

# Lysander-Canso Credit Opportunities Fund - Series F



Fund Code: LYZ494F

Portfolio Manager: Canso Investment Counsel Ltd.

As of: March 31, 2024

Asset Class: Fixed Income

CIFSC Category: Alternative Credit Focused

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

## Investment Focus

The Fund is an alternative mutual fund that primarily invests in a diversified portfolio of corporate debt. The Fund may also sell securities short and deploy leverage to achieve its investment objectives. There are no limits on the percentage of the Fund that can be invested in securities rated below BBB. From time to time the Fund may also invest up to 20% in other securities such as convertible bonds, equities, or income trusts.

## Why Invest in this Fund?

Established in 1997, Canso Investment Counsel Ltd. is an independent firm focused on bottom-up security selection and fundamental credit research. Canso utilizes its proprietary Maximum Loss analysis as a risk management tool to size positions while maintaining concentrated portfolios with high conviction in their best ideas. This independent credit expertise and investment management experience enables Canso to buy securities when they are out of favour and priced at a discount to their intrinsic value.

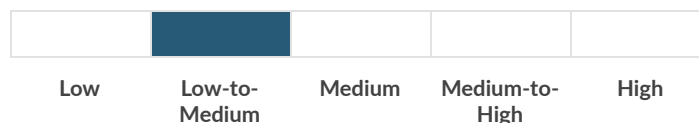
- **Alternative Fixed Income Solution** – Portfolio that comprises primarily of corporate bonds that seeks to enhance yield and isolate credit spread movement through short positions.
- **Adaptable to Market Conditions** – Portfolio has the flexibility to shorten duration and diversify across all geographies while maintaining primarily CAD currency exposure.
- **Extensive Investment Management Expertise** – Large and experienced team of credit specialists with 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<sup>2</sup>

1 Month	3 Months	YTD	1 Year	3 Year (Annualized)	5 Year (Annualized)	10 Year (Annualized)	Since Inception (Annualized) <sup>3</sup>
1.2%	2.3%	2.3%	6.8%	4.3%	8.2%	5.4%	10.7%



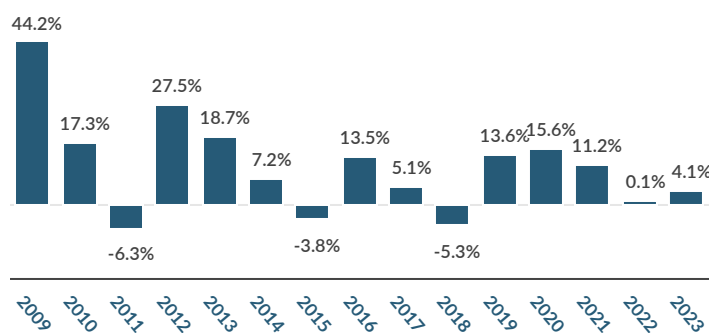
## Risk Tolerance



## FUND FACTS

Inception Date	May 11, 2020 (offered on a private placement basis since March 31, 2014)
Currency	CAD
Fund Net AUM	\$41.3 Million
Total Long AUM	\$60.5 Million
Total Short AUM	-\$19.2 Million
NAVPU	\$10.33
Management Fee	0.75%
Performance Fee	20.00%
MER as of December 31, 2023	2.10%
Minimum Initial Investment	\$500
Minimum Subsequent Investment	\$100
Liquidity	Monthly
Next Subscription Deadline <sup>6</sup>	April 30, 2024
Next Redemption Deadline <sup>7</sup>	April 15, 2024
Subsequent Redemption Deadline <sup>7</sup>	May 15, 2024
RSP Eligible	Yes

## CALENDAR YEAR RETURNS - SERIES F<sup>2</sup>



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## PORTFOLIO CHARACTERISTICS

Number of Securities (Long)	112
Number of Securities (Short)	9
Number of Issuers	67
Average Term to Maturity (Years)	3.9
Average Duration (Years)	2.4
Average Coupon (%)	4.2%
Yield to Maturity (%)	6.4%
Current Yield (%)	4.7%
Average Credit Quality (long only) <sup>4</sup>	A+
Cash Weighting	-2.4%

## CREDIT QUALITY BREAKDOWN (LONG ONLY)

AAA	44.0%
AA	6.5%
A	15.7%
BBB	14.1%
BB	6.3%
B & Lower	11.7%
Not Rated	1.6%

## DISTRIBUTIONS

Distribution Frequency: Quarterly

Most Recent Distribution per Unit: \$0.0000

12-Month Trailing Distribution Yield: 3.7%

Next Record Date: June 20, 2024

Next Distribution Date: June 21, 2024

Distributions (\$)/Unit <sup>5</sup>	YTD <sup>*</sup>	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Distributions	0.0000	0.5093	0.7532	0.3959	0.6825	0.5177	0.1896	0.4794	0.4795	0.4539	0.3941
Interest	-	0.4790	0.1476	0.1705	0.2892	0.0755	0.1729	0.1889	0.3287	0.3831	0.2718
Dividends	-	0.0303	0.0316	0.0285	0.0249	0.0217	0.0167	0.0138	0.0170	0.0111	0.0007
Capital Gains	-	-	0.5740	0.1971	0.3684	0.4205	-	0.2768	0.1338	0.0596	0.1219
Withholding Tax	-	-	-	(0.0002)	0.0000	-	-	(0.0001)	-	-	(0.0004)

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

## TOP 10 HOLDINGS

Security	% of Fund	Rating
Canada RRB 0.5% Dec 1, 2050	13.9%	AAA
Canada 0.5% Sep 1, 2025	11.0%	AAA
Canada RRB 4.25% Dec 1, 2026	10.3%	AAA
Air Canada 4.625% Aug 15, 2029	5.8%	BB+
Canada 1.75% Dec 1, 2053	5.4%	AAA
BNS FRN Aug 4, 2026 (CORRA+54)	4.4%	A
Pacific Life Global Funding II FRN Feb 1, 2027 (Q CDOR+38)	4.3%	AA-
Manulife Financial Corp (AT1) 4.1% Mar 19, 2027/2082	4.1%	BBB+
TD Bank 4.477% Jan 18, 2028	3.9%	A+
Home Trust NHA MBS FRN (98004844) Nov 1, 2026 (M CDOR -10)	3.6%	AAA
<b>Total</b>	<b>66.7%</b>	

## GEOGRAPHIC BREAKDOWN

Canada	73.3%
USA	22.3%
South America	1.7%
Europe	2.8%

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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. Investment funds are not guaranteed or insured, their values change frequently and past performance may not be repeated.

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<sup>2</sup>Prior to May 11, 2020, Series F was offered on a private placement basis. The inception date of Series F Units is March 31, 2014. The inception date of the Fund is December 19, 2008. Performance information for the period December 19, 2008 to March 30, 2014 is that of the Fund but with Series F fees and expenses applied. Prior to May 11, 2020, the operating expenses of the Fund would have been higher had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer.

<sup>3</sup>December 19, 2008 (Fund inception date).

<sup>4</sup>Fixed income securities unrated by external agencies are assigned an internal Canso rating for Average Credit Quality.

<sup>5</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>6</sup>Monthly, by the last business day of the calendar month.

<sup>7</sup>Monthly, provided notice is received by the Fund no later than the 15th day of the month (or, if the 15th day is not a valuation day, the preceding immediate valuation day).

Lysander-Canso Credit Opportunities Fund was awarded the 2023 Fundata FundGrade A+® Award in the Alternative Credit Focused Category, out of 47 funds. The FundGrade start date was 1/31/2021 and FundGrade end date was 12/31/2023. Performance for the fund (Series A) for the period ended March 31, 2024 was 6.5% (1 year), 3.9% (3 years) and 10.4% (since inception – May 11, 2020).

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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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