

# Lysander-Canso Credit Opportunities Fund - Series F



**Fund Code:** LYZ494F

**Portfolio Manager:** Canso Investment Counsel Ltd.

**As of:** December 31, 2023

**Asset Class:** Fixed Income

**CIFSC Category:** Alternative Credit Focused

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

**FUNDGRADE A+<sup>®</sup>**  
ACHIEVED FOR THE YEAR 2023

## 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?

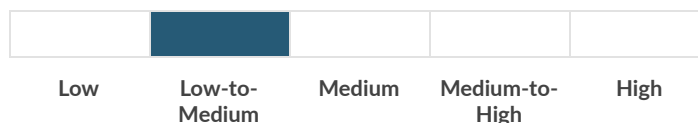
Established in 1997, Canso is an independent firm focused on bottom up security selection. Proprietary research developed over multiple market cycles guides the investment of over \$36 billion in AUM.

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.

- **Alternative Fixed Income Solution** – Corporate bond portfolio that seeks to enhance yield and mitigate interest rate risk through informed security selection and the shorting of government securities.
- **Adaptable to Market Conditions** – Portfolio has the flexibility to shorten duration and diversify across all geographies while maintaining primarily CAD currency exposure.
- **Proven 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.

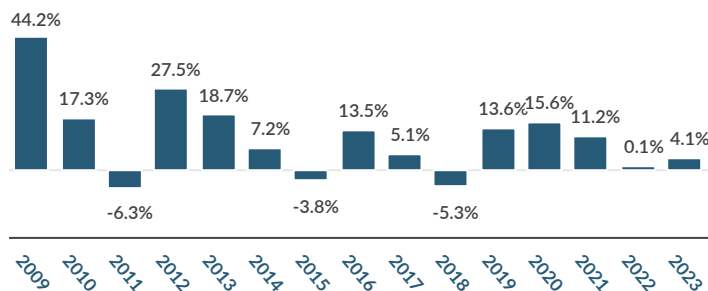
## Risk Tolerance



## FUND FACTS

Inception Date	May 11, 2020 (offered on a private placement basis since March 31, 2014)
Currency	CAD
Fund Net AUM	\$44.2 Million
Total Long AUM	\$57.0 Million
Total Short AUM	-\$12.8 Million
NAVPU	\$10.10
Management Fee	0.75%
Performance Fee	20.00%
MER as of June 30, 2023 (unaudited)	1.10%
Minimum Initial Investment	\$500
Minimum Subsequent Investment	\$100
Liquidity	Monthly
Next Subscription Deadline <sup>6</sup>	January 31, 2024
Next Redemption Deadline <sup>7</sup>	January 15, 2024
Subsequent Redemption Deadline <sup>7</sup>	February 15, 2024
RSP Eligible	Yes

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



## 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>
1.4%	2.2%	4.1%	4.1%	5.0%	8.8%	5.9%	10.7%

# Lysander-Canso Credit Opportunities Fund – Series F

## PORTFOLIO CHARACTERISTICS

Number of Securities (Long)	110
Number of Securities (Short)	9
Number of Issuers	69
Average Term to Maturity (Years)	3.6
Average Duration (Years)	2.0
Average Coupon (%)	5.1%
Yield to Maturity (%)	6.5%
Current Yield (%)	5.5%
Average Credit Quality (long only) <sup>4</sup>	A
Cash Weighting	0.7%

## CREDIT QUALITY BREAKDOWN (LONG ONLY)

AAA	34.8%
AA	6.0%
A	19.8%
BBB	16.7%
BB	7.7%
B & Lower	13.2%
Not Rated	1.8%

## DISTRIBUTIONS

Distribution Frequency: Quarterly

Most Recent Distribution per Unit: \$0.1598

12-Month Trailing Distribution Yield: 5.0%

Next Record Date: March 21, 2024

Next Distribution Date: March 22, 2024

Distributions (\$)/Unit <sup>5</sup>	YTD*	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Distributions	0.5093	0.7532	0.3959	0.6825	0.5177	0.1896	0.4794	0.4795	0.4539	0.3941
Interest	-	0.1476	0.1705	0.2892	0.0755	0.1729	0.1889	0.3287	0.3831	0.2718
Dividends	-	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	13.4%	AAA
Canada RRB 4.25% Dec 1, 2026	9.7%	AAA
Air Canada 4.625% Aug 15, 2029	5.4%	BB+
BNS FRN Aug 4, 2026 (CORRA+54)	4.1%	A
Pacific Life Global Funding II FRN Feb 1, 2027 (Q CDOR+38)	4.0%	AA-
Manulife Financial Corp (AT1) 4.1% Mar 19, 2027/2082	3.8%	BBB+
TD Bank 4.477% Jan 18, 2028	3.7%	A+
Home Trust NHA MBS FRN (98004844) Nov 1, 2026 (M CDOR -10)	3.4%	AAA
Canada 0.5% Dec 01, 2030	3.2%	AAA
CIBC FRN Jul 15, 2026 (CORRA+58)	3.2%	A
<b>Total</b>	<b>53.9%</b>	

## GEOGRAPHIC BREAKDOWN

Canada	74.0%
USA	19.5%
South America	2.8%
Europe	3.7%

## Lysander-Canso Credit Opportunities Fund – Series F

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Lysander Funds Limited is the investment fund manager of Lysander-Canso Credit Opportunities Fund (the “Fund”). This document is not an invitation to invest in the Fund and does not constitute a public offering of sale. This Fund is an alternative mutual fund. It has the ability to invest in asset classes or use investment strategies that are not permitted for other types of mutual funds. The specific strategies that differentiate this Fund from other types of mutual funds include: increased use of derivatives for non-hedging purposes; increased ability to sell securities short; and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund’s investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value. 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 unitholder that would have reduced returns. Mutual funds are not guaranteed or insured, their values change frequently and past performance may not be repeated.

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Lysander Funds Ltd., 3080 Yonge St., Suite 3037, Toronto, ON, M4N 3N1

Toll Free: (877) 308-6979 Website: [www.lysanderfunds.com](http://www.lysanderfunds.com)

