repricing recompute from whatever curve is loaded, so the mechanics stand and only the inputs move. The front end remains steep, with the 2-year roughly 106bp above the overnight rate, so the forward path still prices meaningful tightening.

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Sources. ¹ Bank of Canada, observation date 16 September 2026, retrieved from the Valet API: target overnight rate 2.25%, CORRA 2.29%, Government of Canada benchmark yields 2Y 3.35%, 5Y 3.64%, 10Y 3.92%, long 4.25%.