

Financial Statements

December 31, 2020

Lysander-Slater Preferred Share ActivETF



SLATER
ASSET MANAGEMENT



Independent Auditor's Report

To the Unitholders of Lysander-Slater Preferred Share ActivETF (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Michael Darroch.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
March 25, 2021

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Financial Statements December 31, 2020

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Statements of Financial Position

As at	31-Dec-20	31-Dec-19
Assets		
Financial assets at fair value through profit or loss*	\$ 64,191,867	\$ 82,603,415
Cash and cash equivalents	852,258	1,916,420
Due from investment dealers	1,819,754	655,433
Accrued interest	1,147	–
Accrued dividends	47,148	90,075
Total assets	\$ 66,912,174	\$ 85,265,343
Liabilities		
Due to investment dealers	\$ 1,742,290	\$ 447,470
Accrued management fees	35,338	46,974
Other accrued expenses	9,816	29,701
Distributions payable to holders of redeemable units	248,608	287,070
Total liabilities	\$ 2,036,052	\$ 811,215
Net assets attributable to holders of redeemable units	\$ 64,876,122	\$ 84,454,128
Number of redeemable units outstanding		
	7,769,000	9,569,000
Net assets attributable to holders of redeemable units per unit		
	\$ 8.35	\$ 8.83
* Financial assets at fair value through profit or loss at cost	\$ 62,656,802	\$ 87,017,797

Statements of Comprehensive Income

For the years ended	31-Dec-20	31-Dec-19
Income		
Interest for distribution purposes	\$ 1,249	\$ –
Dividend income	3,645,667	5,326,914
Realized and unrealized gain (loss) on investments		
Net realized gain (loss) on investments	(11,105,866)	(11,637,970)
Net foreign exchange gain (loss) on cash	(4,461)	9,263
Net other gain (loss)	4,248	(801)
Change in appreciation (depreciation) unrealized on investments	5,949,447	8,533,629
Total operating income	\$ (1,509,716)	\$ 2,231,035
Expenses		
Management fees	\$ 415,312	\$ 627,035
Commissions and other portfolio transaction costs	383,251	338,757
Operating fees	176,495	66,443
Harmonized sales tax	63,607	85,010
Other expenses	1,300	212
Total operating expenses	\$ 1,039,965	\$ 1,117,457
Change in net assets attributable to holders of redeemable units	\$ (2,549,681)	\$ 1,113,578
Change in net assets attributable to holders of redeemable units per unit		
	\$ (0.31)	\$ 0.1

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Statements of Changes in Net Assets Attributed to Holders of Redeemable Units

For the years ended	31-Dec-20	31-Dec-19
Net assets attributable to holders of redeemable units, beginning of year	\$ 84,454,128	\$ 97,590,059
Change in net assets attributable to holders of redeemable units from operations	(2,549,681)	1,113,578
Distributions to unitholders of redeemable units		
From net investment income	\$ (3,008,105)	\$ (4,009,537)
From return of capital	(308,027)	(550,110)
Total distributions	\$ (3,316,132)	\$ (4,559,647)
Redeemable unit transactions		
Proceeds from redeemable units issued	\$ 4,707,940	\$ 18,367,622
Cost of units redeemed	(18,420,133)	(28,057,484)
Change in net assets attributable to holders of redeemable units for the year	(19,578,006)	(13,135,931)
Net assets attributable to holders of redeemable units, end of year	\$ 64,876,122	\$ 84,454,128

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Statements of Cash Flows

For the years ended	31-Dec-20	31-Dec-19
Cash flows from (used in) operating activities		
Change in net assets attributable to holders of redeemable units	\$ (2,549,681)	\$ 1,113,578
Adjustments for:		
Foreign exchange loss/(gain) on cash and cash equivalents	4,461	(9,263)
Net realized loss/(gain) on sales of investments and derivatives	11,105,866	11,637,970
Change in unrealized (appreciation) depreciation of investments and derivatives	(5,949,447)	(8,533,629)
Purchase of investments	(102,574,101)	(100,316,759)
Proceeds from the sale and maturity of investments	115,959,729	111,691,859
Accrued dividends	42,927	(10,696)
Other receivables	(1,147)	-
Other liabilities	(31,521)	(138,059)
Net cash from (used in) operating activities	\$ 16,007,086	\$ 15,435,001
Cash flows from (used in) financing activities		
Distributions paid to holders of redeemable units	\$ (3,354,594)	\$ (4,660,261)
Proceeds from issuances of redeemable units	4,707,940	18,367,622
Amounts paid on redemption of redeemable units	(18,420,133)	(28,057,484)
Net cash from (used in) financing activities	\$ (17,066,787)	\$ (14,350,123)
Foreign exchange (loss) on cash and cash equivalents	\$ (4,461)	\$ 9,263
(Decrease) Increase in cash and cash equivalents during the period	(1,059,701)	1,084,878
Balance of cash and cash equivalents, beginning of the period	1,916,420	822,279
Cash and cash equivalents at the end of year	\$ 852,258	\$ 1,916,420
Supplementary disclosures on cash flow from operating activities		
Interest received	\$ 102	\$ -
Dividends received, net of withholding taxes	3,688,594	5,316,218

Schedule of Investment Portfolio as at December 31, 2020

Par Value/Number of Shares	Average Cost (\$)	Fair Value (\$)
Preferred Shares (95.3%)		
12,681	\$ 253,926	\$ 254,761
28,316	548,750	598,600
67,405	1,027,476	948,388
9,601	159,504	182,899
2,355	41,141	42,366
44,550	1,003,737	859,815
37,792	695,039	694,806
11,559	228,047	277,416
17,441	314,997	358,238
19,436	337,362	387,554
945	20,060	20,081
58,305	1,391,267	1,421,476
43,440	1,023,946	1,076,878
14,970	318,855	335,328

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Par Value/Number of Shares			Average Cost (\$)	Fair Value (\$)	Par Value/Number of Shares			Average Cost (\$)	Fair Value (\$)
Preferred Shares (95.3%)									
<i>Cont'd</i>									
28,569	Bank of Nova Scotia, Preferred, Series '40', Variable Rate, Perpetual		578,322	641,660	1,250	Brookfield Asset Management Inc., Preferred, Class 'A', Series '30', Variable Rate, Convertible, Callable	22,814	22,800	
35,382	BCE Inc., Preferred, Series 'AD', Variable Rate, Perpetual		528,070	495,702	15,642	Brookfield Asset Management Inc., Preferred, Class 'A', Series '32', Variable Rate, Convertible, Perpetual	282,395	295,634	
12,005	BCE Inc., Preferred, Series 'AH', Variable Rate, Convertible, Perpetual		182,299	169,511	527	Brookfield Asset Management Inc., Preferred, Series '8', Variable Rate, Perpetual	8,747	7,415	
12,580	BCE Inc., Preferred, Series 'AK', Variable Rate, Convertible, Perpetual		145,253	165,553	19,641	Brookfield Asset Management Inc., Preferred, Series '34', Variable Rate, Perpetual	314,226	341,753	
59,176	BCE Inc., Preferred, Series 'AM', Variable Rate, Perpetual		805,092	821,955	27,105	Brookfield Asset Management Inc., Preferred, Series '42', Variable Rate, Perpetual	402,409	457,532	
9,023	BCE Inc., Preferred, Series 'AO', Variable Rate, Perpetual		160,723	178,385	48,817	Brookfield Office Properties Inc., 6.15%, Preferred, Class 'AAA', Series 'N', Perpetual	663,001	576,041	
10,749	BCE Inc., Preferred, Series 'AQ', Variable Rate, Convertible, Perpetual		184,295	200,361	44,105	Brookfield Office Properties Inc., Preferred, Class 'AAA', Series 'R', Variable Rate, Perpetual	709,426	583,068	
21,792	BCE Inc., Preferred, Series 'Y', Variable Rate, Perpetual		336,643	305,960	6,091	Canadian Imperial Bank of Commerce, Preferred, Class 'A', Series '41', Variable Rate, Perpetual	119,169	120,663	
22,734	Brookfield Asset Management Inc., 4.75%, Preferred, Class 'A', Series '18', Perpetual		493,126	537,659	15,281	Canadian Imperial Bank of Commerce, Preferred, Class 'A', Series '43', Variable Rate, Perpetual	319,146	321,818	
13,108	Brookfield Asset Management Inc., 4.85%, Preferred, Class 'A', Series '36', Perpetual		295,741	317,869	3,215	Canadian Imperial Bank of Commerce, Preferred, Class 'A', Series '47', Variable Rate, Perpetual	61,336	66,229	
18,587	Brookfield Asset Management Inc., Preferred, Class 'A', Series '13', Floating Rate		215,131	174,532	10,745	Canadian Imperial Bank of Commerce, Preferred, Class 'A', Series '49', Variable Rate, Perpetual	258,957	268,088	
17,236	Brookfield Asset Management Inc., Preferred, Class 'A', Series '24', Convertible, Variable Rate, Perpetual		269,564	257,506					
33,744	Brookfield Asset Management Inc., Preferred, Class 'A', Series '26', Variable Rate, Convertible		489,197	503,123					

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Schedule of Investment Portfolio as at December 31, 2020

Par Value/Number of Shares			Average Cost (\$)	Fair Value (\$)	Par Value/Number of Shares			Average Cost (\$)	Fair Value (\$)
Preferred Shares (95.3%)									
<i>Cont'd</i>									
76,470	Canadian Imperial Bank of Commerce, Preferred, Series '45', Variable Rate, Perpetual		1,734,745	1,865,102	60,394	Emera Inc., Preferred, Series 'A', Variable Rate, Convertible, Perpetual	888,102	751,905	
9,936	Canadian Utilities Ltd., 4.50%, Preferred, Series 'CC', Perpetual		239,651	237,172	69,787	Emera Inc., Preferred, Series 'C', Variable Rate, Convertible, Perpetual	1,290,987	1,247,094	
8,298	Canadian Utilities Ltd., 4.50%, Preferred, Series 'DD', Perpetual		198,207	198,322	19,176	Emera Inc., Preferred, Series 'F', Variable Rate, Perpetual	320,567	336,731	
17,955	Canadian Utilities Ltd., 4.90%, Preferred, Series 'AA', Perpetual		425,580	448,336	37,811	Emera Inc., Preferred, Series 'H', Variable Rate, Perpetual	933,244	970,608	
26,754	Canadian Utilities Ltd., 4.90%, Preferred, Series 'BB', Perpetual		642,082	665,104	36,418	Enbridge Inc., Preferred, Series '3', Variable Rate, Perpetual	471,315	491,643	
1,979	Canadian Utilities Ltd., 5.25%, Preferred, Series 'EE', Perpetual		46,859	50,702	3,900	Enbridge Inc., Preferred, Series '7', Variable Rate, Perpetual	56,697	56,940	
47,288	Canadian Utilities Ltd., Preferred, Series 'FF', Variable Rate, Perpetual		1,151,718	1,222,395	836	Enbridge Inc., Preferred, Series '9', Variable Rate, Perpetual	12,749	12,264	
43,069	Canadian Utilities Ltd., Preferred, Series 'Y', Variable Rate, Perpetual		726,154	805,175	9,796	Enbridge Inc., Preferred, Series '11', Variable Rate, Perpetual	144,965	143,805	
13,001	Canadian Western Bank, Preferred, Series '9', Variable Rate, Perpetual		326,522	333,931	53,454	Enbridge Inc., Preferred, Series '13', Variable Rate, Perpetual	813,671	726,974	
56,241	Capital Power Corp., Preferred, Series '1', Convertible, Variable Rate, Perpetual		699,153	662,519	61,815	Enbridge Inc., Preferred, Series '15', Variable Rate, Perpetual	822,488	833,266	
6,984	Capital Power Corp., Preferred, Series '3', Variable Rate, Perpetual		123,920	128,855	92,442	Enbridge Inc., Preferred, Series 'B', Variable Rate, Perpetual	1,122,115	1,172,165	
5,132	Capital Power Corp., Preferred, Series '5', Variable Rate, Perpetual		92,478	89,759	44,818	Fairfax Financial Holdings Ltd., 5.00%, Preferred, Series 'K', Perpetual	880,581	822,410	
6,140	Element Fleet Management Corp., Preferred, Series 'C', Variable Rate, Perpetual		148,640	150,430	7,411	Fairfax Financial Holdings Ltd., Preferred, Series 'C', Variable Rate, Convertible, Perpetual	129,204	128,210	
4,052	Element Fleet Management Corp., Preferred, Series 'E', Variable Rate, Perpetual		97,208	98,950	66,090	Fairfax Financial Holdings Ltd., Preferred, Series 'I', Variable Rate, Convertible, Perpetual	1,025,507	949,713	

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Par Value/Number of Shares			Average Cost (\$)	Fair Value (\$)	Par Value/Number of Shares			Average Cost (\$)	Fair Value (\$)
Preferred Shares (95.3%)									
<i>Cont'd</i>									
61,836	Fairfax Financial Holdings Ltd., Preferred, Series 'G', Variable Rate, Perpetual		918,048	803,868	19,164	Husky Energy Inc., Preferred, Series '5', Variable Rate, Perpetual	346,122	334,795	
13,019	Fortis Inc., 4.25%, Preferred, Series 'H', Perpetual		146,720	145,227	16,357	Husky Energy Inc., Preferred, Series '7', Variable Rate, Perpetual	301,526	281,340	
12,707	Fortis Inc., 4.75%, Preferred, Series 'J', Perpetual		282,076	310,750	70,298	Industrial Alliance Insurance and Financial Services Inc., Preferred, Class 'A', Series 'G', Variable Rate, Convertible, Perpetual	1,308,693	1,451,654	
27,772	Fortis Inc., Preferred, Series 'G', Variable Rate, Perpetual		472,816	462,404	13,067	Industrial Alliance Insurance and Financial Services Inc., Preferred, Series 'I', Variable Rate, Perpetual	261,112	278,588	
12,519	Fortis Inc., Preferred, Series 'I', Floating Rate, Perpetual		198,741	140,839	14,511	Manulife Financial Corp., Preferred, Class '1', Series '5', Variable Rate, Convertible, Perpetual	301,313	326,498	
18,089	Fortis Inc., Preferred, Series 'K', Variable Rate, Perpetual		272,070	294,851	26,325	Manulife Financial Corp., Preferred, Class '1', Series '7', Variable Rate, Perpetual	597,540	625,219	
25,253	Fortis Inc., Preferred, Series 'M', Variable Rate, Perpetual		432,609	476,019	29,797	Manulife Financial Corp., Preferred, Class '1', Series '9', Variable Rate, Convertible, Perpetual	607,379	670,433	
6,978	George Weston Ltd., 5.20%, Preferred, Series 'III', Perpetual		170,047	175,008	9,094	Manulife Financial Corp., Preferred, Class '1', Series '13', Variable Rate, Perpetual	164,744	172,149	
8,451	George Weston Ltd., 5.20%, Preferred, Series 'IV', Perpetual		203,950	211,740	32,051	Manulife Financial Corp., Preferred, Class '1', Series '15', Variable Rate, Perpetual	517,836	586,533	
70,585	George Weston Ltd., 5.80%, Preferred, Series 'I', Perpetual		1,802,321	1,823,210	1,323	Manulife Financial Corp., Preferred, Class '1', Series '19', Variable Rate, Perpetual	23,109	25,547	
28,022	Great-West Lifeco Inc., 4.50%, Preferred, Series 'I', Perpetual		637,439	666,083	17,554	Manulife Financial Corp., Preferred, Class '1', Series '25', Variable Rate, Perpetual	358,547	366,879	
18,157	Great-West Lifeco Inc., 4.85%, Preferred, Series 'H', Perpetual		432,165	444,847	15,086	Manulife Financial Corp., Preferred, Series '11', Variable Rate, Perpetual	282,607	316,806	
12,000	Great-West Lifeco Inc., 5.65%, Preferred, Series 'L', Perpetual		304,680	304,080					
25,637	Great-West Lifeco Inc., 5.80%, Preferred, Series 'M', Perpetual		649,004	650,411					
27,956	Great-West Lifeco Inc., 5.90%, Preferred, Series 'F', Perpetual		707,429	711,201					
19,297	Husky Energy Inc., Preferred, Series '1', Variable Rate, Perpetual		208,224	183,514					

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Par Value/Number of Shares			Average Cost (\$)	Fair Value (\$)	Par Value/Number of Shares			Average Cost (\$)	Fair Value (\$)
Preferred Shares (95.3%)									
<i>Cont'd</i>									
16,194	National Bank of Canada, Preferred, Series '30', Variable Rate, Perpetual		285,147	322,746	29,741	Power Financial Corp., 4.95%, Preferred, Series 'K', Perpetual	652,640	731,926	
8,858	National Bank of Canada, Preferred, Series '32', Variable Rate, Perpetual		158,288	170,871	17,793	Power Financial Corp., 5.10%, Preferred, Series 'L', Callable	403,087	446,426	
25,434	National Bank of Canada, Preferred, Series '38', Variable Rate, Perpetual		632,873	635,596	26,948	Power Financial Corp., Preferred, Series 'P', Variable Rate, Perpetual	281,723	313,405	
14,770	National Bank of Canada, Preferred, Series '40', Variable Rate, Perpetual		278,088	311,499	18,349	Power Financial Corp., Preferred, Series 'T', Variable Rate, Perpetual	318,413	347,163	
14,998	National Bank of Canada, Preferred, Series '42', Variable Rate, Perpetual		303,562	344,204	6,570	Royal Bank of Canada, Preferred, Series 'AZ', Variable Rate, Perpetual	119,806	137,642	
49,181	Northland Power Inc., Preferred, Series '1', Variable Rate, Perpetual		892,824	795,257	21,746	Royal Bank of Canada, Preferred, Series 'BD', Variable Rate, Perpetual	465,688	481,674	
11,546	Northland Power Inc., Preferred, Series '3', Variable Rate, Perpetual		229,935	230,227	23,146	Royal Bank of Canada, Preferred, Series 'BF', Variable Rate, Perpetual	453,002	496,482	
22,297	Pembina Pipeline Corp., Preferred, Class 'A', Series '15', Variable Rate, Perpetual		301,089	350,286	13,245	Royal Bank of Canada, Preferred, Series 'BO', Variable Rate, Perpetual	275,522	298,013	
10,065	Pembina Pipeline Corp., Preferred, Class 'A', Series '17', Variable Rate, Perpetual		144,237	161,745	30,779	Sun Life Financial Inc., 4.45%, Preferred, Class 'A', Series '3', Perpetual	663,627	745,467	
17,115	Pembina Pipeline Corp., Preferred, Class 'A', Series 'S', Variable Rate, Perpetual		301,325	346,921	33,948	Sun Life Financial Inc., 4.45%, Preferred, Class 'A', Series '4', Perpetual	729,504	821,542	
11,331	Pembina Pipeline Corp., Preferred, Series '5', Variable Rate, Perpetual		170,865	182,882	12,325	Sun Life Financial Inc., Preferred, Class 'A', Series '8R', Variable Rate, Perpetual	145,747	145,558	
10,000	Pembina Pipeline Corp., Preferred, Series '7', Variable Rate, Perpetual		146,419	158,500	20,001	Sun Life Financial Inc., Preferred, Class 'A', Series '10R', Variable Rate, Convertible, Perpetual	322,028	361,018	
54,911	Pembina Pipeline Corp., Preferred, Series '9', Variable Rate, Perpetual		985,390	1,042,211	912	Sun Life Financial Inc., Preferred, Class 'A', Series '11QR', Floating Rate, Perpetual	14,185	15,636	
39,032	Power Financial Corp., 4.80%, Preferred, Series 'S', Perpetual		841,076	955,503					

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Schedule of Investment Portfolio as at December 31, 2020

Par Value/Number of Shares			Average Cost (\$)	Fair Value (\$)	Par Value/Number of Shares			Average Cost (\$)	Fair Value (\$)
Preferred Shares (95.3%)									
<i>Cont'd</i>									
32,642	Sun Life Financial Inc., Preferred, Class 'A', Series '12R', Variable Rate, Convertible, Perpetual		653,687	688,093	21,358	TransAlta Corp., Preferred, Series 'E', Variable Rate, Perpetual	352,952	384,230	
30,740	TC Energy Corp., Preferred, Series '1', Variable Rate, Convertible, Perpetual		485,309	410,686	Total		\$ 60,633,242	\$ 61,793,403	
5,222	TC Energy Corp., Preferred, Series '5', Variable Rate, Convertible, Perpetual		76,662	55,040	Equities (3.5%)				
21,531	TC Energy Corp., Preferred, Series '7', Variable Rate, Convertible, Perpetual		316,497	327,702	5,065	Bank of Nova Scotia.	\$ 305,417	\$ 348,472	
20,101	TC Energy Corp., Preferred, Series '9', Variable Rate, Perpetual		288,377	297,495	14,640	Enbridge Inc.	576,466	595,994	
85,378	TC Energy Corp., Preferred, Series '11', Variable Rate, Perpetual		1,627,986	1,430,935	21,420	Great-West Lifeco Inc.	519,378	650,097	
55,161	Thomson Reuters Corp., Preferred, Series 'II', Floating Rate		719,934	675,171	30,939	Manulife Financial Corp.	629,275	700,768	
63	Toronto-Dominion Bank (The), Preferred, Series '3', Variable Rate, Perpetual		1,290	1,295	Total		\$ 2,030,536	\$ 2,295,331	
17,972	Toronto-Dominion Bank (The), Preferred, Series '7', Variable Rate, Perpetual		382,665	404,011	Bonds (0.2%)				
3,019	Toronto-Dominion Bank (The), Preferred, Series '9', Variable Rate, Perpetual		67,401	70,343	100,000	Bank of Montreal, Variable Rate, Callable, 4.30%, 2080/11/26	\$ 100,000	\$ 103,133	
18,376	Toronto-Dominion Bank (The), Preferred, Series '16', Variable Rate, Perpetual		429,007	448,650	Total		\$ 100,000	\$ 103,133	
20,765	Toronto-Dominion Bank (The), Preferred, Series '18', Variable Rate, Perpetual		433,464	475,311	Transaction costs				
28,993	Toronto-Dominion Bank (The), Preferred, Series '20', Variable Rate, Perpetual		598,756	643,645		Transaction costs	\$ (106,976)	\$	
					Total transaction costs		\$ (106,976)	\$	
					Total investment portfolio (99.0%)		\$ 62,656,802	\$ 64,191,867	
						Cash and cash equivalents (1.3%)	\$	\$ 852,258	
						Other assets less liabilities (-0.3%)		(168,003)	
					Net assets attributable to holders of redeemable units		\$	\$ 64,876,122	

Lysander-Slater Preferred Share ActivETF

Notes to the financial statements for December 31, 2020 and 2019

1. Formation of Fund

The address of the Fund's registered office is 3080 Yonge St., Suite 3037, Toronto, Ontario.

Lysander Funds Limited (the "Manager" or "Lysander") is the manager and trustee of the Fund and is responsible for providing or arranging the provision of all general management and administrative services required by the Fund in its day-to-day operations, including but not limited to, calculating and reporting the net asset value of the Fund, preparing all offering documents, unitholder recordkeeping and other administrative services.

Lysander-Slater Preferred Share ActivETF (the "Fund") was established as a trust on July 28, 2015 in accordance with the Declaration of Trust dated July 28, 2015. The Fund commenced operations on August 10, 2015.

The Fund is an exchange-traded mutual fund under the laws of the Province of Ontario. The Fund is authorized to issue an unlimited number of redeemable, transferable Units, each of which represents an equal, undivided interest in the Fund.

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

The portfolio manager of the Fund is Slater Asset Management Inc. ("Portfolio Manager").

2. Basis of Presentation

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB") effective as at December 31, 2020.

The financial statements were authorized for issue by Lysander's board of directors on March 22, 2021.

3. Significant Accounting Policies

The significant accounting policies of the Fund are as follows:

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term investments in an active market with original maturities of three months or less, bank overdrafts and money market funds with daily liquidity and all highly liquid financial instruments that mature within three months of being purchased.

Financial instruments

The Fund accounts for its financial instruments in accordance with IFRS 9 Financial Instruments ("IFRS 9"), which include cash and cash equivalents, investments at fair value through profit or loss, accrued interest, reimbursement receivable, subscriptions receivable, redemption payable, due to/from investment dealer, receivable/payable from forward exchange contracts and accrued expenses.

Financial assets and financial liabilities at fair value through profit or loss ("FVTPL"):

Financial Assets

The Fund classifies its investments in debt and equity securities and open-ended investment funds based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

These financial assets are managed and their performance is evaluated on a fair value basis. The Fund also manages these financial assets with the objective of realizing cash flows through sales. The Fund has not taken the option to irrevocably designate any of its equity securities at fair value through other comprehensive income ("FVOCI"). Consequently, these financial assets are mandatorily measured at FVTPL.

Financial Liabilities

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future or on initial recognition are a part of a portfolio of identified financial instruments that the Fund manages together and has a recent actual pattern of short term profit-taking.

All derivatives and short positions are included in this category and mandatorily measured at FVTPL.

The Fund does not apply general hedge accounting to any of its derivatives positions.

Financial assets and financial liabilities at amortized cost:

The financial assets and liabilities measured at amortized cost include cash collateral posted on derivative positions, accrued income, due to and from brokers and other short term receivables and payables.

IFRS 9 requires the expected credit loss model ("ECL") as the impairment model for financial assets measured at amortized cost. At each reporting date, the Fund measures the loss allowance on cash collateral held, amounts due from broker, accrued income and other short term receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the

Lysander-Slater Preferred Share ActivETF

Notes to the financial statements for December 31, 2020 and 2019

reporting date, the credit risk has not increased significantly since initial recognition, the Fund measures the loss allowance at an amount equal to the 12 month expected credit losses. Given the short-term nature of the receivables and the high credit quality, the Fund has determined that the expected credit loss allowances are not material or considered impaired.

The Fund classifies financial instruments carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified as Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is reclassified as Level 3. The Manager assesses transfers at the time of an event that may cause reason for re-assessment of levelling. The classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. The determination of what constitutes observable requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources. The classification of the Fund's financial instruments within the fair value hierarchy as at December 31, 2020 and December 31, 2019, as applicable, is disclosed in the notes to the financial statements of the Fund. Significant transfers between levels are also disclosed in the notes to the financial statements of the Fund, where applicable. The reconciliation of level 3 fair value measurements for the years ended December 31, 2020 and December 31, 2019, if applicable, are included in the notes to the financial statements of the Fund.

Recognition/Derecognition

At initial recognition, financial assets and liabilities are measured at fair value. Transaction costs on financial assets and liabilities

at fair value through profit or loss are expensed as incurred in the statement of comprehensive income.

Subsequent to initial recognition, financial assets and liabilities at fair value through profit or loss are measured at fair value.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified as Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is reclassified as Level 3. The Manager assesses transfers at the time of an event that may cause reason for re-assessment of levelling. The classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. The determination of what constitutes observable requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources. The classification of the Fund's financial instruments within the fair value hierarchy as at December 31, 2020 and December 31, 2019, as applicable, is disclosed in the notes to the financial statements of the Fund. Significant transfers between levels are also disclosed in the notes to the financial statements of the Fund, where applicable. The reconciliation of level 3 fair value measurements for the years ended December 31, 2020 and December 31, 2019, if applicable, are included in the notes to the financial statements of the Fund.

Financial assets are derecognized when the contractual rights to the cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities at fair value through profit or loss are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

Investment transactions are accounted for on a trade date basis. Realized gains and losses on the disposition of investments, and unrealized appreciation and depreciation of investments, are determined on an average cost basis and are included in the statement of comprehensive income.

Realized gains and losses related to options are included in net realized gain/(loss) on options at fair value through profit or loss. Realized gains and losses relating to written options may arise from expiration of written options whereby realized gains are

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equivalent to the premium received and from the exercise of written covered call options in addition to the realized gain or losses from disposition of the related investments at the exercise price of the option.

Fair value measurements

The securities in the Fund's Portfolio are measured at FVTPL. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the year-end date. The quoted market price used for financial assets and financial liabilities of the Fund is the last traded price provided such price is within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Fund will determine the points within the bid-ask spread that are most representative of the fair value. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques commonly used by market participants making the maximum use of observable inputs and relying as little as possible on unobservable inputs. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

Where available, valuation techniques use market observable assumptions and inputs. If such data is not available, inputs may be derived by reference to similar assets in active markets, from recent prices for comparable transactions or from other observable market data. When measuring fair value, the Fund selects the non-market-observable inputs to be used in its valuation techniques, based on a combination of historical experience, derivation of input levels based on similar products with observable price levels and knowledge of current market conditions and valuation approaches. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk

and counterparty risk. Unlisted debt securities are valued based on observable inputs such as the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data and using standard market convention practices. Unlisted debt securities for which current quotations are not readily available are valued using another valuation technique as described below.

The Fund uses widely recognized valuation techniques for determining the fair value of financial instruments that are not actively traded and quoted. The most frequently applied valuation techniques include: i) discounted value of expected cash flows, ii) relative value, iii) option pricing methodologies, iv) private placement financing technique v) internally developed models and vi) market activity. In some cases, it may be reasonable and appropriate to value at cost, where there has been no material subsequent event affecting value. Discounted value of expected cash flows is a valuation technique that measures fair value using estimated expected future cash flows from assets or liabilities and then discounts these cash flows using a discount rate or discount margin that reflects the credit and/or funding spreads required by the market for instruments with similar risk and liquidity profiles to produce a present value. When using such valuation techniques, expected future cash flows are estimated using an observed or implied market price for the future cash flows or by using industry standard cash flow projection models. The discount factors within the calculation are generated using industry standard yield curve modeling techniques and models. Relative value models measure fair value based on the market prices of equivalent or comparable assets or liabilities, making adjustments for differences between the characteristics of the observed instrument and the instrument being valued. Option pricing models incorporate assumptions regarding the behavior of future price movements of an underlying referenced asset or assets to generate a probability-weighted future expected payoff for the option. The resulting probability-weighted expected payoff is then discounted using discount factors generated from industry standard yield curve modeling techniques and models. The option pricing model may be implemented using a closed form analytical formula or other mathematical techniques (e.g., binomial tree or Monte Carlo simulation). For more complex instruments and instruments for which there is no active market, fair values may be estimated using a combination of observed transaction prices, if any, consensus pricing services and relevant broker quotes. Consideration is given to the nature of the quotes (e.g., indicative or firm) and the relationship of recently evidenced market activity to the prices provided by consensus pricing services. Private placement financings are instances where a company raises capital through an offering of additional securities in the private markets. Pertinent details of

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such offering, including the terms of such offering, the issue price, and total capital raised are considered when assessing the reasonability that the issue price of such offering approximates fair value. In contrast to public offerings on a recognized exchange, private placement financings are not available to the general public. The Fund also uses internally developed models, which are typically based on valuation methods and techniques recognized as standard within the industry. Assumptions and inputs used in valuation techniques include benchmark interest rate curves, credit and funding spreads used in estimating discount rates, bond and equity prices, equity index prices, foreign exchange rates, levels of market volatility and correlation. In situations where there is limited market activity for the asset or liability near the measurement date, the most recent transaction price may be used.

Income recognition

Dividend income is recognized when the Fund's right to receive the payment has been established, normally being the ex-dividend date. Dividend income is recognized gross of withholding tax, if any.

The interest income for distribution purposes shown on the statement of comprehensive income represents the coupon interest received by the Fund accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis. The interest income for distribution purposes is the tax basis of calculating the interest received and which is subject to tax.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Accounting estimates

In the application of the Fund's accounting policies, the Fund is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. The most significant estimates relate to the valuation of investments. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Net assets attributable to holders of redeemable units

Units issued and outstanding represent the capital of the Fund, with each unit representing an equal and rateable share in the assets allocated to the Fund. Please refer to Note 6 for discussion of management fee rates. The redeemable units are classified as financial liabilities and are measured at the redemption amounts.

Units of the Fund are listed on the Toronto Stock Exchange ("TSX") and investors may buy and sell units on the TSX, or any other exchange on which such units are traded, through registered brokers and designated brokers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying and selling units.

Units of the Fund may be purchased or redeemed at a price per unit equal to the net asset value ("NAV") of a unit of the Fund on each valuation date by the designated brokers. Please refer to the Prospectus dated July 28, 2020 for further details.

Net asset value per unit

The net asset value per unit of the Fund is computed by dividing the NAV by the total number of units outstanding at the time. The Fund's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its NAV for transactions with holders of redeemable units.

Foreign currency translation

Foreign currency amounts are translated into the Fund's functional currency as follows: fair value of investments, forward currency contracts and other financial assets and liabilities, at the closing rate of exchange on each business day; income and expenses, and purchases, sales and settlements of investments, at the rate of exchange prevailing on the respective dates of such transactions.

Foreign currency forward contracts

The value of the foreign currency forward contracts is the gain or loss that would be realized if the position in the forward contract was closed out in accordance with its terms. The unrealized gains or losses on the forward contract are reported as part of the change in unrealized appreciation or depreciation on forwards in the statement of comprehensive income. Foreign currency forward contracts manage exposure to foreign currency gains and losses arising from short and long-term investments denominated in foreign currencies.

Taxation

The Fund is a mutual fund trust within the meaning of the Income Tax Act (Canada). The Fund is subject to tax on its net taxable income, including net realized capital gains, for the

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calendar year which is not paid or payable to its unitholders as of the end of the calendar year. It is the intention of the Fund to pay all of its net taxable income and net realized capital gains so that the Fund will not be subject to income taxes other than foreign withholding taxes, if applicable. Therefore, no provision for income taxes has been made in these financial statements.

As at December 31, 2020, the Fund had \$10,311,892 (December 31, 2019 - \$4,918,172) net capital losses and no non-capital losses (December 31, 2019 - Nil).

Distributions

The Fund makes distributions of net income monthly and any net realized capital gains annually. These are recognized in the statement of changes in net assets attributable to holders of redeemable units.

Critical accounting estimates and judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

Determination of Functional Currency

'Functional currency' is the currency of the primary economic environment in which the Fund operates. If indicators of the primary economic environment are mixed, then the Fund uses its judgment to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events, and conditions. The Fund's subscriptions and redemptions are denominated in Canadian Dollars ("CAD"). Accordingly, the Fund has determined that the functional currency of the Fund is CAD unless noted otherwise.

Fair Value Measurement of Derivatives and Securities Not Quoted in an Active Market

The Fund may hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined as disclosed in Fair Value Measurement section in Note 3.

Future changes in accounting standards

As of December 31, 2020, there are no future standards that could have a material or significant impact on the Fund.

4. Expenses

The Fund is responsible for the payment of all expenses related to its operations, including but not limited to audit fees, Independent Review Committee fees, fund administration fees, filing fees, redeemable unitholder reporting and custodian fees

plus harmonized sales tax. At their discretion, the Manager or the Portfolio Manager may pay certain of the expenses of the Fund but any such payments shall not oblige the Manager or the Portfolio Manager to make similar future payments. All expenses are recognized in the statement of comprehensive income on the accrual basis.

5. Issuance and Redemption of Units

The Fund is authorized to issue an unlimited number of transferable, redeemable units of beneficial interest, each of which represents an equal undivided interest in the net assets of the Fund. Each unit entitles the holder to the same rights and obligations as a holder of any other unit and no holder of units is entitled to any privilege, priority or preference in relation to any other holder of units. Each holder of units is entitled to one vote for each whole unit held and is entitled to participate equally with respect to any and all distributions made by the Fund, including distributions of net income and net realized capital gains, if any. On termination or liquidation of the Fund, the holders of outstanding units of record are entitled to receive on a pro rata basis all of the assets of the Fund remaining after payment of all debts, liabilities and liquidation expenses of the Fund. The units of the Fund are issued and redeemed at their NAV.

During the years ended December 31, 2020 and 2019, the number of units issued, redeemed and outstanding were as follows:

For the years ended	31-Dec-20	31-Dec-19
Units outstanding at beginning of year	9,569,000	10,769,000
Redeemable units issued	700,000	2,050,000
Redeemable units redeemed	(2,500,000)	(3,250,000)
Units outstanding at end of year	7,769,000	9,569,000

6. Related Party Transactions

The Manager is responsible for the day-to-day management of the Fund and its investment portfolio in compliance with the Fund's constating documents. The Manager pays for certain investment management services and provides certain administrative services required by the Fund. As compensation for its services the Manager is entitled to receive a management fee.

At December 31, 2020, the Manager, the majority shareholder of the Manager, the Manager's directors and officers together with certain immediate family members had an ownership interest in the Fund amounting to 0.0% (December 31, 2019 – 0.0%)

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The Manager is entitled to receive from the Fund a management fee which is calculated daily and payable monthly at an annualized rate of up to 0.65%, exclusive of any applicable taxes.

During the year ended December 31, 2020, the Manager paid the Portfolio Manager \$207,656 (December 31, 2019 - \$313,518) for managing the Portfolio of the Fund. As at December 31, 2020, the amount payable to the Portfolio Manager was \$50,685 (December 31, 2019 - \$72,164).

7. Fair Value Hierarchy

The following fair value hierarchy table presents information about the Fund's assets measured at fair value, as described in Note 3, as at December 31, 2020 and 2019:

As at December 31, 2020	Level 1	Level 2	Level 3	Total
Investments				
Equities	\$ 64,088,734	\$ -	\$ -	\$ 64,088,734
Fixed Income	-	103,133	-	103,133
Total	\$ 64,088,734	\$ 103,133	\$ -	\$ 64,191,867

As at December 31, 2019	Level 1	Level 2	Level 3	Total
Investments				
Equities	\$ 82,603,415	\$ -	\$ -	\$ 82,603,415
Total	\$ 82,603,415	\$ -	\$ -	\$ 82,603,415

8. Risk Management

The Fund's activities expose it to a variety of financial risks in the normal course of operations. These include credit risk, liquidity risk, and market risk. The value of the investments in the Fund's portfolio can fluctuate as a result of changes in interest rates, general economic conditions, supply and demand conditions relating to specific securities, or news relating to a specific issuer. In order to manage risk, the Portfolio Manager will diversify the portfolio based on industry and credit rating category. Significant risks that are relevant to the Fund are discussed below.

Credit risk

Credit risk is the risk of financial loss that could arise from a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. The Fund's main exposure to credit risk consists of investments in preferred shares. The Fund is also exposed to counterparty risk from other assets, such as amounts due from investment dealer or subscriptions receivable. To manage this risk, the Portfolio Manager monitors the Fund's credit exposure and counterparty credit ratings.

The Fund measures credit risk and lifetime ECLs related to these trade receivables using historical analysis and forward looking information in determining the ECL.

As at December 31, 2020 and 2019, the Fund had directly invested in preferred shares with the following credit ratings:

As a % of net assets		31-Dec-20	31-Dec-19
Credit exposure			
P1/P2	%	11.3	-
P2		37.7	47.4
P2/P3		23.2	19.8
P3		23.2	29.7

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Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations, including any redemption of units for cash. The Fund is exposed to possible daily redemptions at the then current NAV per unit. Liquidity risk is managed by investing a significant portion of the Fund's assets in investments that are traded in an active market and that can be readily sold. All liabilities of the Fund are due within one year.

The following table presents the Fund's liabilities according to their maturity date as at December 31, 2020 and 2019:

As at 31-Dec-2020	Less Than One Month		1-3 Months		3 Months – 1 Year		
Liquidity exposure							
Due to investment dealers	\$	1,742,290	\$	-	\$	-	
Accrued management fees		35,338		-		-	
Other accrued expenses		-		9,816		-	
Distributions payable to holders of redeemable units		248,608		-		-	
As at 31-Dec-2019							
		Less Than One Month		1-3 Months		3 Months – 1 Year	
Liquidity exposure							
Due to investment dealers	\$	447,470	\$	-	\$	-	
Accrued management fees		46,974		-		-	
Other accrued expenses		-		29,701		-	
Distributions payable to holders of redeemable units		287,070		-		-	

Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a fund asset will fluctuate because of changes in market interest rates. To manage interest rate risk, the Portfolio Manager monitors exposures and may rebalance between different types of preferred shares depending on the interest rate environment. The Fund has calculated the sensitivity analysis below. Actual results may differ materially from this analysis.

If interest rates had increased or decreased by 1% at December 31, 2020, with all other variables remaining constant, net assets of the Fund would have decreased or increased by approximately \$3,652,245 (December 31, 2019 - \$2,879,886).

	Less than 1 year		1-5 years		More than 5 years	
Interest rate exposure						
December 31, 2020	\$	-	\$	103,133	\$	-
December 31, 2019		-		-		-

Currency risk

Currency risk arises when the value of investments denominated in currencies other than CAD fluctuate due to changes in exchange rates. If applicable, the currency risk will typically be hedged by entering into foreign currency forward contracts, however some moderate currency exposure may be assumed if deemed to be beneficial to the Fund. If applicable, the Fund has calculated the sensitivity analysis below. Actual results may differ materially from this analysis.

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

	31-Dec-20		31-Dec-19		
Currency exposure					
US Dollars		%	-	%	2.0

As at December 31, 2020, if the CAD had strengthened or weakened by 1% in relation to the above currency, with all other factors remaining constant, the Fund's net assets would have decreased or increased by 0.00% (December 31, 2019 - 0.02%).

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Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in a market or market segment. If applicable, this risk is managed through a careful selection of securities and other financial instruments within the parameters of the investment strategy and by maintaining a well-diversified portfolio. Exposure to price risk arises from investments in equity securities. If applicable, the Fund has calculated the sensitivity analysis below. Actual results may differ materially from this analysis.

As at December 31, 2020 approximately 98.8% (December 31, 2019 - 97.8%) of the Fund's net assets were invested in these asset types. If prices of these investments had increased or decreased by 5% as at December 31, 2020 with all other factors remaining constant, net assets would have increased or decreased, by approximately \$3,204,437 (December 31, 2019 - \$4,130,171). In practice, actual results will differ from this sensitivity analysis and the difference could be material.



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