

# Lysander-Canso Corporate Value Bond Fund - Series A5

**Fund Code: LYZ801A5**

Portfolio Manager: Canso Investment Counsel Ltd.

As of September 30, 2019

Fund Category: Fixed Income

Benchmark: FTSE Canada All Corporate Bond Index<sup>1</sup>



## Risk Tolerance



## Investment Focus

The fund employs a deep value investment strategy with an unrestricted mandate both geographically and by credit quality. It invests primarily in fixed income securities, but can occasionally invest in equities.



Best Global Corporate Fixed Income Fund (3 Years)<sup>4</sup>

## Why Invest In This Fund

Established in 1997, Canso is an independent firm focused on bottom up security selection. Proprietary research developed over multiple market cycles guides the investment of over \$32.8 billion in AUM.

Each security is assessed on its own merits using bottom-up, fundamental research. Canso uses its proprietary Maximum Loss grade, where the max loss quantifies recovery value in the event of a default. The greater the potential downside, the lower the portfolio weight. Canso believes in concentrating their best ideas and having high conviction portfolios with limited holdings.

This independent credit expertise enables Canso to buy securities when they are out of favour and priced at a discount to their intrinsic value.

- **Long Term Capital Growth** - Manager is focused on long term capital growth, with returns consisting of income and some capital gains primarily through investing in corporate bonds of developed markets.
- **Adaptable to Market Conditions** - Portfolio is unconstrained from both a duration and credit perspective, allowing the manager the flexibility to position the portfolio according to market conditions. Mandate is benchmark agnostic.
- **Proven Management Expertise** - Large investment team with experienced credit specialists with an expertise in determining default risks and recovery values of issuers to identify corporate bond opportunities. The continuity of the team has contributed to the successful management of investor portfolios over different market cycles.

## Compound Returns - Series A5

1 Month	3 Months	YTD	1 Year	3 Year (Annualized)	Since Inception (Annualized)
0.1%	0.6%	3.4%	2.4%	2.4%	3.0%

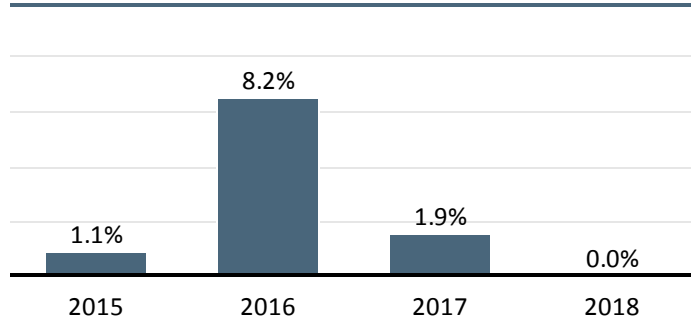
## Fund Facts

Series Inception Date	December 31, 2014
Currency	CAD
Fund AUM	\$2.7 Billion
NAVPU	\$8.67
Management Fee	1.25%
MER (As of June 30, 2019 - unaudited)	1.51%
Minimum Initial Investment	\$1,000
Minimum Subsequent Investment	\$100
Liquidity	Daily
RRSP Eligible	Yes

## Credit Quality Breakdown (%)

AA & Higher	35.1%
A	13.0%
BBB	32.0%
BB & Lower	15.2%
Not Rated	4.8%

## Calendar Year Returns - Series A5



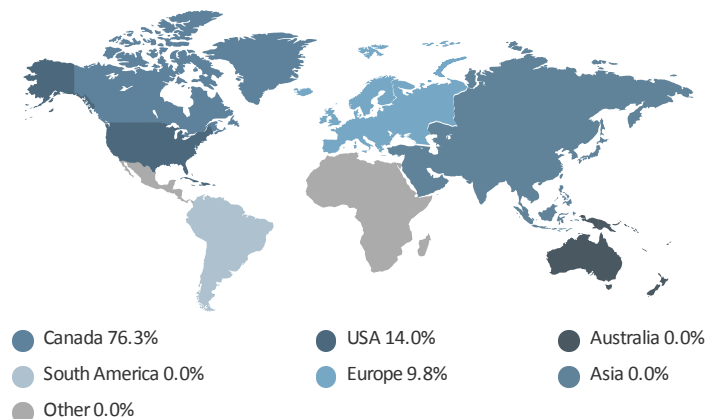
## Portfolio Characteristics

Number of Securities	166
Number of Issuers	76
Average Term to Maturity (Years)	4.5
Average Duration (Years)	1.3
Average Coupon (%)	3.4%
Yield to Maturity (%)	3.2%
Current Yield (%)	3.4%
Average Credit Quality <sup>2</sup>	A

## Top 10 Holdings

Security	% of Fund	Rating
BMO CB FRN Feb 1, 2023 (3M CDOR + 19)	8.1%	AAA
AT&T Inc. FRN (Q LIBOR + 118) Jun 12, 2024 (USD)	6.1%	BBB
Lloyds Bank PLC FRN Jul 11, 2023 (3M CDOR + 55)	4.0%	A+
Ford Credit Canada Co. FRN Mar 21, 2024 (3M CDOR + 314)	3.8%	BB+
TD Bank CB 1.68% Jun 8, 2021	3.6%	AAA
GE Capital Canada 4.60% Jan 26, 2022	3.3%	BBB+
RBC CB FRN Jun 27, 2022 (3M CDOR + 14)	3.2%	AAA
TD CB FRN Jun 28, 2023 (3M CDOR + 31)	2.9%	AAA
Ford Motor Credit Co LLC FRN Jan 7, 2022 (USD)(Q LIBOR+314)	2.2%	BBB
Kraft Canada Inc. FRN July 6, 2020 (Q CDOR +105)	2.0%	BBB-
<b>Total</b>	<b>39.2%</b>	

## Geographic Breakdown



## Distributions

Distribution Frequency: Monthly
Most Recent Distribution per Unit: \$0.0417
12-Month Trailing Distribution Yield: 5.9%
Next Record Date: October 11, 2019; November 14, 2019; December 13, 2019
Next Record Date: October 15, 2019; November 15, 2019; December 16, 2019

Distributions (\$)/Unit <sup>3</sup>	YTD*	2018	2017	2016	2015
Total Distributions	0.3753	0.5111	0.7434	0.5087	0.5335
Interest		0.4765	0.3312	0.4969	0.4881
Dividends		0.0053	0.0022	0.0042	0.0020
Capital Gains		0.0299	0.4115	0.0090	0.0448
Withholding Tax		(0.0005)	(0.0015)	(0.0014)	(0.0014)

\*The final tax character will be determined based on the Fund's tax year end information

Lysander Funds Limited is the investment fund manager of Lysander-Canso Corporate Value Bond 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. 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 and past performance may not be repeated. <sup>1</sup>Source: FTSE Canada Global Debt Capital Markets. Copyright © FTSE Canada Global Debt Capital Markets. All rights reserved. <sup>2</sup>Fixed income securities unrated by external agencies are assigned an internal Canso rating for Average Credit Quality. <sup>3</sup>Distributions are based on the actual number of units outstanding at the relevant time. Distributions are paid in cash or reinvested in additional units, or both. The actual distribution rates are fixed on an annual basis of 5% for this series based on the original issue price of \$10.00 per unit. If the series' net income/capital gains is less than the amounts distributed in the year, the distribution will include a return of capital. In these circumstances, if an investor elects to receive their distributions in cash and not reinvest distributions, it is expected that the value of their investment will decline over time. Distributions are not an indication of performance, rate of return or yield. <sup>4</sup>The Fund won a Lipper Award in the Global Corporate Fixed Income category for the three-year period (out of a total of 11 funds) ending July 31, 2018. Data is aggregated until the end of July of any given year and results are published in November of that year. The corresponding Lipper Leader ratings of the Fund (Series A) for the 3 years and 5 years ending September 30, 2019 are as follows: N/A (1 year), 2 (3 years) and 3 (5 years). The Lipper Fund Awards honor funds and fund management firms that have excelled in providing consistently strong risk-adjusted performance relative to their peers. For more information, please visit [lipperfundawards.com](http://lipperfundawards.com). The Lipper Fund Awards are granted annually and recognize funds that have excelled in delivering consistently strong risk-adjusted performance relative to their peers. The Lipper Fund Awards are based on the Lipper Ratings for Consistent Returns, which is a risk-adjusted performance measure calculated over 36, 60 and 120 month periods. The highest 20% of funds in each category are named Lipper Leaders for Consistent Returns and receive a score of 5, the next 20% receive a score of 4, the middle 20% are scored 3, the next 20% are scored 2 and the lowest 20% are scored 1. The highest Lipper Leader for Consistent Return in each category wins the Lipper Fund Award. Lipper Leader ratings change monthly. For more information, see [www.lipperalpha.financial.thomsonreuters.com/lipper/our-methodology/](http://www.lipperalpha.financial.thomsonreuters.com/lipper/our-methodology/). Although Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Lipper. From Thomson Reuters Lipper Awards, ©2019 Thomson Reuters. All rights reserved. Used by permission and protected by the Copyright Laws of the United States. The printing, copying, redistribution, or retransmission of this Content without express written permission is prohibited. <sup>®</sup>Lysander Funds is a registered trademark of Lysander Funds Limited.