

# Lysander Corporate Value Bond Fund

## Objective

The Fund's objective is to provide above average, long-term total returns consisting of interest income and some capital gains by investing primarily in fixed income securities.

## Investment Approach and Philosophy

Canso Investment Counsel is a specialty corporate bond portfolio manager with AUM of \$7.3 billion. The investment team consists of 5 senior credit professionals with 20+ years each and 9 additional analysts with experience in corporate bond, corporate banking and bond rating agency backgrounds. The Canso credit professionals have spent their investment careers examining the credit risk of issuers.

Canso was built on the premise that you do your own research with no reliance on outside credit rating agencies. This proprietary research emphasizes "bottom up" and "deep value" credit analysis concentrating on the **selection of individual securities**.

This **independent credit expertise and investment management experience** enables Canso to buy securities when they are out of favour and priced cheaply compared to their ongoing cash flows. Typically, investments are held for longer time periods, however when market prices exceed valuation expectations, the securities will be sold. The portfolio managers will also shift to higher quality securities if the risk premiums are not attractive enough.

## Calendar Year Returns Series A

*Performance data cannot be published for funds that have been in existence for less than 1 year.*

## *Fund Information*



January 1, 2012

Managed by:  
Canso Investment Counsel Ltd.

Portfolio Manager:  
John Carswell, CFA

Benchmark:  
DEX Universe All Corporate  
Bond Index

Fund Codes:  
CFM 801A & 801F

Category: Fixed Income  
Distribution: Quarterly

Fees  
Management: 1.25% A  
Trailer: 0.50% A  
Management: 0.75% F

MER: TBD  
Minimum: \$15,000.00  
Subsequent \$100.00  
Initial NAVPS: \$10.00  
Liquidity: Daily

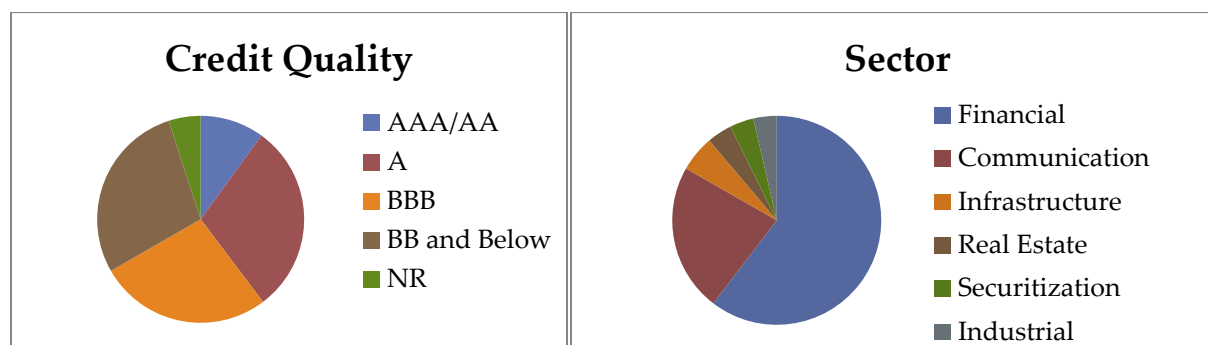
Portfolio Analysis  
Yield to Maturity: 6.16%  
Term to Maturity: 7.59 yrs.  
Duration: 4.59 yrs.  
Wtd. Avg  
Credit Rating: BBB

### Risk Tolerance



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## Fund Details



## Top 10 Holdings as of December 30, 2011

<u>Security Name</u>	<u>% Holding</u>	<u>Rating</u>
Royal Bank of Scotland Tier 1 6.666% Oct 5, 2017	8.68	C
Shaw Communications Inc 6.75% Nov 9, 2039	5.52	BBB-
Ford Credit Canada Ltd. 7.5% Aug 18, 2015	5.24	BB+
BAC Canada Finance Corp FRN Feb 21, 2014 ( CDOR +143)	5.11	A
Lloyds TSB Bank PLC 10.125% December 16, 2021	4.76	BBB-
Goldman Sachs 5.25% Jun 1, 2016	4.48	A-
Lloyds TSB Bank PLC 4.57% Oct 13, 2015	3.91	A
Met Life Global Funding I 3.85% Jan 12, 2016	3.75	AA-
Videotron Ltee Sr Notes 6.875% Jul 15, 2021	3.60	BB
GE Capital FRN Feb 10, 2014 ( CDOR +82)	3.59	AA

## Canso Investment Counsel Ltd. - Credit Research Methodology

The process begins with a “bottom up” analysis of the company and its competitive position within an industry. A thorough financial analysis is conducted examining cash flows, profitability, liquidity and capital structure of the firm. A key component of the analysis is “security specific” and highlights where the bond ranks within the capital structure and its legal protection in a downside scenario. Finally, each security is assessed with Canso’s proprietary “Maximum Loss” calculations whereby potential losses are determined for each bond. This serves as a baseline in the allocation and weighting of a security within the overall portfolio. Only recently have rating agencies begun to incorporate this into some of their analysis - Canso has employed this “Maximum Loss” or recovery analysis for many years.

A large in-house data base of over 200 issuers is maintained for all outstanding corporate debt issued in Canada, as well as 35 foreign issuers.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.