

Lysander-Slater Preferred Share Dividend Fund

February 2018

SLATER

ASSET MANAGEMENT



FundSERV: LYZ 920A / 920F

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

Fund Information

INCEPTION
December
30, 2014

AUM
\$94.8mil
as of
2/28/18

MER
Series A: 1.56%
Series F: 0.99%
as of 06/30/17
(Unaudited)

CURRENT YIELD
(before fees)
4.6%
as of 2/28/18

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

For the month of February Series F units of the Lysander-Slater Preferred Share Dividend Fund ("The Fund") posted a return of -1.19%, slightly underperforming the index by 14bps. Year-to-date the Fund has posted a return of 51bps. 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

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Performance as of February 28, 2018

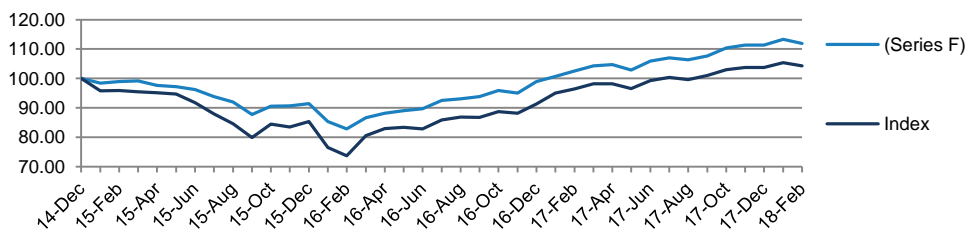
Inception is Dec. 30, 2014

| Name | 1 month | 3 month | YTD | 1 Year | 3 year | Since Inception |
|--|---------|---------|-------|--------|--------|-----------------|
| Series A | -1.23% | 0.37% | 0.42% | 8.20% | 3.50% | 2.94% |
| Series F | -1.19% | 0.51% | 0.51% | 8.81% | 4.09% | 3.52% |
| S&P/TSX CDN Preferred Share Index (TXPR) | -1.05% | 0.57% | 0.51% | 8.15% | 2.82% | 1.34% |

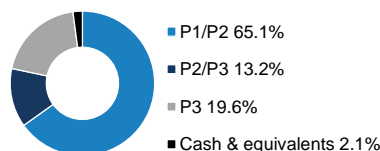
Top 10 Holdings as of February 28, 2018

| Name | % |
|-------------------------|-------------|
| INDUSTRIAL ALLIANCE PFD | 4.5 |
| MANULIFE FINANCIAL PFD | 4.3 |
| EMERA PFD | 3.8 |
| SUN LIFE PFD | 3.8 |
| COMMERCE BANK PFD | 3.7 |
| FAIRFAX FINANCIAL PFD | 3.3 |
| ROYAL BANK PFD | 3.0 |
| TORONTO DOMINION PFD | 2.7 |
| POWER FINANCIAL PFD | 2.7 |
| CANADIAN UTILITIES PFD | 2.6 |
| Total | 34.4 |

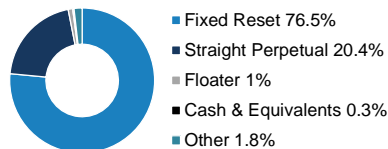
Fund vs. Index



Credit Rating



Structure



Commissions, trailing commissions, management fees, & expenses all may be associated with mutual fund investments. Please read the prospectus before investing. 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.

Mutual funds are not guaranteed or insured, their values change frequently & past performance may not be repeated. Lysander Funds is a registered trademark of Lysander Funds LTD.

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