



Lysander-Triasima All Country Equity Fund

Second quarter 2020 commentary

The Economy

The COVID-19 pandemic erupted in March 2020 and the world spent the second quarter dealing with its repercussions. In most advanced countries, infection cases first rose, peaked, and then began to fall.

Economic activity everywhere dropped off a cliff in March and April as populations around the globe were told to self-isolate and businesses were shut down. Job losses were massive and immediate.

Governments and central bankers were quick to implement fiscal and monetary measures to ease the extraordinary shock caused by this Great Interruption. Funds were given or lent to individuals and corporations and short-term interest rates were driven down.

A gradual reopening began in the second half of May and economies started to rebound. This process gained further momentum in June.

The All Country World Equity Market

To say that stocks climbed a wall of worry in recent months would be an understatement. After collapsing early in the pandemic, equity markets subsequently shrugged off the bad news and retraced most of their losses. In fact, the technology-heavy NASDAQ ended the quarter higher than its pre-crisis levels.

The MSCI All Country World Index (the “Index”) was up 14.5% over the second quarter and is ‘only’ down 1.6% at the half-year mark.

A distinct theme was present: quality/growth outperformed cyclical/defensiveness. Investors flocked to companies that could improve or sustain their business throughout the pandemic while staying away from cyclical and inexpensive value situations hurt by the economic slowdown.

As such, the Technology and Consumer Discretionary sectors were strong (up 24% on average during the quarter) while the Consumer

Staples, Financials, Real Estate, and Utilities sectors barely bounced back (up 5% on average during the quarter). Banks, soft-cyclical Value names within the Financial sector, are handicapped by low interest rates, concerns over upcoming large credit losses, and a moratorium on dividend increases.

The Materials sector was strong as well with a 21% gain during the quarter, driven by large gains in the stock prices of gold producers. Gold is attractive in the current context of heightened uncertainty, declining American dollar, and low real interest rates.

In Consumer Discretionary, megacaps Amazon and Tesla drove a large part of the performance, rising 35% and 98%, respectively, during the quarter. While in Information Technology, Apple (+38%) and Microsoft (+24%) drove the sector higher.

From a geographic standpoint, during the quarter, the United States outperformed most major markets, rising 16% while the MSCI EAFE rose 10%.

Lysander-Triasima All Country Equity Fund (the “Fund”) (as of June 30, 2020)

	3 months	YTD	1 yr	3 yrs	SI
Fund (Series F)	16.8%	5.6%	7.0%	7.7%	8.1%
MSCI ACWI	14.5%	-1.6%	6.3%	7.9%	8.0%

Since inception date: December 31, 2015

The Fund had a strong second quarter with a 16.8% return for Series F units, ahead of its benchmark. Year-to-date results are a gain of 5.6% for Series F of the Fund versus a loss of 1.6% for the Index.

Relative performance this quarter was driven by security selection, most notably in the Utilities, Communication Services and Industrials sectors.

In Utilities, RWE (Germany), Orsted (Denmark) and Enel (Italy) rose 21%, on average. The common link between these companies is that they are involved in renewable energy, now a growth industry within this defensive sector.



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In Communication Services, Sea Limited (Singapore) is seeing strong traction for its eCommerce platform, Shopee, in Southeast Asia and rose 66% during the quarter.

In Industrials, there were different themes at play. Fastenal (United States, Industrial Distributor) rose 32% as it saw a strong gain in sales of personal protection equipment. Generac (United States, generators) rose 25% as demand for its power generation products remains strong due to blackouts in California, and 5G rollout.

From a regional perspective, value was added in every region through names selection, except for North America where the Fund's holdings slightly trailed the benchmark.

Portfolio turnover was somewhat higher than usual due to the volatile stock prices movements and the realignment of growth expectations. The cash reserve built up in February and March was redeployed.

The common theme for purchases this quarter were quality/growth names that can sustain or even grow their business during these difficult times. As such, semiconductor names such as Nvidia (United States, semiconductors) and ASML (Netherlands, semiconductor equipment) were bought. Nvidia is seeing strong demand in its datacenter and gaming divisions while ASML is seeing increased adoption of next-generation tools for semiconductor production. In Healthcare, Vertex Pharmaceuticals (United States, biotechnology) and Recordati (Italy, pharmaceuticals) were purchased. Vertex is the leader in Cystic Fibrosis treatment while Recordati has a portfolio of stable brands which are reimbursed by public healthcare schemes. Finally, in Communication Services, Netease (China, Internet) and Sea Limited (Singapore, eCommerce) are rapidly growing their businesses in their respective fields which are video games and online shopping and were added during the quarter.

These purchases were funded by sales in more cyclical industries. In Industrials, aerospace related

names such as Transdigm (United States, aerospace parts) and Airbus (France, airplanes) were sold as air traffic is curtailed due to the pandemic. Casella Waste and Republic Services, two American waste management companies were sold as commercial waste volume should be weak due to the slowdown in the economy. In Materials, Ecolab (United States, cleaning products) was sold as a large part of their business is related to cleaning products in restaurants.

At quarter end, the Fund was significantly (over 5%) underweight in the Financials sector compared to the Index, largely due to the banks' lack of appeal. Valuation measures indicate the Fund is slightly more expensive than the MSCI ACWI Index. However, profitability, growth and expectations parameters are better.

Conclusion

Equity markets have already written off the extraordinary events of the first half of the year and the profits collapse that came along. As the second quarter market rebound indicates, investors are looking forward and anticipating further economic progress in the second half of 2020, and improved corporate profitability later.

However, having quickly accounted for the economic reopening, being expensive on a future earnings basis, and having diminished forward visibility, we expect slower progress for the equity markets over the coming months.



New Alternative Fund Launched!

In May 2020, Lysander and Triasima launched *Lysander-Triasima All-Country Long-Short Equity Fund*. This is an alternative mutual fund employing an Equity strategy aimed at generating a positive absolute return (minimum 4%) while, over the long term, outperforming the MSCI All Country World Equity Index.

With similar expected returns but low correlation to other long-only equity strategies, this fund could bring great diversification benefits to investors looking to reduce their overall risk exposure.



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Sector mix



- 18.7% Info. Tech.
- 17.2% Health Care
- 12.6% Industrials
- 12.5% Cons. Discret.
- 9.2% Comm. Services
- 8.4% Utilities
- 6.1% Cons. Staples
- 6.1% Financials
- 4.8% Materials
- 3.2% Real Estate
- 1.2% Energy

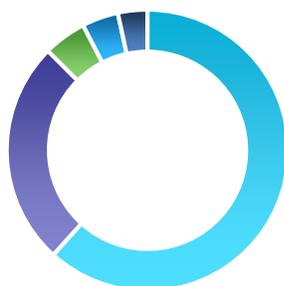
Top ten holdings

Generac Holdings Inc	3.9%
Microsoft Corp	3.5%
Amazon.Com Inc	3.4%
Orsted A/S	3.1%
Zoetis Inc	3.0%
Ringcentral Inc	3.0%
MSCI Inc	2.5%
Dollar General Corp	2.5%
Givaudan-Unspon Adr	2.3%
Coloplast-B	2.2%

Total % of top 10 holdings 29.3%

Total # of holdings 60

Geographic allocation



- 56.2% North America
- 32.3% Europe & Middle East (Advanced)
- 4.5% Asia (Advanced)
- 3.8% Asia (Emerging)
- 3.1% Latin America

Top equity geographic allocation

United States	56.2%
Switzerland	7.2%
Denmark	6.9%
Italy	4.8%
Netherlands	3.9%
China	3.8%
United Kingdom	2.7%
France	2.6%
Argentina	1.9%
Germany	1.9%

Fund characteristics

	Fund	MSCI ACWI
Dividend Yield	1.1%	1.0%
Forward P/E (1 Year)	32.7x	20.8x
Average Market Cap ¹	\$201.0B	\$296.7B

¹Average market capitalization is a measure of the average size of the companies in which the fund invests or the index holds.

Unless specified, performance data presented herein are expressed in CAD, net of all fees and expenses.



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Lysander is the investment fund manager of Lysander-Triasima All Country Equity Fund and Lysander-Triasima Long/Short All Country Equity Fund (collectively, the "Funds").

Triasima is the portfolio manager of the Funds.

In this document, "we", "us", and "our" means Triasima.

Lysander-Triasima All Country Long/Short Equity 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.

Commissions, trailing commissions, management fees and expenses all may be associated with fund investments. Please read the prospectus before investing. Unless specifically indicated otherwise, 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. Unless

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