

# Lysander-Canso Broad Corporate Bond Fund - Series F

**Fund Code: LYZ811F**

Portfolio Manager: Canso Investment Counsel Ltd.

As of: August 31, 2021

Fund Category: Fixed Income

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



## Investment Focus

The Fund invests primarily in fixed income securities with a minimum of 75% of the portfolio in bonds rated BBB- or higher. It is unconstrained from geographic considerations.

## Risk Tolerance



## 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 \$30 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 and successful investment management experience enables Canso to buy securities when they are out of favour and priced at a discount to their intrinsic value.

- **Income and 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.
- **Core Fixed Income Solution Adaptable to Market Conditions** - Portfolio is duration unconstrained and can invest up to 25% in non investment grade bonds 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 F

1 Month	3 Months	YTD	1 Year	3 Year (Annualized)	Since Inception (Annualized)
0.2%	1.8%	1.7%	5.7%	7.5%	5.3%

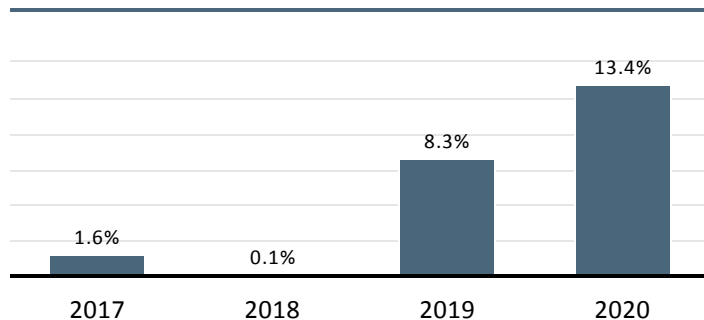
## Fund Facts

Series Inception Date	December 30, 2016
Currency	CAD
Fund AUM	\$200.7 Million
NAVPU	\$11.28
Management Fee	0.70%
MER as of June 30, 2021	0.87%
Minimum Initial Investment	\$1,000
Minimum Subsequent Investment	\$100
Liquidity	Daily
RRSP Eligible	Yes

## Credit Quality Breakdown (%)

AA & Higher	34.5%
A	21.3%
BBB	18.7%
BB & Lower	25.0%
Not Rated	0.3%

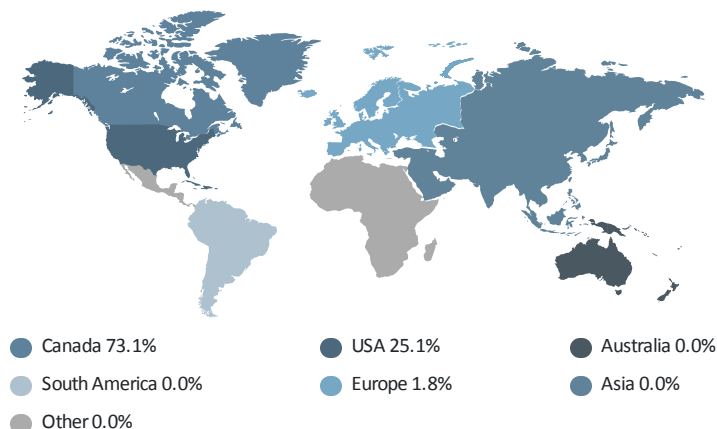
## Calendar Year Returns - Series F



## Portfolio Characteristics

Number of Securities	122
Number of Issuers	56
Average Term to Maturity (Years)	4.7
Average Duration (Years)	2.5
Average Coupon (%)	2.5%
Yield to Maturity (%)	1.8%
Current Yield (%)	2.2%
Average Credit Quality <sup>2</sup>	A-

## Geographic Breakdown



## Top 10 Holdings

Security	% of Fund	Rating
Merrill Lynch NHA MBS FRN (98004601) Jul 1, 2026(M CDOR-23)	6.0%	AAA
RBC CB FRN Jun 27, 2022 (3M CDOR + 14)	5.5%	AAA
Canadian Dollar	4.7%	NA
BNS FRN Aug 4, 2026 (CORRA +54)	4.4%	A
BMO FRN Feb 16, 2022 (CORRA + 15)	4.3%	AA-
Air Canada 4.625% Aug 15, 2029	4.0%	BB
Apple Inc. 2.513% Aug 19, 2024	2.7%	AA+
CIBC FRN Jun 10, 2024 (CDOR +23)	2.5%	A
BNS Dep Note 1.83% Apr 27, 2022	2.4%	AA-
BMO CB FRN Feb 1, 2023 (3M CDOR + 19)	2.4%	AAA
<b>Total</b>	<b>38.9%</b>	

## Distributions

Distribution Frequency: Quarterly
Most Recent Distribution per Unit: \$0.0497
12-Month Trailing Distribution Yield: 4.0%
Next Record Date: September 23, 2021
Next Distribution Date: September 24, 2021

Distributions (\$)/Unit <sup>3</sup>	YTD <sup>*</sup>	2020	2019	2018	2017
Total Distributions	0.1175	0.4795	0.2859	0.2153	0.1481
Interest		0.2355	0.2859	0.2153	0.1077
Dividends		0.0001			
Capital Gains		0.2439			0.0406
Withholding Tax		0.0000			(0.0002)

*\*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 Broad Corporate 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. 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. 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>Lysander Funds is a registered trademark of Lysander Funds Limited.