



**LYSANDER
FUNDS**

Q3 2025

Slater Quarterly Recap

The Canadian Preferred Share market had another positive quarter in 2025 with the S&P/TSX Preferred Share Total Return Index (the “Index”) up 4.3%. In comparison, Series F of Lysander-Slater Preferred Share Dividend Fund (the “Fund”), and Lysander-Slater Preferred Share ActivETF (the “ETF”) (Ticker “PR”) were up 3.5% & 3.6%, respectively, for the quarter, on a total return basis.

Falling employment numbers gave both the Bank of Canada (“BoC”), and the U.S Federal Reserve (“the Fed”) reason to reduce their overnight rates by 25bps in Q3. The Canadian 5-year bond yield began the quarter at 3% and finished at 2.75% which we believe is still a healthy level for fixed-rate reset Preferred Shares.

One main reason why we believe Preferred Shares continue to perform well is the continued redemption activity with \$4.5 billion of product being called year-to-date, and a further estimated \$735 million by year end. The following issues were called in this quarter: TD.PF.D, CM.PR.Q, BMO.PR.Y, FFH.PR.G, ALA.PR.A, RY.PR.M, and TD.PF.E. As product gets called in, institutions and other investors that own Preferred Shares could reinvest the proceeds in the secondary market to continue supporting market performance.

SLATER

ASSET MANAGEMENT

SLATER ASSET
MANAGEMENT

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Lysander-Slater Preferred
Share Dividend Fund

[TSX:PR](#)

Lysander-Slater Preferred
Share ActivETF



Another reason why Preferred Shares have performed well is a more stable bond environment for fixed income, thus attracting more investment into fixed income products. As mentioned, there is increased expectation for both the BoC and the Fed to cut interest rates over the coming quarters which is a positive for fixed income investments. We believe Preferred Shares continue to offer attractive income (although spreads are getting tighter) in relation to other fixed income alternatives with straight perpetuals yielding roughly 5.5% to 5.8%, and fixed rate resets offering yields in the low 6% range (i.e., dividend income).

Power Corporation Financial issued the first \$25 par new issue in several years with a \$200MM 5.75% straight perpetual Preferred Share (POW.PR.H). The deal was oversubscribed with institutions gaining full fills on \$101MM of the deal. On the heels of the deal, Great-West Lifeco issued a \$200MM 5.7% straight perpetual Preferred Shares (GWO.PR.Z), which had decent demand with institutions having 38% of the deal. The Fund and the ETF each hold an approximate 1.7% weighting in GWO.PR.Z and have since sold out of the POW.PR.H position. Both issues are trading above \$25.35 as of quarter end. Overall, we believe this is good news for Preferred Shares as the market gains more liquidity after several redemptions over the past few years. This keeps buyers engaged while offering attractive dividend income from some of Canada’s top companies.

We believe that Preferred Shares will continue to perform well in Q4 2025 (all else being equal) for the same reasons that have supported the market thus far in 2025, which have been continued redemption activity and attractive yield. The Fund and the ETF continue to be positioned for capital preservation, and we continue to seek attractive risk/reward positions.

Standard Performance (As of September 30, 2025)

	1 YR (%)	3YR (%)	5YR (%)	10YR (%)	Since Inception (%)
The Fund Series F	11.4%	11.5%	10.8%	5.7%	4.0% (Dec. 30, 2014)
The ETF	11.7%	11.6%	10.9%	5.9%	5.1% (Aug. 10, 2015)

Performance information for periods greater than 1 year is annualized.



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