

# Lysander-Fulcra Corporate Securities Fund - Series F



**Fund Code:** LYZ935F

**Portfolio Manager:** Fulcra Asset Management

**As of:** April 30, 2023

**Asset Class:** Fixed Income

**CIFSC Category:** High Yield Fixed Income

**Benchmark:** Absolute Return 5% per annum

**FUNDGRADE A+®**  
ACHIEVED FOR THE YEAR 2022

## Investment Focus

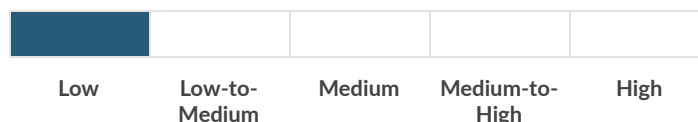
The fund invests primarily in fixed income securities of small and mid-cap companies with the tactical inclusion of equity investments. It is unconstrained both geographically and by credit quality.

## Why Invest in this Fund?

Fulcra Asset Management is an independent credit specialist based in Vancouver, BC. Fulcra was founded by Matt Shandro in 2009 and as of December 31, 2022 oversees over \$340 million in assets. Mr. Shandro has 20 years of credit investing experience, having managed corporate credit at Great Pacific Capital Corp, CI Investments and Marret Asset Management.

The Fulcra investment team is dedicated to preserving capital and generating consistent absolute returns for investors. Fulcra employs a fundamental value investing approach to identify under-priced corporate securities.

## Risk Tolerance



- Fulcra is ratings agnostic, leveraging the information advantage of independent research. By investing in misunderstood investment scenarios, under-appreciated and high-yielding securities, Fulcra seeks to generate superior long-term returns with lower volatility.
- Fulcra invests across the capital structure with a preference for the senior securities due to their contractual nature but will occasionally capture value by investing in mispriced equity-like securities.
- The Fulcra team is dedicated to preserving capital and generating consistent absolute returns for investors. Fulcra employs a fundamental value investing approach to identify under-priced corporate securities, with the goal to outperform in both good and bad market conditions.

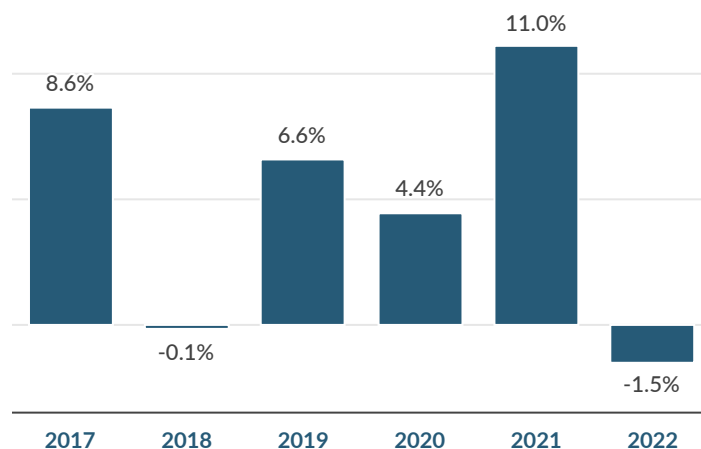
## COMPOUND RETURNS - SERIES F

| 1 Month | 3 Months | YTD  | 1 Year | 3 Year (Annualized) | 5 Year (Annualized) | Since Inception (Annualized) |
|---------|----------|------|--------|---------------------|---------------------|------------------------------|
| 1.4%    | 2.2%     | 3.5% | 0.9%   | 9.4%                | 4.6%                | 5.1%                         |

## FUND FACTS

|                               |                   |
|-------------------------------|-------------------|
| Inception Date                | December 30, 2016 |
| Currency                      | CAD               |
| Fund AUM                      | \$333.3 Million   |
| NAVPU                         | \$9.57            |
| Management Fee                | 0.85%             |
| MER as of December 31, 2022   | 1.04%             |
| Minimum Initial Investment    | \$500             |
| Minimum Subsequent Investment | \$100             |
| Liquidity                     | Daily             |
| RRSP Eligible                 | Yes               |

## CALENDAR YEAR RETURNS - SERIES F



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## TOP 10 HOLDINGS

| Security                                      | % of Fund    | Rating |
|---|--------------|--------|
| RCICN 3.8% Nov/02/2023                        | 5.7%         | BBB-   |
| Kar Auction Services Inc 5.125% June 01, 2025 | 4.6%         | B      |
| NFICN 5% 1/15/2027                            | 3.0%         | NR     |
| Seaspan 6.5% 02/05/2024                       | 2.8%         | BB     |
| Spencer Spirit TL                             | 2.7%         | B+     |
| ENBCN 3.94 Jun/30/23                          | 2.5%         | BBB+   |
| EFXCN 9 Oct/15/27                             | 2.3%         | B+     |
| EGBLFN 6.75 Feb/07/25                         | 2.2%         | B-     |
| RUSCN 5.75 Oct/27/25                          | 2.2%         | BB+    |
| CONCOA 13 05/01/28                            | 2.2%         | CCC+   |
| <b>Total</b>                                  | <b>30.2%</b> |        |

## CREDIT QUALITY BREAKDOWN

|           |       |
|-----------|-------|
| AAA       | 5.4%  |
| BBB       | 15.1% |
| BB        | 21.2% |
| B         | 23.9% |
| CCC       | 18.7% |
| Not Rated | 15.7% |

## DISTRIBUTIONS

Distribution Frequency: Quarterly

Most Recent Distribution per Unit: \$0.1548

12-Month Trailing Distribution Yield: 5.6%

Next Record Date: June 29, 2023

Next Distribution Date: June 30, 2023

| Distributions (\$)/Unit <sup>1</sup> | YTD*   | 2022     | 2021   | 2020   | 2019   | 2018   | 2017     |
|--------------------------------------|--------|----------|--------|--------|--------|--------|----------|
| Total Distributions                  | 0.1548 | 0.5521   | 0.7293 | 0.7117 | 0.6942 | 0.4010 | 0.3305   |
| Interest                             | -      | 0.5398   | 0.4174 | 0.3976 | 0.4263 | 0.3652 | 0.2233   |
| Dividends                            | -      | 0.0135   | 0.0185 | 0.0159 | 0.0393 | 0.0357 | 0.0229   |
| Capital Gains                        | -      | -        | 0.2934 | 0.2981 | 0.2286 | -      | 0.0867   |
| Withholding Tax                      | -      | (0.0012) | -      | -      | -      | -      | (0.0025) |

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

## PORTFOLIO CHARACTERISTICS

|                                  |         |
|----------------------------------|---------|
| Number of Securities             | 87      |
| Number of Issuers                | 56      |
| Average Term to Maturity (Years) | 2.0     |
| Average Duration (Years)         | 1.7     |
| Average Coupon (%)               | 6.4%    |
| Yield to Maturity (%)            | 9.3%    |
| Current Yield (%)                | 7.0%    |
| Average Credit Quality           | BB-     |
| Average Bond Price               | \$94.19 |
| Cash Weighting                   | 4.0%    |

## ASSET MIX

|                    |       |
|--------------------|-------|
| Cash & Equivalents | 4.0%  |
| Common Stock       | 0.9%  |
| Convertible Bonds  | 7.1%  |
| Corporate Bonds    | 70.8% |
| Government Bonds   | 5.0%  |
| Corporate Loans    | 11.0% |
| Preferred Shares   | 1.3%  |

## GEOGRAPHIC BREAKDOWN

|        |       |
|--------|-------|
| Canada | 55.7% |
| USA    | 33.0% |
| Other  | 11.3% |

## Lysander-Fulcra Corporate Securities Fund – Series F

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Lysander Funds Limited is the investment fund manager of Lysander-Fulcra Corporate Securities 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, their values change frequently and past performance may not be repeated. <sup>1</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.

Lysander-Fulcra Corporate Securities Fund was awarded the 2022 Fundata FundGrade A+ Award in the High Yield Fixed Income Category, out of 191 funds. The FundGrade start date was 1/31/2017 and FundGrade end date was 12/31/2022. Performance for the fund (Series A) for the period ended April 30, 2023 was 0.4% (1 year), 8.8% (3 years), 4.0% (5 years) and 4.5% (since inception – Dec 30, 2016).

FundGrade A+® is used with permission from Fundata Canada Inc., all rights reserved. The annual FundGrade A+® Awards are presented by Fundata Canada Inc. to recognize the “best of the best” among Canadian investment funds. The FundGrade A+® calculation is supplemental to the monthly FundGrade ratings and is calculated at the end of each calendar year. The FundGrade rating system evaluates funds based on their risk-adjusted performance, measured by Sharpe Ratio, Sortino Ratio, and Information Ratio. The score for each ratio is calculated individually, covering all time periods from 2 to 10 years. The scores are then weighted equally in calculating a monthly FundGrade. The top 10% of funds earn an A Grade; the next 20% of funds earn a B Grade; the next 40% of funds earn a C Grade; the next 20% of funds receive a D Grade; and the lowest 10% of funds receive an E Grade. To be eligible, a fund must have received a FundGrade rating every month in the previous year. The FundGrade A+® uses a GPA-style calculation, where each monthly FundGrade from “A” to “E” receives a score from 4 to 0, respectively. A fund’s average score for the year determines its GPA. Any fund with a GPA of 3.5 or greater is awarded a FundGrade A+® Award. For more information, see [www.FundGradeAwards.com](http://www.FundGradeAwards.com). Although Fundata makes every effort to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Fundata. Note: The FundGrade ratings for each fund are subject to change every month.

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