

Financial Statements

December 31, 2021

Lysander-Canso Corporate Value Bond Fund



Independent Auditor's Report

To the Unitholders of Lysander-Canso Corporate Value Bond Fund (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of comprehensive income (loss), changes in net assets attributable to holders of redeemable units and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
March 28, 2022

Lysander-Canso Corporate Value Bond Fund

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Lysander-Canso Corporate Value Bond Fund

Statements of Financial Position

As at	31-Dec-21	31-Dec-20
Assets		
Financial assets at fair value through profit or loss*	\$ 6,915,646,075	\$ 4,362,625,422
Cash and cash equivalents	632,608,112	87,058,122
Accrued interest	54,360,323	44,652,721
Subscriptions receivable	23,683,979	17,679,283
Dividends receivable	1,055,484	866,552
Due from investment dealers	794,504	-
Accounts receivable	-	229
Receivable from forward exchange contracts	55,378	17,239,988
Prepaid distributions	3,101	-
Reimbursements receivable	-	-
Total assets	\$ 7,628,206,956	\$ 4,530,122,317
Liabilities		
Accrued expenses	\$ 6,522,376	\$ 3,953,281
Redemptions payable	3,060,824	1,291,709
Distributions payable	-	101
Due to investment dealers	14,976,246	919,328
Total liabilities	\$ 24,559,446	\$ 6,164,419
Net assets attributable to holders of redeemable units	\$ 7,603,647,510	\$ 4,523,957,898
Net assets attributable to holders of redeemable units, per series		
Series A	\$ 1,044,956,782	\$ 643,577,429
Series A5	14,246,831	9,269,659
Series F	6,390,789,536	3,788,753,864
Series F5	153,654,361	82,356,946
Total net assets	\$ 7,603,647,510	\$ 4,523,957,898
Number of redeemable units outstanding		
Series A	77,621,534	49,884,791
Series A5	1,463,289	967,815
Series F	430,689,574	266,323,962
Series F5	15,086,000	8,274,855
Net assets attributable to holders of redeemable units per unit		
Series A	\$ 13.46	\$ 12.9
Series A5	9.74	9.58
Series F	14.84	14.23
Series F5	10.19	9.95
* Financial assets at fair value through profit or loss at cost	\$ 6,402,107,553	\$ 3,959,768,071

Statements of Comprehensive Income (Loss)

For the year ended	31-Dec-21	31-Dec-20
Income		
Interest for distribution purposes	\$ 228,145,445	\$ 164,587,440
Dividend income	24,456,124	13,816,547
Other income	3,688,472	206,782
Realized and unrealized gain (loss) on investments		
Net realized gain on investments sold	374,134,952	67,228,352
Net realized gain on foreign currency	21,382,938	151,197,886
Change in (depreciation) unrealized on foreign currency	(969,095)	(4,685)
Change in (depreciation) appreciation unrealized on forward contracts	(17,184,610)	9,714,788
Change in appreciation unrealized on investments	110,784,082	378,735,286
Total operating income	\$ 744,438,308	\$ 785,482,396
Expenses		
Management fees	\$ 57,267,534	\$ 32,368,724
Fund administration fees	3,205,327	2,014,317
Custodial fees	371,646	253,327
Audit fees	334,101	428,150
Filing fees	306,856	171,406
Unitholder reporting expense	139,456	150,803
Regulatory fees expense	121,544	55,291
Transaction costs	102,911	412,697
Legal fees	44,164	52,941
Independent review committee fees	39,391	38,170
Bank charges	2,122	14,987
Blended HST expense	(304,692)	(245,084)
Total operating expenses	\$ 61,630,360	\$ 35,715,729
Withholding tax	\$ 217,791	\$ 322,339
Total net operating expenses	\$ 61,848,151	\$ 36,038,068
Change in net assets attributable to holders of redeemable units from operations	\$ 682,590,157	\$ 749,444,328
Change in net assets attributable to holders of redeemable units from operations per Series		
Series A	\$ 92,038,119	\$ 103,617,571
Series A5	1,328,357	1,504,764
Series F	575,263,513	630,137,225
Series F5	13,960,168	14,184,768
Change in total net assets	\$ 682,590,157	\$ 749,444,328
Change in net assets attributable to holders of redeemable units from operations per unit		
Series A	\$ 1.45	\$ 2.45
Series A5	1.09	1.8
Series F	1.68	2.86
Series F5	1.18	2.41

Lysander-Canso Corporate Value Bond Fund

Statements of Changes in Net Assets Attributed to Holders of Redeemable Units

All Series

For the year ended	31-Dec-21	31-Dec-20
Net assets attributable to holders of redeemable units, beginning of year	\$ 4,523,957,898	\$ 2,868,650,160
Change in net assets attributable to holders of redeemable units from operations	682,590,157	749,444,328
Distributions to unitholders of redeemable units		
From net investment income	\$ (197,116,891)	\$ (135,237,928)
From management fee rebate income	(371,974)	(164,437)
From net capital gains	(324,736,967)	(149,040,671)
	\$ (522,225,832)	\$ (284,443,036)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Series A	\$ 482,512,215	\$ 198,124,729
Series A5	6,721,021	2,653,839
Series F	3,028,145,057	1,536,181,594
Series F5	78,387,736	52,159,195
Total proceeds	\$ 3,595,766,029	\$ 1,789,119,357
Cost of units redeemed		
Series A	\$ (161,370,174)	\$ (103,577,503)
Series A5	(2,024,993)	(1,365,930)
Series F	(855,065,802)	(680,683,882)
Series F5	(9,911,311)	(7,439,130)
Total cost	\$ (1,028,372,280)	\$ (793,066,445)
Reinvested distributions		
Series A	\$ 55,847,744	\$ 30,941,982
Series A5	239,733	119,264
Series F	294,136,492	162,786,060
Series F5	1,707,569	406,228
Total reinvested	\$ 351,931,538	\$ 194,253,534
Change in net assets attributable to holders of redeemable units for the year	\$ 3,079,689,612	\$ 1,655,307,738
Net assets attributable to holders of redeemable units, end of year	\$ 7,603,647,510	\$ 4,523,957,898

Series A

For the year ended	31-Dec-21	31-Dec-20
Net assets attributable to holders of redeemable units, beginning of year	\$ 643,577,429	\$ 451,758,414
Change in net assets attributable to holders of redeemable units from operations	92,038,119	103,617,571
Distributions to unitholders of redeemable units		
From net investment income	\$ (22,701,525)	\$ (16,336,440)
From management fee rebate income	(31,484)	(16,491)
From net capital gains	(44,915,542)	(20,934,833)
Total distributions	\$ (67,648,551)	\$ (37,287,764)
Redeemable unit transactions		
Proceeds from redeemable units issued		
	\$ 482,512,215	\$ 198,124,729
Cost of units redeemed	(161,370,174)	(103,577,503)
Reinvested distributions	55,847,744	30,941,982
Total redeemable	\$ 376,989,785	\$ 125,489,208
Change in net assets attributable to holders of redeemable units for the year	\$ 401,379,353	\$ 191,819,015
Net assets attributable to holders of redeemable units, end of year	\$ 1,044,956,782	\$ 643,577,429

Series A5

For the year ended	31-Dec-21	31-Dec-20
Net assets attributable to holders of redeemable units, beginning of year	\$ 9,269,659	\$ 7,105,555
Change in net assets attributable to holders of redeemable units from operations	1,328,357	1,504,764
Distributions to unitholders of redeemable units		
From net investment income	\$ (655,053)	\$ (440,981)
From management fee rebate income	-	-
From net capital gains	(631,893)	(306,852)
Total distributions	\$ (1,286,946)	\$ (747,833)
Redeemable unit transactions		
Proceeds from redeemable units issued		
	\$ 6,721,021	\$ 2,653,839
Cost of units redeemed	(2,024,993)	(1,365,930)
Reinvested distributions	239,733	119,264
Total redeemable	\$ 4,935,761	\$ 1,407,173
Change in net assets attributable to holders of redeemable units for the year	\$ 4,977,172	\$ 2,164,104
Net assets attributable to holders of redeemable units, end of year	\$ 14,246,831	\$ 9,269,659

Lysander-Canso Corporate Value Bond Fund

Statements of Changes in Net Assets Attributed to Holders of Redeemable Units

Series F

For the year ended	31-Dec-21	31-Dec-20
Net assets attributable to holders of redeemable units, beginning of year	\$ 3,788,753,864	\$ 2,380,821,570
Change in net assets attributable to holders of redeemable units from operations	575,263,513	630,137,225
Distributions to unitholders of redeemable units		
From net investment income	\$ (167,376,198)	\$ (115,319,166)
From management fee rebate income	(324,062)	(142,962)
From net capital gains	(272,743,328)	(125,026,575)
Total distributions	\$ (440,443,588)	\$ (240,488,703)
Redeemable unit transactions		
Proceeds from redeemable units issued	\$ 3,028,145,057	\$ 1,536,181,594
Cost of units redeemed	(855,065,802)	(680,683,882)
Reinvested distributions	294,136,492	162,786,060
Total redeemable	\$ 2,467,215,747	\$ 1,018,283,772
Change in net assets attributable to holders of redeemable units for the year	\$ 2,602,035,672	\$ 1,407,932,294
Net assets attributable to holders of redeemable units, end of year	\$ 6,390,789,536	\$ 3,788,753,864

Series F5

For the year ended	31-Dec-21	31-Dec-20
Net assets attributable to holders of redeemable units, beginning of year	\$ 82,356,946	\$ 28,964,621
Change in net assets attributable to holders of redeemable units from operations	13,960,168	14,184,768
Distributions to unitholders of redeemable units		
From net investment income	\$ (6,384,115)	\$ (3,141,341)
From management fee rebate income	(16,428)	(4,984)
From net capital gains	(6,446,204)	(2,772,411)
Total distributions	\$ (12,846,747)	\$ (5,918,736)
Redeemable unit transactions		
Proceeds from redeemable units issued	\$ 78,387,736	\$ 52,159,195
Cost of units redeemed	(9,911,311)	(7,439,130)
Reinvested distributions	1,707,569	406,228
Total redeemable	\$ 70,183,994	\$ 45,126,293
Change in net assets attributable to holders of redeemable units for the year	\$ 71,297,415	\$ 53,392,325
Net assets attributable to holders of redeemable units, end of year	\$ 153,654,361	\$ 82,356,946

Lysander-Canso Corporate Value Bond Fund

Statements of Cash Flows

For the year ended	31-Dec-21	31-Dec-20
Cash flows from (used in) operating activities		
Change in net assets attributable to holders of redeemable units from operations	\$ 682,590,157	\$ 749,444,328
Adjustments for:		
Foreign exchange loss on cash and cash equivalents	4,946	261
Net realized (gain) on sales of investments	(374,134,952)	(67,228,352)
Change in unrealized (appreciation) on investments	(110,681,171)	(378,322,589)
Change in unrealized depreciation on foreign currency	969,095	4,685
Purchase of investments	(4,636,590,134)	(4,263,052,185)
Proceeds from sale and maturity of investments	2,568,385,604	3,138,560,036
Accrued expenses	2,569,095	1,383,204
Due to investment dealers	14,056,918	919,328
Due from investment dealers	(794,504)	572,259
Accounts receivable	229	(229)
Distributions payable	(101)	(1,138)
Redemptions payable	1,769,115	(191,022)
Dividends receivable	(188,932)	(632,016)
Receivable from forward exchange contracts	17,184,610	(9,714,788)
Subscriptions receivable	(6,004,696)	(13,133,724)
Accrued interest	(9,707,602)	(31,494,465)
Net cash from (used in) operating activities	\$ (1,850,572,323)	\$ (872,886,407)
Cash flows from (used in) financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	\$ (170,294,294)	\$ (90,189,502)
Proceeds from issuances of redeemable units	3,595,766,029	1,789,119,357
Amounts paid on redemption of redeemable units	(1,028,372,280)	(793,066,445)
Net cash from (used in) financing activities	\$ 2,397,099,455	\$ 905,863,410
Foreign exchange (loss) on cash and cash equivalents	\$ (974,041)	\$ (4,946)
Change in cash and cash equivalents during the year	546,524,031	32,977,003
Cash and cash equivalents, beginning of the year	87,058,122	54,086,065
Cash and cash equivalents, end of year	\$ 632,608,112	\$ 87,058,122
Supplementary disclosures on cash flow from operating activities		
Interest received	\$ 218,437,843	\$ 133,092,975
Dividends received	24,267,192	13,184,531
Withholding tax	217,791	322,339
Interest paid	2,122	14,987

Schedule of Investment Portfolio as at December 31, 2021

Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)
Canadian Equities (1.2%)			
3,081,827	Bird Construction Inc.	\$ 27,681,231	\$ 30,263,541
519,864	ClearStream Energy Services Inc.	403,833	28,593
781,786	MDA Ltd.	10,945,004	7,426,967
584,472	Nordstar Capital Inc. LP	584	20,289,005
614,753	Xplore Mobile Inc. (Mobility Spinco)	879,097	700,818
463,217	Xplornet Wireless Inc. (License Spinco)	2,269,766	2,269,766
1,939,693	Yellow Pages Limited	30,247,224	26,496,206
Total		\$ 72,426,739	\$ 87,474,896
Canadian Fixed Income (39.9%)			
29,287,000	Air Canada 4% Jul 1, 2025 (USD) 144A	\$ 41,856,370	\$ 49,446,845
453,799,000	Air Canada 4.625% Aug 15, 2029	453,803,192	453,042,653
63,955,000	BMO (AT1) 4.30% Nov 26, 2025/2080	64,074,493	66,487,337
825,000	BMO (AT1) 4.8% Aug 25, 2024/Perpetual (USD)	1,095,818	1,089,992
15,800,000	BMO FRN Feb 16, 2022 (CORRA + 15)	15,800,000	15,799,518
127,765,000	BNS (AT1) 3.7% Jul 27, 2026/2081	127,774,532	124,966,972
6,000,000	BNS (AT1) 4.65% Oct 12 2022/Perpetual (USD)	7,483,035	7,574,762
8,530,000	BNS FRN Aug 31, 2085 (USD) (SA LIBOR +12.5)	7,096,429	9,386,732
187,551,000	BNS FRN Aug 4, 2026 (CORRA +54)	187,551,000	187,215,246
25,238,000	Bombardier Inc. 7.35% Dec. 22, 2026	21,165,521	25,767,496
112,073,000	Bombardier Inc. 7.45% May 1, 2034 (USD) REGS	135,961,526	174,493,435
32,470,000	Bombardier Inc. 7.50% March 15, 2025 (USD) 144A	33,126,708	41,922,682
47,336,000	Bombardier Inc. 7.875% Apr 15, 2027 (USD) 144A	48,509,456	62,215,693

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Lysander-Canso Corporate Value Bond Fund

Schedule of Investment Portfolio as at December 31, 2021

Par Value/Number of Shares			Average Cost (\$)	Fair Value (\$)	Par Value/Number of Shares			Average Cost (\$)	Fair Value (\$)
Canadian Fixed Income (39.9%)									
<i>Cont'd</i>									
9,743,000	Canada Housing Trust FRN Mar 15, 2022 (Q CDOR +16)		9,780,316	9,752,768	12,462,000	Hertz Litigation, Hertz 6.25% Oct 15, 2022 (USD)		-	177,465
41,114,000	Canada Housing Trust FRN Sep 15, 2022 (Q CDOR +10)		41,306,825	41,220,017	22,463,000	Hertz Litigation, Hertz 7.125% Aug 1, 2026 (USD)		-	1,848,222
311,000	Cenovus Energy Inc. 3.6% Mar 10, 2027		256,264	326,651	30,000,000	Hydro One Inc. 0.71% Jan 16, 2023	29,882,700		29,890,668
9,069,000	Cenovus Energy Inc. 4.25% Apr 15, 2027 (USD)		7,015,050	12,521,562	170,676,000	Manulife Financial Corp (AT1) 4.1% Mar 19, 2027/2082	170,676,000		169,255,907
117,155,000	CIBC FRN Jul 15, 2026 (CORRA +58)		117,155,000	116,974,019	151,686,000	Manulife Financial Corp 3.375% Jun 19, 2026/2081	151,269,528		147,263,959
113,000,000	CIBC FRN Jun 10, 2024 (CDOR +23)		113,004,020	113,224,169	130,000	NBC FRN Aug 29, 2087 (USD) (S/A LIBOR +12.5)	138,271		138,228
137,102,000	CIBC FRN Mar 4, 2025 (CORRA + 46)		137,123,924	137,041,387	42,041,000	Neptune Acquisition GP Inc. 10% Apr 8, 2027	41,152,332		42,671,615
14,365,000	Cineplex Inc. 2nd Lien 7.5% Feb 26, 2026 144A		14,496,526	15,137,119	8,826,048	Postmedia Network Inc. 8.25% Jul 15, 2023	8,725,998		8,649,527
17,377,460	ClearStream Energy Services Inc. 8% Mar 23, 2026		17,377,460	13,033,095	46,788,000	RBC (AT1) 3.65% Nov 24, 2026/2081	46,703,515		45,356,909
5,000,000	Ford Credit Canada Co. 3.742% May 8, 2023		4,387,500	5,091,527	5,600,000	RBC (AT1) 4% Feb 24, 2026/2081	5,798,800		5,719,492
2,636,000	Ford Credit Canada Co. 4.46% Nov 13, 2024		2,082,440	2,746,031	89,909,000	RBC (AT1) 4.5% Nov 24, 2025/2080	89,909,000		94,285,357
12,125,000	Ford Credit Canada Co. FRN Jan 10, 2022 (Q CDOR + 303)		12,099,255	12,126,305	8,580,000	RBC FRN Jun 29, 2085(USD)(Q LIMEAN+25)	8,095,047		9,468,955
119,790,000	Ford Credit Canada Co. FRN Mar 21, 2024 (Q CDOR + 314)		120,530,344	123,364,905	17,006,000	SNC Lavalin 3.235% Mar 2, 2023	16,978,454		17,171,215
23,197,000	GE Capital Canada FRN Feb 15, 2022 (Q CDOR +35)		22,814,721	23,203,822	51,377,000	SNC Lavalin 3.8% Aug 19, 2024	51,708,517		52,741,702
13,179,000	GE Capital Canada FRN Feb 6, 2023 (Q CDOR +120)		13,514,693	13,110,337	113,304,000	Sunlife Financial Inc. (AT1) 3.6% Jun 30, 2026/81	113,299,989		111,463,025
78,230,000	Great West Life Co Inc. 3.6% Dec 31, 2026/2081		78,225,400	76,927,510	84,629,000	TD (AT1) 3.6% Oct 31, 2026/2081	84,279,200		82,174,666
44,079,000	Hertz Litigation, Hertz 5.5% Oct 15, 2024 (USD)		-	627,707	89,869,000	TransCanada Pipelines FRN Jun 9, 2024 (Q CDOR +29)	89,917,178		89,965,591
48,865,000	Hertz Litigation, Hertz 6% Jan 15, 2028 (USD)		-	4,020,539	113,760,000	TransCanada Pipelines FRN May 15, 2067 (Q LIBOR+221) (USD)	119,598,982		123,518,901
					16,330,000	Videotron Ltee 5.75% Jan 15, 2026	17,229,944		16,710,445
					27,566,000	Videotron Ltee Sr Notes 4.50% Jan 15, 2030	27,654,430		28,258,022

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Lysander-Canso Corporate Value Bond Fund

Schedule of Investment Portfolio as at December 31, 2021

Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)	Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)
Canadian Fixed Income (39.9%)							
<i>Cont'd</i>							
18,140,000	Videotron Ltee Sr Notes 5.625% Jun 15, 2025	18,828,725	19,500,825	27,229,000	American Airlines Inc IP Notes 10.75%/12% Feb 15, 2026 (USD)	40,456,315	39,464,823
Total		\$ 2,948,314,428	\$ 3,036,089,529	123,633,000	American Airlines Inc. 11.75% Jul 15, 2025 (USD) 144A	168,310,308	193,289,274
Domestic Bank Loans (0.4%)							
9,523,465	Asterix Inc. Term Loan 3.9% Jun 30, 2023	\$ 9,523,465	\$ 9,523,465	10,616,000	American Airlines Inc. 5.5% Apr 20, 2026 144A (USD)	13,898,336	13,994,712
22,000,000	ClearStream Energy Services Inc. Term Loan (1) Prime + 450	22,000,000	22,000,000	44,202,000	American Airlines Inc. 5.75% Apr 20, 2029 (USD) 144A	56,101,497	59,910,786
Total		\$ 31,523,465	\$ 31,523,465	48,335,000	Avis Budget Car/Finance 4.75% Apr 1, 2028 144A (USD)	61,297,730	62,651,348
Foreign Bank Loans (4.3%)							
19,885,981	AMC Entertainment Holdings TL B USD Q LIBOR+300 Apr 22, 2026	\$ 19,325,087	\$ 22,673,919	56,215,000	Avis Budget Car/Finance 5.375% Mar 1, 2029 (USD) 144A	72,224,797	75,163,737
129,754,000	Delta Air Lines SkyMiles TL 3m Libor +375 Oct 20, 2027	171,765,948	174,100,333	56,728,000	Avis Budget Car/Finance 5.75% Jul 15, 2027 (USD)	71,796,241	74,718,688
38,317,214	Hertz Corp. TL B USD 3m L + 350 Jun 30, 2028 (USD)	46,908,712	48,593,754	28,643,000	Avis Budget Car/Finance 5.75% Jul 15, 2027 (USD) 144A	37,500,759	37,652,861
7,255,228	Hertz Corp. TL C USD 3m L + 350 Jun 30, 2028 (USD)	8,881,912	9,201,055	2,513,000	Avis -Series 2019-3A C 3.15% Mar 20, 2026 (USD)	2,711,488	3,253,535
29,834,046	Maxar Technologies Inc TL B USD 3m L + 275 Oct 5, 2024 (USD)	32,869,823	37,504,990	59,107,000	Boeing Co 1.433% Feb 4, 2024 (USD)	75,778,188	74,739,423
26,136,167	Spirit Aerosystems Inc. TL B USD 3m L+375 Jan 15, 2025 (USD)	34,476,542	33,166,471	37,916,000	Boeing Co 2.196% Feb 4, 2026 (USD)	47,683,346	48,022,585
Total		\$ 314,228,024	\$ 325,240,522	11,358,000	Boeing Co 2.25% Jun 15, 2026 (USD)	14,638,815	14,415,225
Foreign Fixed Income (26.5%)							
42,531,000	AMC Entertainment Holdings 10.5% Apr 15, 2025 (USD)	\$ 56,347,553	\$ 57,392,095	15,976,000	Boeing Co 2.7% Feb 1, 2027 (USD)	21,042,605	20,576,835
2,608,000	AMC Entertainment Holdings 10.5% Apr 24, 2026 (USD)	3,535,187	3,511,029	350,000	Boeing Co 2.8% Mar 1, 2027 (USD)	372,147	452,408
44,030,000	AMC Entertainment Holdings 10.5% Apr 24, 2026 (USD)	55,853,415	59,275,537	10,262,000	Boeing Co 3.1% May 1, 2026 (USD)	13,487,834	13,548,908
				375,000	CIT Group Inc. 5% Aug 1, 2023 (USD)	453,636	501,971
				21,144,000	Continental Resources 3.8% Jun 1, 2024 (USD)	23,852,669	27,963,079
				8,080,000	Continental Resources 4.375% Jan 15, 2028 (USD)	8,089,071	11,074,511
				273,000	Continental Resources 4.5% Apr 15, 2023 (USD)	233,468	356,528

Continued on next page ...

Lysander-Canso Corporate Value Bond Fund

Schedule of Investment Portfolio as at December 31, 2021

Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)	Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)
Foreign Fixed Income (26.5%)							
<i>Cont'd</i>							
47,732,000	Continental Resources 5.75% Jan 15, 2031 (USD) 144A	62,062,149	71,253,617	990,000	Navient Corp 5.625% Jan 25, 2025 (USD)	932,048	1,229,184
36,287,000	Delta Airlines Inc. 7% May 1, 2025 (USD)	51,200,064	52,560,727	1,072,000	Occidental Petroleum Cor 7.2% Apr 01, 2028 (USD)	1,391,941	1,597,776
837,000	Embraer S.A 5.05% Jun 15, 2025 (USD)	982,290	1,096,491	5,193,000	Occidental Petroleum Corp. 3% Feb 15, 2027 (USD)	5,546,403	6,678,955
2,775,000	Embraer S.A 5.4% Feb 1, 2027 (USD)	3,157,396	3,661,473	5,686,000	Occidental Petroleum Corp. 3.2% Aug 15, 2026 (USD)	4,110,565	7,424,730
3,111,000	Embraer S.A 5.696% Sept 15, 2023 (USD) REGS	3,968,668	4,118,177	6,160,000	Occidental Petroleum Corp. 3.5% Aug 15, 2029 (USD)	4,287,773	8,023,830
3,300,000	Ford Motor Credit Co LLC FRN Aug 3, 2022(USD)(Q LIBOR+108)	3,334,080	4,184,808	10,285,000	Occidental Petroleum Corp. 4.2% Mar 15, 2048 (USD)	6,628,306	13,040,080
7,797,000	Ford Motor Credit Co LLC FRN Feb 15,2023(USD)(Q LIBOR+123.5)	8,287,637	9,853,997	10,392,000	Occidental Petroleum Corp. 4.3% Aug 15, 2039 (USD)	6,197,900	13,138,450
36,461,000	Ford Motor Credit Co LLC FRN Jan 7, 2022 (USD)(Q LIBOR+314)	48,832,454	46,153,209	2,660,000	Occidental Petroleum Corp. 4.4% Aug 15, 2049 (USD)	1,696,189	3,414,279
24,049,000	Gannett Holdings LLC 6.0% Nov 1, 2026 (USD) 144A	30,155,705	31,120,020	18,961,000	Occidental Petroleum Corp. 4.5% Jul 15, 2044 (USD)	14,676,156	24,757,790
20,256,000	GE Capital Corp FRN May 5, 2026 (USD) (Q LIBOR +38)	23,769,138	25,211,837	9,877,000	Occidental Petroleum Corp. 4.625% Jun 15, 2045 (USD)	6,285,005	12,990,320
12,477,000	Goldman Sachs FRN Apr 29, 2025 (CDOR +37)	12,508,317	12,507,858	11,028,000	Occidental Petroleum Corp. 5.55% Mar 15, 2026 (USD)	8,391,166	15,556,183
51,594,000	Hertz 5% 144A Dec 1, 2029 (USD)	64,851,268	65,482,593	15,813,000	Occidental Petroleum Corp. 6.2% Mar 15, 2040 (USD)	16,226,612	24,649,469
25,000	Lehman Bros Hldg Inc 4.85% Sep 3, 2013 (USD)	-	47	3,203,000	Occidental Petroleum Corp. 6.375% Sep 01, 2028 (USD)	4,494,770	4,819,583
34,278,000	Maxar Technologies Inc. 7.54% Dec 31, 2027 (USD)	45,473,859	45,773,287	10,528,000	Occidental Petroleum Corp. 6.45% Sept 15, 2036 (USD)	13,990,083	17,018,048
66,378,000	Maxar Technologies Inc. 9.75% Dec 31, 2023 (USD)	87,465,098	90,619,849	6,964,000	Occidental Petroleum Corp. 6.6% Mar 15, 2046 (USD)	5,881,251	11,451,551
399,000	MetLife Global Funding I FRN Sep 27, 2022 (Q CDOR +50)	400,109	400,096	<i>Continued on next page ...</i>			
23,892,000	MPLX LP. 6.875% Feb 15, 2023/2080 (USD)	27,719,907	30,469,866				
4,733,000	Navient Corp 5.625% Aug 1, 2033 (USD)	5,055,991	5,715,009				

Lysander-Canso Corporate Value Bond Fund

Schedule of Investment Portfolio as at December 31, 2021

Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)	Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)
Foreign Fixed Income (26.5%)							
<i>Cont'd</i>							
43,659,000	Occidental Petroleum Corp. 6.625% Sept 1, 2030 (USD)	57,847,602	68,482,745	34,814,025	First National NHA MBS (98003235) FRN (M CDOR+3) Jan 1, 2024	34,933,437	34,862,873
7,123,000	Occidental Petroleum Corp. 7.15% May 15, 2028 (USD)	8,918,382	10,588,477	39,824,565	First National NHA MBS (98004522) FRN May 1, 2026 (M CDOR-16)	39,770,802	39,754,952
2,948,000	Occidental Petroleum Corp. 7.2% Mar 15, 2029 (USD)	3,714,125	4,411,664	9,468,511	Home Trust NHA MBS (98004541) FRN May 1, 2026	9,472,771	9,469,148
435,000	Occidental Petroleum Corp. 7.5% May 1, 2031 (USD)	544,309	725,206	68,442,042	Merrill Lynch NHA MBS (97518515) 0.58% Dec 1, 2025	68,151,848	66,629,628
11,140,000	Occidental Petroleum Corp. 7.875% Sep 15, 2031 (USD)	15,534,419	18,844,653	51,300,618	Merrill Lynch NHA MBS FRN (98004599) Jul 1, 2026(M CDOR-23)	51,090,285	51,068,739
15,658,000	Occidental Petroleum Corp. 7.95% Jun 15, 2039 (USD)	17,747,242	26,190,685	42,993,037	Merrill Lynch NHA MBS FRN (98004601) Jul 1, 2026(M CDOR-23)	42,814,616	42,829,164
5,927,000	Occidental Petroleum Corp. 8.875% Jul 15, 2030 (USD)	8,113,619	10,131,270	37,698,317	Merrill Lynch NHA MBS FRN (98004766) Oct 1, 2026(M CDOR-20)	37,588,615	37,546,015
12,394,000	Spirit Aerosystems Inc. 3.85% Jun 15, 2026 (USD)	16,055,825	16,058,156	22,522,527	RBC Dominion Sec NHA MBS (97517581) 0.6% Aug 1, 2025	22,489,644	22,001,682
17,350,000	Spirit Aerosystems Inc. 3.95% Jun 15, 2023 (USD)	20,242,898	22,135,309	95,766,551	Scotia Capital Inc NHA MBS (97518704) 0.55% Jan 1, 2026	95,326,982	93,065,264
90,522,000	Spirit Aerosystems Inc. 4.6% Jun 15, 2028 (USD)	105,114,767	115,044,888	Total		\$ 490,217,189	\$ 483,706,007
46,899,000	Spirit Aerosystems Inc. 5.5% Jan 15, 2025 144A (USD)	61,944,164	61,577,507	Private Placements (0.6%)			
73,025,000	Spirit Aerosystems Inc. 7.5% Apr 15, 2025 (USD) 144A	100,144,448	97,057,174	12,957,541	Black Press Group Ltd. 12% Mar 31, 2024	\$ 12,878,197	\$ 11,013,910
Total		\$ 1,841,547,503	\$ 2,009,150,821	514,352	Blue Water Bridge Authority (amort) 6.41% Jul 9, 2027	623,503	566,403
Mortgage Backed Securities (6.4%)							
295	BMO FRN NHA MBS (98003572) Jul 1, 2024 (M CDOR -3)	\$ 294	\$ 296	5,109,000	Golf Town/Golfsmith 10.5% Jul 24, 2019 (144A)	2,815,576	11,240
40,547,418	Equitable Bank NHA MBS (97518284) 0.8% Nov 01, 2025	40,651,625	39,742,532	5,855,000	Honda Canada Finance Inc. FRN Feb 26, 2024 (Q CDOR +9)	5,849,379	5,852,660
47,729,149	First National NHA MBS (97518449) Dec 1, 2025 (M CDOR)	47,926,270	46,735,714	1,588,000	Kruger Packaging Holdings L.P. 6% Jun 1, 2026	1,591,970	1,676,716
				17,188,000	Nordstar Capital LP. 10% Aug 5, 2025	17,188,000	17,188,000
				12,576,000	WTH Car Rental ULC (AVIS) 2.781% Jul 22, 2024	12,621,793	12,835,047
				Total		\$ 53,568,418	\$ 49,143,976

Lysander-Canso Corporate Value Bond Fund

Schedule of Investment Portfolio as at December 31, 2021

Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)	Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)
US Equities (3.2%)							
7,868,466	Hertz Global Holdings Inc	\$ 117,784,996	\$ 244,022,088	21,772	ClearStream Energy Services Inc. Series 2 Pfd (restricted)	21,760,900	13,905,776
Total		\$ 117,784,996	\$ 244,022,088	66,700	Enbridge Inc (ENB.PF.A)	1,058,194	1,359,346
Preferred Shares (8.5%)							
90,300	Bank of Nova Scotia NVCC (BNS.PR.I)	\$ 1,846,170	\$ 2,316,195	1,533,300	Enbridge Inc (ENB.PR.F)	20,965,696	31,693,311
60,300	BCE Inc (BCE.PR.A)	915,354	1,260,270	1,816,300	Enbridge Inc (ENB.PR.H)	23,256,001	34,872,960
190,800	BCE Inc (BCE.PR.H)	2,879,676	3,949,560	151,900	Enbridge Inc (ENB.PR.Y)	2,512,600	2,892,176
858,100	BCE Inc (BCE.PR.J)	13,327,348	18,020,100	389,400	Enbridge Inc. (ENB.PF.C)	6,220,939	7,842,516
41,300	BCE Inc (BCE.PR.L)	552,594	764,876	42,600	Enbridge Inc. (ENB.PF.E)	647,271	822,606
46,800	BCE Inc. (BCE.PR.B)	705,744	967,356	97,500	Enbridge Inc. (ENB.PF.G)	1,545,042	1,870,050
1,034,794	BCE Inc. (BCE.PR.C)	15,930,197	22,496,421	2,700	Enbridge Inc. (ENB.PF.V) (USD)	64,872	74,677
340,400	BCE Inc. (BCE.PR.E)	6,066,118	6,978,200	988,900	Enbridge Inc. (ENB.PR.D)	14,131,495	19,688,999
105,700	BCE Inc. (BCE.PR.K)	1,286,007	2,067,492	604,100	Enbridge Inc. (ENB.PR.N)	9,501,811	13,012,314
83,500	BCE Inc. (BCE.PR.Q)	1,332,599	2,028,215	424,200	Enbridge Inc. (ENB.PR.P)	5,539,128	8,420,370
83,900	BCE Inc. (BCE.PR.S)	1,232,799	1,703,170	111,700	Enbridge Inc. (ENB.PR.T)	1,560,793	2,189,320
191,500	BCE Inc. (BCE.PR.Y)	3,051,076	4,075,120	60,000	Enbridge Inc. (ENB.PR.V) (USD)	1,534,113	1,784,810
112,300	BMO (BMO.PR.E)	2,399,899	2,913,062	100,577	M Split Corp 7.5% Dec 1, 2024 Series B	489,173	539,093
364,800	BMO (BMO.PR.S)	6,938,134	8,966,784	117,100	Manulife Financial (MFC.PR.J)	1,789,124	2,970,827
121,600	BMO (BMO.PR.T)	2,221,533	2,979,200	467,000	Manulife Financial (MFC.PR.K)	7,271,356	11,306,070
174,500	BMO (BMO.PR.W)	3,009,228	4,273,505	122,000	Manulife Financial (MFC.PR.L)	2,015,219	2,792,580
7,751,168	BMO Laddered Preferred Share ETF	64,515,117	89,758,525	135,300	Manulife Financial (MFC.PR.M)	1,942,184	3,259,377
149,049	Canadian Life Companies Split Corp 6.25% 2012 PFD	1,271,323	1,529,243	39,700	Manulife Financial (MFC.PR.N)	622,496	952,403
33,000	Cenovus Energy Inc (CVE.PR.A)	290,171	615,120	642,400	Manulife Financial (MFC.PR.P)	10,376,736	10,840,500
293,600	Cenovus Energy Inc (CVE.PR.C)	3,146,979	7,037,592	244,900	Manulife Financial (MFC.PR.Q)	4,337,205	6,225,358
96,300	Cenovus Energy Inc (CVE.PR.E)	983,359	2,377,647	21,100	National Bank of Canada (NA.PR.E)	331,793	531,931
92,900	Cenovus Energy Inc (CVE.PR.G)	873,028	2,182,221	805,500	Pembina Pipeline Corp (PPL.PR.A)	10,200,137	17,052,435
266,000	CIBC (CM.PR.O)	4,748,413	6,461,140	50,300	Pembina Pipeline Corp (PPL.PR.C)	676,291	1,069,881
360,500	CIBC (CM.PR.P)	6,497,300	8,752,940	120,400	Pembina Pipeline Corp (PPL.PR.E)	1,392,824	2,741,508
453,400	CIBC (CM.PR.S)	8,314,398	11,430,214				
33,248	ClearStream Energy Services Inc. Series 1 Preferred Share	33,106,000	21,235,498				

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Lysander-Canso Corporate Value Bond Fund

Schedule of Investment Portfolio as at December 31, 2021

Par Value/Number of Shares Average Cost (\$) Fair Value (\$)

Preferred Shares (8.5%)

Cont'd

111,700	Pembina Pipeline Corp (PPL.PR.O)	1,178,010	2,497,612
72,600	Pembina Pipeline Corp (PPL.PR.Q)	845,326	1,697,388
136,150,000	RBC (AT1) pref 4.2% (5y GoC + 271) Feb 24, 2027	136,150,000	135,840,422
40,000	RBC (RY.PR.H)	720,604	982,000
273,500	RBC (RY.PR.S)	5,589,082	7,001,600
344,800	RBC (RY.PR.Z)	6,432,633	8,444,152
43,800	Royal Bank Preferred Share Series BF 3.60%	816,432	1,076,166
207,200	Sun Life Financial Inc. (SLF.PR.K)	4,358,319	4,682,720
171,400	TC Energy Corp (TRP.PR.D)	2,454,955	3,702,240
257,857	TC Energy Corp (TRP.PR.F)	3,334,171	4,703,312
86,400	TC Energy Corp (TRP.PR.H)	912,135	1,190,592
109,600	TC Energy Corp (TRP.PR.I)	1,350,948	1,676,880
650,200	TD Bank (TD.PF.A)	12,421,762	15,897,390
238,800	TD Bank (TD.PF.B)	4,185,800	5,872,092
289,700	TD Bank (TD.PF.C)	5,391,252	7,112,135
145,700	TD Bank (TD.PF.K)	2,868,997	3,744,490
341,200	Thomson Reuters Corp (TRI.PR.B)	4,302,408	5,322,720
Total		\$ 532,496,791	\$ 649,294,771
Total investment portfolio (91.0%)		\$ 6,402,107,553	\$ 6,915,646,075
	Cash and cash equivalents (8.3%)	\$	\$ 632,608,112
	Other assets less liabilities (0.7%)		55,393,323
Net assets		\$	\$ 7,603,647,510

Foreign Exchange Contracts

Counterparty	Settlement Date	Buy	Par Value	Sell	Par Value	Forward Rate	Current Rate	Unrealized Appreciation (Depreciation)
Canadian Imperial Bank of Commerce ¹	2022-03-10	CAD	\$ 3,156,205,387	USD	\$ 2,495,606,000	0.791	0.791	\$ 55,378

Notes

¹ Credit rating of counterparty is A+.

Lysander-Canso Corporate Value Bond Fund

Notes to the financial statements for December 31, 2021 and 2020

1. Formation of Fund

The address of the Fund's registered office is 3080 Yonge St., Suite 3037, Toronto, Ontario.

Lysander Funds Limited (the "Manager" or "Lysander") is the manager and trustee of the Fund and is responsible for providing or arranging the provision of all general management and administrative services required by the Fund in its day-to-day operations, including but not limited to, calculating and reporting the net asset value of the Fund and its series, preparing all offering documents, unitholder recordkeeping and other administrative services.

Lysander-Canso Corporate Value Bond Fund (the "Fund") is an open-end fund formed under the laws of the Province of Ontario by a declaration of trust dated April 24, 2009, which has been subsequently amended and restated into the master declaration of trust dated December 8, 2011, as the same was amended and/or consolidated from time to time. At the time it was formed, the Fund's name was "Lysander Corporate Value Bond Fund". On April 30, 2009, the Fund commenced operations and distributed units pursuant to prospectus exemptions. On December 23, 2011, the Fund became a reporting issuer, with its units qualified for distribution under a simplified prospectus. On December 31, 2015, the Fund changed its name to "Lysander-Canso Corporate Value Bond Fund".

The Fund's investment 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.

The portfolio manager of the Fund is Canso Investment Counsel Ltd., ("Portfolio Manager"), a company under common control as the Manager.

2. Basis of Presentation

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB") effective as at December 31, 2021.

The financial statements were authorized for issue by Lysander's board of directors on March 21, 2022.

3. Significant Accounting Policies

The significant accounting policies of the Fund are as follows:

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term investments in an active market with original maturities of three months or less, bank

overdrafts and money market funds with daily liquidity and all highly liquid financial instruments that mature within three months of being purchased.

Financial instruments

The Fund accounts for its financial instruments in accordance with IFRS 9 Financial Instruments ("IFRS 9"), which include cash and cash equivalents, investments at fair value through profit or loss, accrued interest, reimbursement receivable, subscriptions receivable, redemption payable, due to/from investment dealer, receivable/payable from forward exchange contracts and accrued expenses.

Financial assets and financial liabilities at fair value through profit or loss ("FVTPL"):

Financial Assets

The Fund classifies its investments in debt and equity securities and open-ended investment funds based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

These financial assets are managed and their performance is evaluated on a fair value basis. The Fund also manages these financial assets with the objective of realizing cash flows through sales. The Fund has not taken the option to irrevocably designate any of its equity securities at fair value through other comprehensive income ("FVOCI"). Consequently, these financial assets are mandatorily measured at FVTPL.

Financial Liabilities

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future or on initial recognition are a part of a portfolio of identified financial instruments that the Fund manages together and has a recent actual pattern of short term profit-taking.

All derivatives and short positions are included in this category and mandatorily measured at FVTPL.

The Fund does not apply general hedge accounting to any of its derivatives positions.

Financial assets and financial liabilities at amortized cost:

The financial assets and liabilities measured at amortized cost include cash collateral posted on derivative positions, accrued income, due to and from brokers and other short term receivables and payables.

IFRS 9 requires the expected credit loss model ("ECL") as the impairment model for financial assets measured at amortized cost. At each reporting date, the Fund measures the loss allowance on cash collateral held, amounts due from broker,

Lysander-Canso Corporate Value Bond Fund

Notes to the financial statements for December 31, 2021 and 2020

accrued income and other short term receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund measures the loss allowance at an amount equal to the 12 month expected credit losses. Given the short-term nature of the receivables and the high credit quality, the Fund has determined that the expected credit loss allowances are not material or considered impaired.

The Fund classifies financial instruments carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified as Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is reclassified as Level 3. The Manager assesses transfers at the time of an event that may cause reason for re-assessment of levelling. The classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. The determination of what constitutes observable requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources. The classification of the Fund's financial instruments within the fair value hierarchy as at December 31, 2021 and 2020, as applicable, is disclosed in the notes to the financial statements of the Fund. Significant transfers between levels are also disclosed in the notes to the financial statements of the Fund, where applicable. The reconciliation of Level 3 fair value measurements for the years ended December 31, 2021 and 2020, if applicable, are included in the notes to the financial statements of the Fund.

Recognition/Derecognition

At initial recognition, financial assets and liabilities are measured at fair value. Transaction costs on financial assets and liabilities at fair value through profit or loss are expensed as incurred in the statement of comprehensive income.

Subsequent to initial recognition, financial assets and liabilities at fair value through profit or loss are measured at fair value.

Gains and losses arising from changes in their fair value are included in the statement of comprehensive income for the year in which they arise. Dividend or interest income earned on financial assets at fair value through profit or loss and dividend or interest expense on the financial liabilities at fair value through profit or loss are disclosed in a separate line item in the statement of comprehensive income.

Financial assets are derecognized when the contractual rights to the cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities at fair value through profit or loss are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

Investment transactions are accounted for on a trade date basis. Realized gains and losses on the disposition of investments, and unrealized appreciation and depreciation of investments, are determined on an average cost basis and are included in the statement of comprehensive income.

Realized gains and losses related to options are included in net realized gain/(loss) on options at fair value through profit or loss. Realized gains and losses relating to written options may arise from expiration of written options whereby realized gains are equivalent to the premium received and from the exercise of written covered call options in addition to the realized gain or losses from disposition of the related investments at the exercise price of the option.

Fair value measurements

The securities in the Fund's Portfolio are measured at FVTPL. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the year-end date. The quoted market price used for financial assets and financial liabilities of the Fund is the last traded price provided such price is within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Fund will determine the points within the bid-ask spread that are most representative of the fair value. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly

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occurring market transactions on an arm's length basis. The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques commonly used by market participants making the maximum use of observable inputs and relying as little as possible on unobservable inputs. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

Where available, valuation techniques use market observable assumptions and inputs. If such data is not available, inputs may be derived by reference to similar assets in active markets, from recent prices for comparable transactions or from other observable market data. When measuring fair value, the Fund selects the non-market-observable inputs to be used in its valuation techniques, based on a combination of historical experience, derivation of input levels based on similar products with observable price levels and knowledge of current market conditions and valuation approaches. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk. Unlisted debt securities are valued based on observable inputs such as the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data and using standard market convention practices. Unlisted debt securities for which current quotations are not readily available are valued using another valuation technique as described below.

The Fund uses widely recognized valuation techniques for determining the fair value of financial instruments that are not actively traded and quoted. The most frequently applied valuation techniques include: i) discounted value of expected cash flows, ii) relative value, iii) option pricing methodologies, iv) private placement financing technique v) internally developed models and vi) market activity. In some cases, it may be reasonable and appropriate to value at cost, where there has been no material subsequent event affecting value. Discounted

value of expected cash flows is a valuation technique that measures fair value using estimated expected future cash flows from assets or liabilities and then discounts these cash flows using a discount rate or discount margin that reflects the credit and/or funding spreads required by the market for instruments with similar risk and liquidity profiles to produce a present value. When using such valuation techniques, expected future cash flows are estimated using an observed or implied market price for the future cash flows or by using industry standard cash flow projection models. The discount factors within the calculation are generated using industry standard yield curve modeling techniques and models. Relative value models measure fair value based on the market prices of equivalent or comparable assets or liabilities, making adjustments for differences between the characteristics of the observed instrument and the instrument being valued. Option pricing models incorporate assumptions regarding the behavior of future price movements of an underlying referenced asset or assets to generate a probability-weighted future expected payoff for the option. The resulting probability-weighted expected payoff is then discounted using discount factors generated from industry standard yield curve modeling techniques and models. The option pricing model may be implemented using a closed form analytical formula or other mathematical techniques (e.g., binomial tree or Monte Carlo simulation). For more complex instruments and instruments for which there is no active market, fair values may be estimated using a combination of observed transaction prices, if any, consensus pricing services and relevant broker quotes. Consideration is given to the nature of the quotes (e.g., indicative or firm) and the relationship of recently evidenced market activity to the prices provided by consensus pricing services. Private placement financings are instances where a company raises capital through an offering of additional securities in the private markets. Pertinent details of such offering, including the terms of such offering, the issue price, and total capital raised are considered when assessing the reasonability that the issue price of such offering approximates fair value. In contrast to public offerings on a recognized exchange, private placement financings are not available to the general public. The Fund also uses internally developed models, which are typically based on valuation methods and techniques recognized as standard within the industry. Assumptions and inputs used in valuation techniques include benchmark interest rate curves, credit and funding spreads used in estimating discount rates, bond and equity prices, equity index prices, foreign exchange rates, levels of market volatility and correlation. In situations where there is limited market activity for the asset or liability near the measurement date, the most recent transaction price may be used.

Income recognition

Dividend income is recognized when the Fund's right to receive the payment has been established, normally being the ex-

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dividend date. Dividend income is recognized gross of withholding tax, if any.

The interest income for distribution purposes shown on the statement of comprehensive income represents the coupon interest received by the Fund accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis. The interest income for distribution purposes is the tax basis of calculating the interest received and which is subject to tax.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Accounting estimates

In the application of the Fund's accounting policies, the Fund is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. The most significant estimates relate to the valuation of investments. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

Net assets attributable to holders of redeemable units

Units issued and outstanding represent the capital of the Fund, with units in each series representing an equal and rateable share in the assets allocated to each series. The management fee rates are different for each of the series. Please refer to Note 6 for discussion of management fee rates. The redeemable units are classified as financial liabilities and are measured at the redemption amounts.

Units of the Fund may be purchased or redeemed at a price per unit equal to the net asset value ("NAV") of a unit of the applicable series of the Fund on each valuation date.

Net asset value per unit

The net asset value per unit of each series of units of the Fund is computed by dividing the NAV of a series of units by the total number of units of the series outstanding at the time. The Fund's accounting policies for measuring the fair value of its

investments and derivatives are identical to those used in measuring its NAV for transactions with holders of redeemable units.

Foreign currency translation

Foreign currency amounts are translated into the Fund's functional currency as follows: fair value of investments, forward currency contracts and other financial assets and liabilities, at the closing rate of exchange on each business day; income and expenses, and purchases, sales and settlements of investments, at the rate of exchange prevailing on the respective dates of such transactions.

Foreign currency forward contracts

The value of the foreign currency forward contracts is the gain or loss that would be realized if the position in the forward contract was closed out in accordance with its terms. The unrealized gains or losses on the forward contract are reported as part of the change in unrealized appreciation or depreciation on forwards in the statement of comprehensive income. Foreign currency forward contracts manage exposure to foreign currency gains and losses arising from short and long-term investments denominated in foreign currencies.

Taxation

The Fund is a mutual fund trust within the meaning of the Income Tax Act (Canada). The Fund is subject to tax on its net taxable income, including net realized capital gains, for the calendar year which is not paid or payable to its unitholders as of the end of the calendar year. It is the intention of the Fund to pay all of its net taxable income and net realized capital gains so that the Fund will not be subject to income taxes other than foreign withholding taxes, if applicable. Therefore, no provision for income taxes has been made in these financial statements.

As at December 31, 2021, the Fund had no net capital losses (December 31, 2020 - Nil) and no non-capital losses (December 31, 2020 - Nil).

Distributions

The Fund makes distributions of net income quarterly for Series A and F, and monthly for Series A5 and Series F5, and any net realized capital gains annually. These are recognized in the statement of changes in net assets attributable to holders of redeemable units.

Critical accounting estimates and judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

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Determination of Functional Currency

'Functional currency' is the currency of the primary economic environment in which the Fund operates. If indicators of the primary economic environment are mixed, then the Fund uses its judgment to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events, and conditions. The Fund's subscriptions and redemptions are denominated in Canadian Dollars ("CAD"). Accordingly, the Fund has determined that the functional currency of the Fund is CAD unless noted otherwise.

Fair Value Measurement of Derivatives and Securities Not Quoted in an Active Market

The Fund may hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined as disclosed in Fair Value Measurement section in Note 3.

Future changes in accounting standards

As of December 31, 2021, there are no future standards that could have a material or significant impact on the Fund.

4. Expenses

The Fund is responsible for the payment of all expenses related to its operations, including but not limited to audit fees, Independent Review Committee fees, fund administration fees, filing fees, redeemable unitholder reporting and custodian fees plus harmonized sales tax. At their discretion, the Manager or the Portfolio Manager may pay certain of the expenses of the Fund but any such payments shall not oblige the Manager or the Portfolio Manager to make similar future payments. All expenses are recognized in the statement of comprehensive income on the accrual basis.

Service fees may be paid by the Manager from the management fees it receives from the Fund. Service fees may be paid to brokers and dealers to compensate them for providing ongoing services to redeemable unitholders holding Series A and A5 units, if applicable.

The maximum service fee is 0.50% per annum on the Series A and Series A5 units, exclusive of any applicable taxes.

5. Issuance and Redemption of Units

The Fund is authorized to issue an unlimited number of transferable, redeemable units of beneficial interest, each of which represents an equal undivided interest in the net assets of the Fund. Each unit entitles the holder to the same rights and obligations as a holder of any other unit and no holder of units is entitled to any privilege, priority or preference in relation to any other holder of units. Each holder of units is entitled to one vote

for each whole unit held and is entitled to participate equally with respect to any and all distributions made by the Fund, including distributions of net income and net realized capital gains, if any. On termination or liquidation of the Fund, the holders of outstanding units of record are entitled to receive on a pro rata basis all of the assets of the Fund remaining after payment of all debts, liabilities and liquidation expenses of the Fund. The units of the Fund are issued and redeemed at their NAV.

During the years ended December 31, 2021 and 2020 the number of units issued, redeemed and outstanding were as follows:

Series A

Units outstanding at beginning of year	31-Dec-21	31-Dec-20
Units outstanding at beginning of year	49,884,791	39,790,326
Redeemable units issued	35,347,394	16,388,935
Redeemable units redeemed	(11,776,801)	(8,780,645)
Redeemable units issued on reinvestments	4,166,150	2,486,175
Units outstanding at end of year	77,621,534	49,884,791

Series A5

Units outstanding at beginning of year	31-Dec-21	31-Dec-20
Units outstanding at beginning of year	967,815	820,422
Redeemable units issued	672,505	291,878
Redeemable units redeemed	(201,453)	(157,555)
Redeemable units issued on reinvestments	24,422	13,070
Units outstanding at end of year	1,463,289	967,815

Series F

Units outstanding at beginning of year	31-Dec-21	31-Dec-20
Units outstanding at beginning of year	266,323,962	189,883,228
Redeemable units issued	201,012,292	116,843,584
Redeemable units redeemed	(56,540,688)	(52,308,387)
Redeemable units issued on reinvestments	19,894,008	11,905,537
Units outstanding at end of year	430,689,574	266,323,962

Series F5

Units outstanding at beginning of year	31-Dec-21	31-Dec-20
Units outstanding at beginning of year	8,274,855	3,237,479
Redeemable units issued	7,584,906	5,803,294
Redeemable units redeemed	(940,299)	(808,860)
Redeemable units issued on reinvestments	166,538	42,942
Units outstanding at end of year	15,086,000	8,274,855

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6. Related Party Transactions

The Manager is responsible for the day-to-day management of the Fund and its investment portfolio in compliance with the Fund's constating documents. The Manager pays for certain investment management services and provides certain administrative services required by the Fund. As compensation for its services the Manager is entitled to receive a management fee.

The Manager may offer a reduced management fee to selected investors who (among other considerations) hold large investments in the Fund. This is achieved by reducing the management fee charged to the Fund based on the assets held by such investors and the Fund distributing the amount of the reduction in additional units of the same series of the Fund to the investor.

At December 31, 2021, the Manager, the majority shareholder of the Manager, the Manager's directors and officers together

with certain immediate family members had an ownership interest in the Fund amounting to 0.0% (December 31, 2020 - 0.0%).

The Manager is entitled to receive from the Fund a management fee which is calculated daily and payable monthly at an annualized rate of up to 1.25% on Series A and Series A5 units and up to 0.75% on Series F and Series F5 units, exclusive of applicable taxes, based on the net asset value of each respective series. Series O has no management fees because investors will pay a negotiated management fee directly to the Manager.

During the year ended December 31, 2021, the Manager paid the Portfolio Manager, an affiliate of the Manager, \$23,145,657 (December 31, 2020 - \$13,065,274) for managing the portfolio of the Fund. As at December 31, 2021 the amount payable to the Portfolio Manager was \$2,379,678 (December 31, 2020 - \$1,411,729).

7. Fair Value Hierarchy

The following fair value hierarchy table presents information about the Fund's assets measured at fair value, as described in Note 3, as at December 31, 2021 and 2020:

As at December 31, 2021	Level 1	Level 2	Level 3	Total
Investments				
Equities	\$ 786,550,470	\$ 135,840,422	\$ 58,400,863	\$ 980,791,755
Fixed income	-	5,895,655,080	39,199,240	5,934,854,320
Total	\$ 786,550,470	\$ 6,031,495,502	\$ 97,600,103	\$ 6,915,646,075
As at December 31, 2020				
	Level 1	Level 2	Level 3	Total
Investments				
Equities	\$ 395,683,450	\$ -	\$ 47,964,859	\$ 443,648,309
Fixed income	10,728,867	3,864,462,006	43,786,240	3,918,977,113
Total	\$ 406,412,317	\$ 3,864,462,006	\$ 91,751,099	\$ 4,362,625,422

As at	31-Dec-21	31-Dec-20
Level 3 reconciliation		
Balance, beginning of year	\$ 91,751,099	\$ 116,010,408
Purchases	-	51,199,658
Sales	(17,218,988)	(45,577,364)
Transfers In	-	-
Transfers Out	-	-
Realized gains and losses	6,914,464	(2,265,397)
Change in unrealized appreciation (depreciation)	16,153,528	(27,616,206)
Balance, end of year	\$ 97,600,103	\$ 91,751,099

The Portfolio Manager's internal valuation team is comprised of individuals from across the functional areas of the firm (Trading, Settlements, Research, Portfolio Management, Compliance, and Fund Administration) who have broad and deep experience in the fair value techniques for debt and equity investments. The team reports to the Chief Investment Officer of the Portfolio Manager

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and the internal valuation team's valuation processes and results are reviewed by the Portfolio Manager's management on an ongoing basis. Security valuations are discussed on a case-by-case basis with a view to establish the most suitable valuation method. During the years ended December 31, 2021 and 2020, there were no transfers between levels.

The following sections provides information regarding Level 3 securities. It includes a summary of the valuation techniques used and the sensitivity of the fair value of these securities to changes in input values.

ClearStream Energy Services Inc. Series 1 Preferred Share

Price: \$638.70

Valuation Technique: The relative value technique.

Unobservable Inputs: Clearstream Senior Secured Bond Price (from third party).

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$191.61.

ClearStream Energy Services Inc. Series 2 Pfd (restricted)

Price: \$638.70

Valuation Technique: The relative value technique.

Unobservable Inputs: Clearstream Senior Secured Bond Price (from third party).

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$191.61.

ClearStream Energy Services Inc. Term Loan (1) Prime + 450 basis points

Price: \$100.00

Valuation Technique: The private placement financing technique.

Unobservable Inputs: The primary unobservable input for this security is the most recent transacted price in private offerings of additional securities.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$30.00.

Golf Town/Golfsmith 10.5% Jul 24, 2018 (144A)

Price: \$0.22

Valuation Technique: The private placement financing technique.

Unobservable Inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$0.07.

Nordstar Capital Inc. LP

Price: \$34.71

Valuation Technique: Internally developed model.

Unobservable Inputs: The primary unobservable inputs for this security include NordStar's financial statements, its ownership in VerticalScope Holdings Inc., and outstanding units, and the public market price of VerticalScope Holdings Inc.

Change in input values: A reasonably possible change to the value of VerticalScope Holdings Inc. could result in an increase or decrease of 50%, or an increase or decrease in the security price of \$17.36.

Nordstar Capital LP. 10% Aug 5, 2025

Price: \$100.00

Valuation Technique: Cost

Unobservable Inputs: The primary unobservable input for this security is the last price that the security was purchased.

Change in input values: A reasonably possible change in the price of the security could result in an increase or decrease of 30% or an increase or decrease in the security price of \$30.00.

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Xplore Mobile Inc. ("Mobility Spinco")

Price: \$1.14

Valuation Technique: The relative value technique.

Unobservable Inputs: The primary unobservable inputs for this security were taken from financial data provided by the company's management and government publications.

Change in input values: A reasonably possible change to the value of the assets that make up the business could result in an increase or decrease of 40%, or an increase or decrease in the security price of \$0.456.

Xplornet Wireless Inc. ("License Spinco")

Price: \$4.90

Valuation Technique: The relative value technique.

Unobservable Inputs: The primary unobservable inputs for this security were taken from financial data provided by the company's management and government publications.

Change in input values: A reasonably possible change to the value of the assets that make up the business could result in an increase or decrease of 40%, or an increase or decrease in the security price of \$1.96.

8. Risk Management

The Fund's activities expose it to a variety of financial risks in the normal course of operations. These include credit risk, liquidity risk, and market risk. The value of the investments in the Fund's portfolio can fluctuate as a result of changes in interest rates, general economic conditions, supply and demand conditions relating to specific securities, or news relating to a specific issuer. In order to manage risk, the Portfolio Manager will diversify the portfolio based on industry and credit rating category. Significant risks that are relevant to the Fund are discussed below.

Credit risk

Credit risk is the risk of financial loss that could arise from a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. The Fund's main exposure to credit risk consists of investments in debt instruments, such as bonds. The Fund is also exposed to counterparty risk from other assets, such as amounts due from investment dealer or subscriptions receivable. To manage this risk, the Portfolio Manager monitors the Fund's credit exposure and counterparty credit ratings.

The Fund measures credit risk and lifetime ECLs related to these trade receivables using historical analysis and forward looking information in determining the ECL.

As at December 31, 2021 and 2020, the Fund had directly invested in debt instruments with the following credit ratings:

As a % of net assets		31-Dec-21	31-Dec-20
Credit exposure			
AAA	%	7.2	3.1
AA		0.2	–
A		10.4	–
BBB		24	21.2
BB		22.2	33.5
B		9.9	18.1
CCC		8.5	8.8
Not Rated		4.1	10.3

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations, including any redemption of units for cash. The Fund is exposed to possible daily redemptions at the then current NAV per unit. Liquidity risk is managed by investing a significant portion of the Fund's assets in investments that are traded in an active market and that can be readily sold. All liabilities of the Fund are due within one year.

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The following table presents the Fund's liabilities according to their maturity date as at December 31, 2021 and 2020:

As at 31-Dec-2021	Less Than One Month		1-3 Months	3 Months – 1 Year	
Liquidity exposure					
Redemption Payable	\$	3,060,824	\$	-	
Due to investment dealers		14,976,246		-	
Accrued expenses		-	6,522,376	-	
As at 31-Dec-2020					
		Less Than One Month		1-3 Months	3 Months – 1 Year
Liquidity exposure					
Redemption Payable	\$	1,291,709	\$	-	
Due to investment dealers		919,328		-	
Accrued expenses		-	3,953,281	-	
Distribution payable		101		-	

Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a fund asset will fluctuate because of changes in market interest rates. If applicable, to manage interest rate risk, the Portfolio Manager monitors exposures and maintains the portfolio duration within the limits specified in the investment policies and objectives of the Fund. If applicable, the Fund has calculated the sensitivity analysis below. Actual results may differ materially from this analysis.

The table below summarizes the Fund's exposure to interest rate risks based on the remaining term to maturity of the investments.

	Less than 1 year		1-5 years	More than 5 years
Interest rate exposure				
December 31, 2021	\$	616,779,789	\$	3,427,653,447
December 31, 2020		57,724,918		2,271,357,578
				\$
				2,460,625,990
				1,589,894,617

If interest rates had increased or decreased by 1% at December 31, 2021, with all other variables remaining constant, net assets of the fund would have decreased or increased by approximately \$203,777,753 (December 31, 2020 - \$168,673,832).

Currency risk

Currency risk arises when the value of investments denominated in currencies other than CAD fluctuate due to changes in exchange rates. If applicable, the currency risk will typically be hedged by entering into foreign currency forward contracts, however some moderate currency exposure may be assumed if deemed to be beneficial to the Fund. If applicable, the Fund has calculated the sensitivity analysis below. Actual results may differ materially from this analysis.

The table below summarizes the Fund's net exposure (before hedging, if any) to currency risk as at:

	31-Dec-21		31-Dec-20	
Currency exposure				
US Dollars		%	41.6	%
				58.0

As at December 31, 2021, if the CAD had strengthened or weakened by 1% in relation to the above currency, with all other factors remaining constant, the Fund's net assets would have decreased or increased by 0.4% (December 31, 2020 - 0.6%).

Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in a market or market segment. If applicable, this risk is managed through a careful selection of securities and other financial instruments within the parameters of the investment strategy and by maintaining a well-diversified portfolio. Exposure to price risk arises from investments in equity securities. If applicable, the Fund has calculated the sensitivity analysis below. Actual results may differ materially from this analysis.

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As at December 31, 2021, approximately 12.9% (December 31, 2020 - 9.8%) of the Fund's net assets were invested in equity securities. If prices of these investments had increased or decreased by 5% as at December 31, 2021 with all other factors remaining constant, net assets would have increased or decreased, by approximately \$49,039,588 (December 31, 2020 - \$22,182,415).

9. Libor Transition

Certain of the fund's investments, including its investments in derivatives (if any), as well as any debt issued by the fund and other contractual arrangements of the fund may be based on reference interest rates such as the London Interbank Offered Rate ("LIBOR"). In 2017, the regulatory authority that oversees financial services firms in the United Kingdom announced plans to transition away from LIBOR by the end of 2021. In March 2021, the administrator of LIBOR announced the extension of the publication of the more commonly used U.S. dollar LIBOR settings to the end of June 2023.

Although the full impacts of the transition away from LIBOR are not fully known, the transition may result in, among other things, an increase in volatility or illiquidity of the markets for instruments that currently rely on LIBOR to determine interest rates and this could have an adverse impact on the fund's performance. Management is actively preparing for the cessation of LIBOR and the transition to one or more alternative references rates, including the Secured Overnight Financing Rate (SOFR) and the Sterling Overnight Index Average (SONIA). In order to facilitate a successful LIBOR transition, management has established a cross-functional LIBOR transition working group which has addressed any necessary changes to processes and systems as well as any tax and accounting implications. The working group has completed a comprehensive review of the fund's LIBOR related exposures, including any contractual interest rate fallback language, and has established investment rules to limit the addition to the fund's portfolio of any securities tied to LIBOR that mature after the applicable cessation date.

With respect to the fund's accounting for investments, including its investments in derivatives (if any), as well as any debt issued by the fund and other contractual arrangements of the fund that undergo reference rate-related modifications as a result of the transition, management will rely upon the relief provided by the amendments to IFRS 9, IAS 39: Financial Instruments – Recognition and Measurement and IFRS 7: Financial Instruments – Disclosures under the IASB's Interest Rate Benchmark Reform – Phase 2. The guidance in those amendments permits the fund to disregard the IFRS accounting requirements around certain contract modifications resulting from the LIBOR transition such that for contracts considered in scope, the fund can account for those modified contracts as a continuation of the existing contracts.

The cessation of the one-week and two-month U.S. dollar LIBOR tenors along with certain other non-U.S. dollar denominated LIBOR settings at December 31, 2021 did not have a material impact on the fund. Although still evaluating the impact of the June 30, 2023 planned discontinuation for the remaining LIBOR settings, management believes that the impact will not be material to the fund. As at December 31, 2021, the fund held \$415,221,964 in variable rate bonds linked to U.S. dollar LIBOR settings.



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