

Lysander-Slater Preferred Share *Activ*ETF

February 2018

SLATER ASSET MANAGEMENT



TSX: PR

Fund Information

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

INCEPTION
August 10,
2015

AUM
\$104.0 mil
as of
2/28/18

MER
1.03%
as of 06/30/17
(Unaudited)

CURRENT YIELD
(before fees)
4.5%
as of 2/28/18

Objective

The *Activ*ETF seeks to generate income while preserving investor capital by investing primarily in preferred shares of Canadian entities that are listed on a Canadian stock exchange.

Manager's Monthly Commentary

For the month of February the Lysander-Slater Preferred Share *Activ*ETF ("ETF") posted a return of -1.19%, slightly underperforming the index by 14bps. Year-to-date the ETF has posted a return of 53bps. The recent sell off of government bonds in Canada and the US has played havoc with North American equity markets. We believe investors are re-evaluating equity portfolios, and re-considering equity holdings designed to capture yield by shifting them into other more defensive asset classes. We expect that Preferred Shares are one of those asset classes. In the last couple of weeks we have seen 2 fixed reset new issue Preferred Shares come to market, including Industrial Alliance \$150 million 4.8% (275bp spread) and TD Bank \$350 million 4.75% (275 bps). Both deals were received favourably. We continue to see value in the market going forward, especially with the understanding that higher rates could provide bigger coupons for rate reset Preferreds.

For more information please contact
Doug Grieve, Portfolio Manager

T:416-929-5546

E:dgrieve@slaterassetmanagement.com

Performance as of February 28, 2018

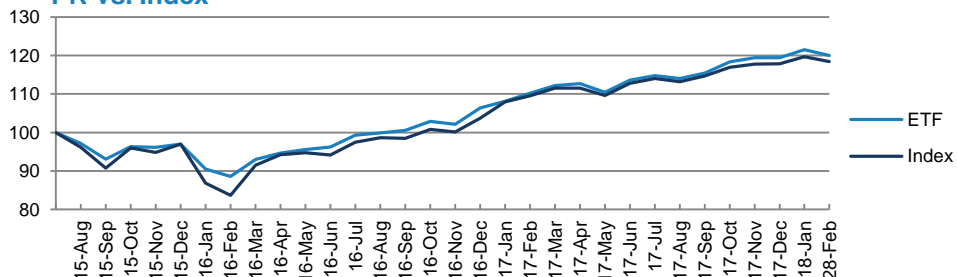
Inception is August 10, 2015

Name	1 month	3 months	YTD	1 year	Since Inception
Lysander-Slater Preferred Share <i>Activ</i> ETF	-1.19%	0.51%	0.53%	8.89%	7.40%
S&P/TSX Cdn Preferred Share (Total return) Index	-1.05%	0.57%	0.51%	8.15%	6.85%

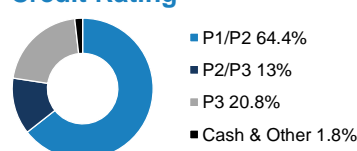
Top 10 Holdings as of February 28, 2018

Name	%
MANULIFE FINANCIAL PFD	4.1
INDUSTRIAL ALLIANCE PFD	4.1
SUN LIFE FINANCIAL PFD	4.0
EMERA PFD	3.8
COMMERCE BANK PFD	3.6
FAIRFAX FINANCIAL PFD	3.3
ROYAL BANK PFD	3.2
POWER FINANCIAL PFD	2.9
TORONTO DOMINION PFD	2.9
CANADIAN UTILITIES PFD	2.5
Total	34.4

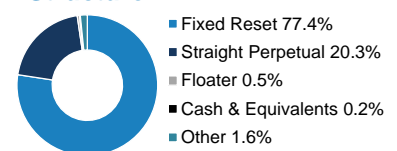
PR vs. Index



Credit Rating



Structure



See the prospectus for more details on the Lysander-Slater Preferred Share *Activ*ETF ("ETF"). This document is not an invitation to invest in the ETF, nor does it constitute a public offering of sale. Commissions, trailing commissions, management fees and expenses all may be associated with ETF investments. The indicated rates of return are based on calculated net asset values per unit, which are net of management fees, operating expenses, and applicable taxes. These returns include changes in unit value and reinvestment of all distributions and do not take into account certain fees such as redemption fees or optional charges or income taxes payable by any securityholder that would have reduced returns.

Please read the prospectus before investing. ETFs are not guaranteed, their values change frequently and past performance may not be repeated. You will usually pay brokerage fees to your dealer if you purchase or sell units of the ETF on the Toronto Stock Exchange ("TSX"). If the units are purchased or sold on the TSX, investors may pay more than the current net asset value when buying units of the ETF, and may receive less than the current net asset value when selling them. ©Lysander Funds is a registered trademark of Lysander Funds Limited

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