

Annual Management Report of Fund Performance

As at December 31, 2021

Lysander-Seamark Total Equity Fund



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A Note About Forward Looking Statements

This annual Management Report of Fund Performance includes certain statements that are “forward looking statements”. All statements, other than statements of historical fact, included in this Management Report of Fund Performance that address activities, events or developments that the Fund expects or anticipates will or may occur in the future, including such things as anticipated financial performance, are forward looking statements. The words “may”, “could”, “would”, “should”, “believe”, “plan”, “anticipate”, “expect”, “intend”, “forecast”, “objective” and similar expressions are intended to identify forward looking statements.

These forward looking statements are subject to various risks and uncertainties, including the risks described in the simplified prospectus of the Fund, which could cause actual financial performance and expectations to differ materially from the anticipated performance or other expectations expressed.

Readers are cautioned not to place undue reliance on these forward looking statements. All opinions contained in forward looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

The Fund has no specific intention of updating any forward looking statements whether as a result of new information, future events or otherwise, except as required by securities legislation. Certain research and information about specific holdings in the Fund, including any opinion, is based upon various sources believed to be reliable, but it cannot be guaranteed to be current, accurate or complete. It is for information only, and is subject to change without notice.

About This Report

This annual Management Report of Fund Performance of Lysander-Seamark Total Equity Fund (the “Fund”) contains financial highlights for the year ended December 31, 2021 but does not contain the complete financial statements of the Fund. This report should be read in conjunction with the annual financial statements of the Fund for the year ended December 31, 2021. Lysander Funds Limited (the “Manager”) is the manager of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling toll-free 1 877 308 6979, by writing to Lysander Funds Limited, 3080 Yonge Street, Suite 3037, Toronto, Ontario, M4N 3N1, by visiting our website at www.lysanderfunds.com or at SEDAR at www.sedar.com.

Unitholders may also contact Lysander Funds Limited using one of these methods to obtain a copy of the Fund’s proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Investment objective

The Fund’s objective is to provide long-term capital growth by investing primarily in equity securities of companies anywhere in the world.

Investment Strategies

The Fund’s portfolio manager is Seamark Asset Management Ltd. (“Portfolio Manager” or “Seamark”). The Fund’s portfolio is primarily invested in equity securities of companies globally. The Fund will not be leveraged. The Fund may invest up to 100% of its assets in foreign securities. More details are contained in the Fund’s simplified prospectus.

Risks

The risks of this Fund remain as discussed in the Fund’s most recent simplified prospectus or its amendments.

Results of Operations

The Fund had positive returns for the year of 26.20% for Series A and 27.59% for Series F.

The net assets of the Fund increased to approximately \$2.4 million at December 31, 2021 from approximately \$2.0 million at the beginning of the year. There were net redemptions of \$230,000 during the year.

Equity investors were rewarded in 2021 as the economy continued its recovery from the pandemic lows reached in 2020. Strong economic growth fueled investor enthusiasm for equities, particularly for those companies benefitting from the re-opening trade.

The Fund has been fortunate over the pandemic period. The year 2021 was largely a year of continued recovery for the world economy. After picking itself up off the floor from the initial shock of Covid-19, the recovery in GDP and in labour markets has been heartening to all. Share prices mirrored the economic triumph. Stock markets, that began their recovery in the second half of 2020, extended the trend throughout the last twelve months. North American bourses made several successive new highs on their way to delivering rates of return in excess of 20% for equity investors.

The Fund had a good year in 2021. The S&P/TSX Composite Index rose by 21.7% in 2021, and when dividends were included,

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the index registered a total return of 25.1%. In the U.S. the S&P 500 Index rose by 26.9%, delivering a total return of 28.7% with dividends. The Canadian dollar rose slightly year over year, by 0.43%, thereby reducing the total return of the S&P 500 Index to 28.2% in Canadian dollar terms. The Fund's strong performance in 2021 was driven by security selection, at home and abroad, outperforming Canadian, U.S, and International Equity Indexes. At December 31, 2021, the Fund's cash equivalents made up 0.5% of the portfolio.

At year end, the largest equity sectors of the Fund were financials, information technology, consumer staples and health care. In combination, these sectors comprised 51.1% of the portfolio. Financials showed the strongest weighted returns for the year, followed by information technology, while utilities and real estate were the weakest. The leading performers were ATS Automation, Cenovus, Applied Materials and Canadian Natural Resources while some of the weakest holdings were New Flyer Industries, Barrick Gold, Walt Disney Company and Verizon.

The Fund was more active than usual in 2021. Market volatility drove trading to higher levels as the Fund maneuvered through the ebbs and flows of the pandemic. Throughout, the Fund was managed in a manner that tried to find a risk/reward balance between companies which provide necessary goods or services, regardless of the state of the economy, and other companies whose shares would deliver strong returns when they recover from severely depressed levels reached during the pandemic. Many of the new positions were established at less than full weight, as a means of managing volatility risk. Some of the purchases made at attractive prices included shares of Teck Resources (mining), Maxar (communication satellites) and New Flyer Industries, (Canadian bus manufacturer including EV's), Restaurant Brands International (Tim Hortons and other brands), and Sysco (U.S. restaurant wholesale supplier), Amazon (juggernaut internet retailer), United Health (U.S. health care integrator), American Tower (communication towers operator), Intel (leading chip designer) and Visa (leading credit card provider).

The Fund's position in IBM was sold to fund a new position in Intel, and a profitable holding of Alcon was sold to fund an opportunistic purchase of United Health. Taking advantage of much higher prices, positions in ABB, Emerson and Abbvie were sold. Positions in grocer Loblaws, Killam Apartment REIT and RioCan Real Estate Trust were sold, realizing significant gains from their depressed purchase prices during the Covid pandemic. The Fund decreased cash and cash equivalents from a level of 3.0% at the beginning of the year to 0.5% at the end of the year. This positioning and performance are consistent with the Fund's fundamental investment objective and strategies.

There were no unusual changes to the components of revenue and expenses of the Fund and there were no unusual events or transactions, economic changes or market conditions that affected performance beyond what would be reasonably expected.

The Fund did not borrow money during the year except for immaterial short-term cash overdrafts.

Recent Developments

The Fund will face some challenges in 2022. The Omicron variant has proven to be the most transmissible of the variants yet. Even if governments manage to avoid imposing temporary economic shutdown, the number of workers infected with the virus is already causing cancellations and slowdowns in the economy. The early part of the year is destined to be met with less than optimum economic performance. Those impacts should wane however, beyond the first quarter. Investor focus is likely to return back to inflation, which has recently been acknowledged by Central banks as more than just a temporary phenomenon. That realization will have implications for monetary and fiscal policy, which throughout the pandemic has been the most expansionary in our lifetimes. Tighter money will likely slow the demand for real estate and financial assets in 2022. Against this backdrop, bonds may continue the rally that began in the fourth quarter of 2021, but Seamark expects bond yields to work higher over the course of the year.

By the time that the Omicron wave subsides, investors will once again be watching inflation numbers for evidence of some tempering of rising prices. To the extent that the inflation bump in 2021 was driven by fiscal stimulus, that is now coming to an end. Central Banks are telegraphing that it is expected to use monetary policy to reign-in inflation. There could be up to three quarter point increases in short term -rates on both sides of the border. Yields on bonds would trend higher too.

Higher interest rates and tighter money would be a new investment landscape for investors. Typically, this recipe would wring out some of the market excesses we have seen in recent years. Thus, Seamark's outlook is somewhat tempered in this scenario. The frothy sectors of the market that have stretched valuations may correct under the weight of higher interest rates. Seamark continues to favour companies whose valuations are at reasonable levels relative to their earning power in a fully functioning economy and can deliver attractive returns to the Fund.

The portfolio remains heavily tilted toward equity investments, positioned for the eventual full re-opening of the economy. Seamark is expecting tempered returns as the economy churns its way ahead. Equity valuations are already stretched, and may

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retrench in some sectors if interest rates should increase markedly in the year. The year ahead may require that we take advantage of more trading opportunities as a means of achieving attractive returns for the Fund.

There have been no changes to the Manager or Portfolio Manager, or change of control of the Manager, or of the Fund. There have been no actual or planned reorganizations, mergers or similar transactions.

There were no changes to the membership of the Fund's Independent Review Committee ("IRC").

Related Party Transactions

The Manager provides or arranges for 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. The Manager receives a management fee for these services. The fee is calculated based on a percentage of the net asset value of the Fund as disclosed in the simplified prospectus.

The Fund paid \$29,312 (including HST) in management fees to the Manager for the year ended December 31, 2021 (December 31, 2020 - \$24,016).

The Portfolio Manager is responsible for all investment advice provided to the Fund including providing investment analysis and recommendations, making investment decisions and arranging for the acquisition and disposition of portfolio investments. Fees for providing these services are included in the management fee.

The Manager paid \$13,314 (including HST) to the Portfolio Manager for the year ended December 31, 2021 (December 31, 2020 - \$10,433).

The Manager relied, or may rely on standing instructions from the IRC in respect of securities traded amongst mutual funds, closed end funds, managed accounts or pooled funds managed by the Manager or an affiliate of the Manager. In such cases the Manager is required to comply with the Manager's written policies and procedures presented to the IRC and provide periodic reports to the IRC in accordance with National Instrument 81-107.

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Financial Highlights

Series A

Year ended	31-Dec-2021	31-Dec-2020	31-Dec-2019	31-Dec-2018	31-Dec-2017
Net assets per unit¹					
Net assets, beginning of year	\$ 11.81	\$ 11.51	\$ 9.92	\$ 10.97	\$ 10.72
Operations:					
Total revenue	0.35	0.35	0.37	0.37	0.33
Total expenses	(0.36)	(0.29)	(0.30)	(0.29)	(0.29)
Realized gains (losses)	1.14	(0.17)	(0.09)	(0.02)	(0.11)
Unrealized gains (losses)	1.81	(0.61)	1.69	(1.01)	0.32
Total increase (decrease) from operations²	\$ 2.94	\$ (0.72)	\$ 1.67	\$ (0.95)	\$ 0.25
Distributions:					
From income (excluding dividends)	\$ -	\$ -	\$ -	\$ -	\$ -
From dividends	-	(0.02)	(0.07)	(0.06)	(0.04)
From capital gains	-	-	-	-	-
Total distributions^{2 3}	\$ -	\$ (0.02)	\$ (0.07)	\$ (0.06)	\$ (0.04)
Net assets, end of year^{2 3}	\$ 14.90	\$ 11.81	\$ 11.51	\$ 9.92	\$ 10.97
Ratios and supplemental data					
Net asset value ⁴	\$ 109,210	\$ 197,129	\$ 395,863	\$ 384,818	\$ 437,286
Units outstanding	7,328	16,694	34,380	38,792	39,857
Management expense ratio ⁵	% 2.54	% 2.53	% 2.56	% 2.55	% 2.55
Management expense ratio before waivers or absorption	3.35	3.50	3.65	3.56	3.01
Portfolio turnover rate ⁶	14.55	29.59	15.20	32.30	16.00
Trading expense ratio ⁷	0.02	0.05	0.03	0.10	-
Net asset value per unit, end of year	\$ 14.90	\$ 11.81	\$ 11.51	\$ 9.92	\$ 10.97

Notes

- The information is derived from the Fund's audited annual financial statements. All per unit figures presented are referenced to net assets determined in accordance to IFRS.
- Net assets and distributions are based on the actual numbers of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.
- Distributions were paid in cash or reinvested in additional units, or both.
- This information is provided at the end of the period shown.
- The management expense ratio is based on the total expenses of the period ended and is expressed as an annualized percentage of daily average net asset values during the period.
- The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales of securities divided by the weighted average market value of portfolio securities, excluding short term securities.
- The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

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Series F

Year ended	31-Dec-2021	31-Dec-2020	31-Dec-2019	31-Dec-2018	31-Dec-2017
Net assets per unit¹					
Net assets, beginning of year	\$ 11.90	\$ 11.64	\$ 10.03	\$ 11.11	\$ 10.86
Operations:					
Total revenue	0.39	0.36	0.38	0.38	0.34
Total expenses	(0.21)	(0.17)	(0.18)	(0.18)	(0.17)
Realized gains (losses)	1.30	(0.29)	(0.08)	(0.04)	(0.09)
Unrealized gains (losses)	1.84	0.66	1.70	(1.03)	0.33
Total increase (decrease) from operations²	\$ 3.32	\$ 0.56	\$ 1.82	\$ (0.87)	\$ 0.41
Distributions:					
From income (excluding dividends)	\$ (0.03)	\$ -	\$ -	\$ -	\$ -
From dividends	(0.14)	(0.21)	(0.21)	(0.21)	(0.17)
From capital gains	(0.87)	-	-	-	-
Total distributions^{2 3}	\$ (1.04)	\$ (0.21)	\$ (0.21)	\$ (0.21)	\$ (0.17)
Net assets, end of year^{2 3}	\$ 14.15	\$ 11.90	\$ 11.64	\$ 10.03	\$ 11.11
Ratios and supplemental data					
Net asset value ⁴	\$ 2,297,932	\$ 1,873,390	\$ 1,667,352	\$ 1,514,900	\$ 1,607,562
Units outstanding	162,399	157,439	143,252	151,025	144,641
Management expense ratio ⁵	% 1.41	% 1.40	% 1.43	% 1.42	% 1.42
Management expense ratio before waivers or absorption	2.17	2.46	2.52	2.43	1.90
Portfolio turnover rate ⁶	14.55	29.59	15.20	32.30	16.00
Trading expense ratio ⁷	0.02	0.05	0.03	0.10	-
Net asset value per unit, end of year	\$ 14.15	\$ 11.90	\$ 11.64	\$ 10.03	\$ 11.11

Notes

- The information is derived from the Fund's audited annual financial statements. All per unit figures presented are referenced to net assets determined in accordance to IFRS.
- Net assets and distributions are based on the actual numbers of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.
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Management Fees

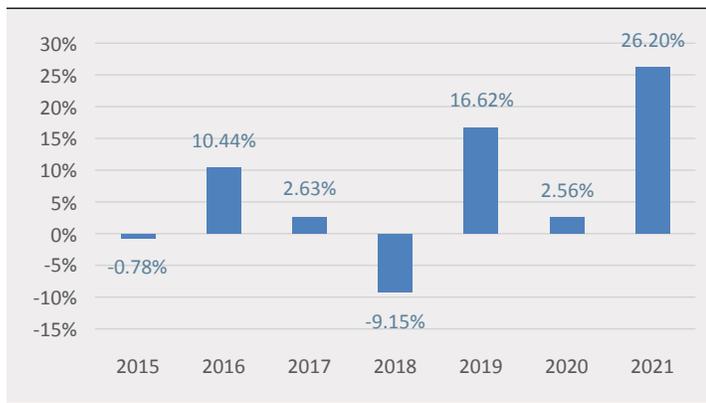
The Manager provides or arranges the provision of all general management and administrative services required by the Fund, and as described in the section “Related Party Transactions” above.

In consideration for such services, the Manager receives a monthly management fee, based on the net asset value of each Series, calculated daily and payable monthly. The Fund pays a management fee of 2.00% per annum for Series A units and 1.00% per annum for Series F units.

Service fees or trailing commissions of a maximum of 1.00% per annum are paid on Series A units to dealers. This comprises approximately 50% of the management fee of Series A units.

Year-by-Year Returns

Series A

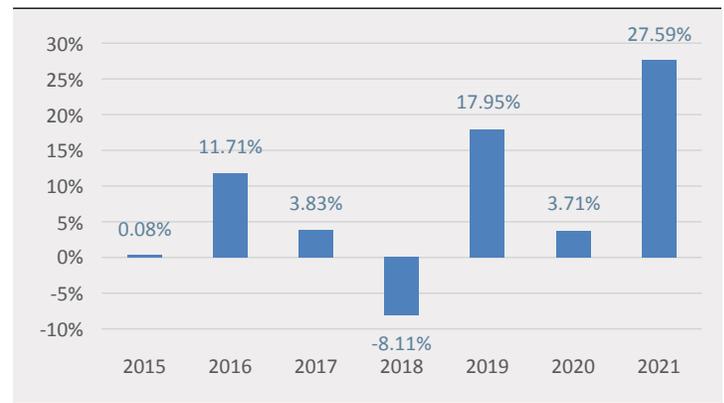


Past Performance

The Fund became a reporting issuer on December 30, 2014. Accordingly, returns are shown for the relevant period/years as indicated below.

The performance information assumes that any distributions are reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. Past performance does not necessarily indicate how the series will perform in the future.

Series F



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Annual Compound Returns

The following table shows the Fund's annual compound return for each period indicated, compared with 50% S&P/TSX Total Return Index(CAD), 35% S&P Total Return Index (CAD) and 15% MSCI EAFE Composite(CAD) (the "Index"). The returns of the Index are calculated without the deduction of fees and expenses, whereas the performance of the Fund is calculated after deducting such fees and expenses.

For years ended December 31, 2021		1 Year		3 Year ²		5 Year ²		Since Inception ³
Annual Compound Return								
Series A ¹	%	26.20	%	14.71	%	7.07	%	6.38
Series F ¹		27.59		15.99		8.29		7.55
Index ⁴	%	21.67	%	17.80	%	11.89	%	11.09

Notes

1 Returns are based on the net asset value per unit of the relevant series of the Fund and assume that all distributions were reinvested.

2 Compound period returns are annualized.

3 Period starting from December 30, 2014 to December 31, 2021. Since inception returns are annualized.

4 Source: TSX Inc. Copyright © TSX Inc. All rights reserved.

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Summary of Investment Portfolio

		% of NAV			% of NAV
Top 25 Issuers			Asset Mix		
Toronto Dominion Bank	%	2.6	Canadian Equities	%	47.7
Bank of Nova Scotia		2.6	Cash and Cash Equivalents		0.5
iA Financial Corporation		2.6	Foreign Equities		50.7
Royal Bank of Canada		2.5	Other Assets less Liabilities		1.1
KLA Corporation		2.5	Total	%	100.0
Applied Materials Inc.		2.5	Sector		
Alphabet Inc.		2.3	Cash and Cash Equivalents	%	0.5
Apple Inc.		2.1	Communication Services		9.1
ATS Automation Tooling Systems		1.9	Consumer Discretionary		9.4
Teck Resources Ltd		1.8	Consumer Staples		9.1
Bank of America Corporation		1.8	Energy		5.4
Manulife Financial Corporation		1.8	Financials		18.6
Park Lawn Corporation		1.7	Health Care		8.8
JP Morgan Chase & Co.		1.7	Industrials		8.5
Walt Disney Co.		1.6	Information Technology		14.6
State Street Corporation		1.6	Materials		9.5
Northern Trust Corporation		1.6	Other Assets less Liabilities		1.1
Ingredion Inc.		1.5	Real Estate		2.8
Canadian Tire Corp Ltd		1.5	Utilities		2.6
Service Corp International		1.5	Total	%	100.0
Finning International Inc.		1.5			
SAP SE		1.5			
TC Energy Corporation		1.5			
Sysco Corporation		1.4			
Enbridge Inc.		1.4			
Total	%	47.0			



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