

Lysander-Slater Preferred Share Dividend Fund

December 2019

SLATER
ASSET MANAGEMENT



FundSERV: LY920F

Managed by: **Doug Grieve, CIO**
SLATER ASSET MANAGEMENT INC.

Fund Information

INCEPTION
December
30, 2014

AUM
\$79.3mil
as of
12/31/19

MER
Series F: 0.99%
as of 6/30/19
(Unaudited)

CURRENT YIELD
(before fees)
5.3%
as of 12/3/19

Objective

The Fund's objective is to seek to generate income while preserving investor capital by investing primarily in preferred securities of Canadian issuers that are listed on a Canadian stock exchange.

Manager's Monthly Commentary

Series F of the Lysander-Slater Preferred Share Dividend Fund (the "Fund") posted a remarkable monthly return of 4.10% in December, outperforming the S&P/TSX Preferred Share Index by 162 bps. The strong monthly performance has enabled the Fund to finish the year in positive territory with an annualized return of 2.0%. Since August, the Fund and Preferred Shares have performed well. We feel the fall and early winter rally can be explained by the upward movement in the 5-year GoC bond yield, which finished the year at 1.7%, the highest level since early March. We believe the current 5-year GoC bond yield can be supported by several recent economic developments including; the greater than expected inflation numbers in Canada that were reached in November. In addition, the signing of a "Phase 1" trade deal between the U.S and China has been viewed as positive for the global economy and could result in investors rotating out of treasuries (higher yields) and into more growth oriented asset classes. This should stabilize government yields, both in Canada and the US, which is beneficial for fixed reset Preferred Shares. Despite the recent positive performance in Preferred Shares, we still believe the market is attractive, with many discounted fixed resets offering current yields of over 5.0%, that could increase their dividend upon reset in the coming years (assuming the 5-year bond holds the 1.7% yield). On a historical basis Preferred Share yields (relative to bond yields) continue to be at wide levels and remain attractive.

For more information please contact
Doug Grieve, Portfolio Manager

T: 416-929-5546
E: dgrieve@slaterassetmanagement.com

Inception is Dec. 30, 2014

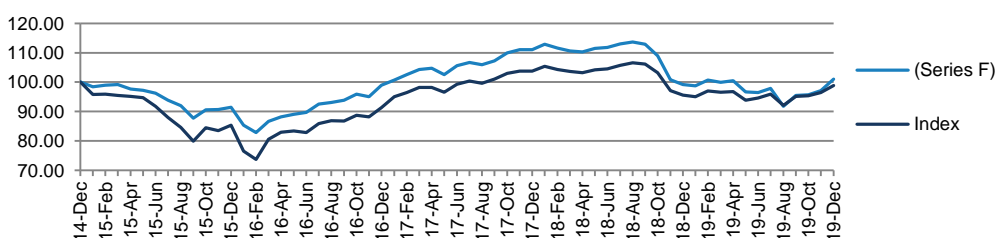
Performance as of December 31, 2019

Name	1 month	3 month	YTD	1 Year	3 Year	5 Year	Since Inception
Series F	4.10%	5.79%	2.00%	2.00%	0.72%	0.22%	0.22%
S&P/TSX CDN Preferred Share Index (TXPR)	2.48%	3.89%	3.48%	3.48%	2.68%	-0.30%	-0.23%

Top 10 Holdings as of December 31, 2019

Name	%
CASH AND EQUIVALENTS	3.9
GEORGE WESTON PFD	2.2
PEMBINA PFD	2.1
FAIRFAX FINANCIAL PFD	1.8
TC ENERGY PFD	1.8
PEMBINA PFD SERIES 3	1.7
SUN LIFE FINANCIAL PFD	1.6
GREAT WEST LIFE PFD	1.6
FAIRFAX FINANCIAL PFD SERIES K	1.5
PEMBINA PFD SERIES 25	1.5
Total	19.7

Fund vs. Index

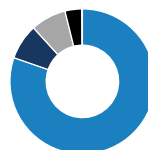


Credit Rating



■ P1/P2 46.6%
■ P2/P3 18.1%
■ P3 31.4%
■ Cash & Other 3.9%

Structure



■ Fixed Reset 81.1%
■ Straight Perpetual 8%
■ Floater 8%
■ Cash & Equivalents 3.8%
■ Other 0.1%

Lysander Funds Limited is the investment fund manager of Lysander-Slater Preferred Share Dividend Fund (the "Fund"). This document is not an invitation to invest in the Fund and does not constitute a public offering of sale. Purchases in the Fund can only be made through an Investment Professional on the terms in the Fund's offering document by eligible investors. Each purchaser of units in a fund may have statutory or contractual right of action. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed or insured, their values change frequently and past performance may not be repeated.

This publication contains forward-looking statements. Statements concerning a Fund's objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates, and the business, operations, financial performance and condition of the Fund are forward-looking statements. The words "believe", "expect", "anticipate", "estimate", "intend", "may", "will", "would" and similar expressions and the negative of such expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward looking statements are subject to important risks and uncertainties that could cause actual results to differ materially from current expectations. While Slater Asset Management ("Slater") considers these risks and uncertainties to be reasonable based on information currently available, they may prove to be incorrect. The information in this document is subject to change without notice. Slater does not assume any duty to update any of the information.

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