

Interim Financial Statements (unaudited)
For the six month periods ended June 30, 2021 and 2020

Lysander-Canso Credit Opportunities Fund



Lysander-Canso Credit Opportunities Fund

Interim Financial Statements Six-Month Period Ended June 30, 2021 (unaudited)

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Lysander-Canso Credit Opportunities Fund

Interim Statements of Financial Position (unaudited)

As at	30-Jun-21	31-Dec-20
Assets		
Financial assets at fair value through profit or loss*	\$ 34,760,100	\$ 29,511,105
Cash and cash equivalents	4,238,382	1,324,831
Subscriptions receivable	4,318,049	977,273
Accrued interest	261,532	261,647
Reimbursements receivable	44,782	61,273
Dividends receivable	1,884	578
Receivable from forward exchange contracts	–	71,447
Prepaid distributions	–	8,018
Due from investment dealers	–	3,325
Total assets	\$ 43,624,729	\$ 32,219,497
Liabilities		
Financial liabilities at fair value through profit or loss	\$ 6,832,880	\$ 8,797,863
Accrued expenses	767,561	404,113
Payable on forward exchange contracts	376,184	–
Redemptions payable	101,256	192,776
Total liabilities	\$ 8,077,881	\$ 9,394,752
Net assets attributable to holders of redeemable units	\$ 35,546,848	\$ 22,824,745
Net assets attributable to holders of redeemable units, per series		
Series A	\$ 1,675,778	\$ 988,854
Series C	2,327,262	2,090,691
Series F	31,543,808	19,745,200
Total net assets	\$ 35,546,848	\$ 22,824,745
Number of redeemable units outstanding		
Series A	133,056	84,203
Series C	153,094	152,830
Series F	2,869,991	1,932,671
Net assets attributable to holders of redeemable units per unit		
Series A	\$ 12.59	\$ 11.74
Series C	15.2	13.68
Series F	10.99	10.22
* Financial assets at fair value through profit or loss at cost	\$ 23,651,153	\$ 18,007,803

Interim Statements of Comprehensive Income (Loss) (unaudited)

For the periods ended	30-Jun-21	30-Jun-20
Income		
Interest for distribution purposes	\$ 561,474	\$ 198,879
Dividend income	67,724	13,918
Other income	3,172	1,598
Realized and unrealized gain (loss) on investments		
Net realized gain on investments sold	411,718	224,905
Net realized gain on foreign currency	695,242	138,473
Change in appreciation (depreciation) unrealized on foreign currency	535	(153)
Change in (depreciation) unrealized on forward contracts	(447,631)	(75,288)
Change in unrealized appreciation (depreciation) on securities sold short	809,585	(287,807)
Change in appreciation unrealized on investments	762,056	311,947
Total operating income	\$ 2,863,875	\$ 526,472
Expenses		
Performance Fees	\$ 739,146	\$ 128
Management fees	110,133	29,707
Bank charges	22,001	878
Legal fees	19,663	30
Custodial fees	13,422	8,010
Filing fees	10,483	2,993
Fund administration fees	7,410	1,580
Audit fees	6,682	10,460
Regulatory fees expense	2,729	61
Transaction costs	1,013	180
Unitholder reporting expense	476	122
Independent review committee fees	75	48
Total operating expenses	\$ 933,233	\$ 54,197
Withholding tax	\$ 452	\$ –
Expense reimbursement	(44,782)	(14,032)
Total net operating expenses	\$ 888,903	\$ 40,165
Change in net assets attributable to holders of redeemable units from operations	\$ 1,974,972	\$ 486,307
Change in net assets attributable to holders of redeemable units from operations, per series		
Series A	\$ 81,772	\$ 538
Series C	236,571	570,437
Series F	1,656,629	(84,668)
Change in total net assets	\$ 1,974,972	\$ 486,307
Change in net assets attributable to holders of redeemable units from operations per unit		
Series A	\$ 0.87	\$ 0.90
Series C	1.55	2.48
Series F	0.77	(0.17)

Lysander-Canso Credit Opportunities Fund

Interim Statements of Changes in Net Assets Attributed to Holders of Redeemable Units (unaudited)

All Series

For the periods ended	30-Jun-21	30-Jun-20
Net assets attributable to holders of redeemable units, beginning of period	\$ 22,824,745	\$ 5,763,251
Change in net assets attributable to holders of redeemable units from operations	1,974,972	486,307
Distributions to unitholders of redeemable units		
From net investment income	\$ (20,755)	\$ (136,127)
From management fee rebate income	(3,172)	(963)
	\$ (23,927)	\$ (137,090)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Series A	\$ 772,700	\$ 24,650
Series C	–	2,515,000
Series F	12,855,647	6,917,743
Total proceeds	\$ 13,628,347	\$ 9,457,393
Cost of units redeemed		
Series A	\$ (166,802)	\$ –
Series C	–	(2,466,370)
Series F	(2,709,175)	(237,985)
Total cost	\$ (2,875,977)	\$ (2,704,355)
Reinvested distributions		
Series A	\$ 2,029	\$ 38
Series C	4,003	72,440
Series F	12,656	36,406
Total reinvested	\$ 18,688	\$ 108,884
Change in net assets attributable to holders of redeemable units for the period	\$ 12,722,103	\$ 7,211,139
Net assets attributable to holders of redeemable units, end of period	\$ 35,546,848	\$ 12,974,390

Series A

For the periods ended	30-Jun-21	30-Jun-20
Net assets attributable to holders of redeemable units, beginning of period	\$ 988,854	\$ –
Change in net assets attributable to holders of redeemable units from operations	81,772	538
Distributions to unitholders of redeemable units		
From net investment income	\$ (2,775)	\$ (45)
Total distributions	\$ (2,775)	\$ (45)
Redeemable unit transactions		
Proceeds from redeemable units issued	\$ 772,700	\$ 24,650
Cost of units redeemed	(166,802)	–
Reinvested distributions	2,029	38
Total redeemable	\$ 607,927	\$ 24,688
Change in net assets attributable to holders of redeemable units for the period	\$ 686,924	\$ 25,181
Net assets attributable to holders of redeemable units, end of period	\$ 1,675,778	\$ 25,181

Series C

For the periods ended	30-Jun-21	30-Jun-20
Net assets attributable to holders of redeemable units, beginning of period	\$ 2,090,691	\$ 1,128,629
Change in net assets attributable to holders of redeemable units from operations	236,571	570,437
Distributions to unitholders of redeemable units		
From net investment income	\$ (4,003)	\$ (72,440)
Total distributions	\$ (4,003)	\$ (72,440)
Redeemable unit transactions		
Proceeds from redeemable units issued	\$ –	\$ 2,515,000
Cost of units redeemed	–	(2,466,370)
Reinvested distributions	4,003	72,440
Total redeemable	\$ 4,003	\$ 121,070
Change in net assets attributable to holders of redeemable units for the period	\$ 236,571	\$ 619,067
Net assets attributable to holders of redeemable units, end of period	\$ 2,327,262	\$ 1,747,696

Lysander-Canso Credit Opportunities Fund

Interim Statements of Changes in Net Assets Attributed to Holders of Redeemable Units (unaudited)

Series F

For the periods ended	30-Jun-21	30-Jun-20
Net assets attributable to holders of redeemable units, beginning of period	\$ 19,745,200	\$ 4,634,622
Change in net assets attributable to holders of redeemable units from operations	1,656,629	(84,668)
Distributions to unitholders of redeemable units		
From net investment income	\$ (13,977)	\$ (63,642)
From management fee rebate income	(3,172)	(963)
Total distributions	\$ (17,149)	\$ (64,605)
Redeemable unit transactions		
Proceeds from redeemable units issued	\$ 12,855,647	\$ 6,917,743
Cost of units redeemed	(2,709,175)	(237,985)
Reinvested distributions	12,656	36,406
Total redeemable	\$ 10,159,128	\$ 6,716,164
Change in net assets attributable to holders of redeemable units for the period	\$ 11,798,608	\$ 6,566,891
Net assets attributable to holders of redeemable units, end of period	\$ 31,543,808	\$ 11,201,513

Lysander-Canso Credit Opportunities Fund

Interim Statements of Cash Flows (unaudited)

For the periods ended	30-Jun-21	30-Jun-20
Cash flows from (used in) operating activities		
Change in net assets attributable to holders of redeemable units from operations	\$ 1,974,972	\$ 486,307
Adjustments for:		
Foreign exchange loss on cash and cash equivalents	170	3
Net realized (gain) on sales of investments	(411,718)	(224,905)
Change in unrealized (appreciation) on investments	(761,043)	(311,767)
Change in unrealized (appreciation) depreciation of investments sold short	(809,585)	3,750,838
Change in unrealized (appreciation) depreciation on foreign currency	(535)	153
Purchases of investments	(12,668,768)	(9,647,744)
Proceeds from sale and maturity of investments	7,437,136	2,927,250
Redemptions payable	(91,520)	2,466,369
Payable on forward exchange contracts	376,184	64,392
Prepaid distributions	8,018	18,305
Receivable from forward exchange contracts	71,447	10,896
Dividends receivable	(1,306)	388
Accrued expenses	363,448	181
Accounts receivable	-	(1,216)
Reimbursements receivable	16,491	(14,032)
Accrued interest	115	(84,740)
Subscriptions receivable	(3,340,776)	(6,507,643)
Due from investment dealers	3,325	-
Net cash from (used in) operating activities	\$ (7,833,945)	\$ (7,066,965)
Cash flows from (used in) financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	\$ (5,239)	\$ (28,206)
Proceeds from issuances of redeemable units	13,628,347	9,457,393
Amounts paid on redemption of redeemable units	(2,875,977)	(2,704,355)
Net cash from (used in) financing activities	\$ 10,747,131	\$ 6,724,832
Foreign exchange gain (loss) on cash and cash equivalents	\$ 365	\$ (156)
Increase (Decrease) in cash and cash equivalents during the period	2,913,186	(342,133)
Cash and cash equivalents, beginning of period	1,324,831	201,818
Cash and cash equivalents, end of period	\$ 4,238,382	\$ (140,471)
Supplementary disclosures on cash flow from operating activities		
Interest received	\$ 561,589	\$ 114,139
Dividends received	66,418	14,306

Withholding tax	452	-
Interest paid	22,001	878

Lysander-Canso Credit Opportunities Fund

Interim Schedule of Investment Portfolio as at June 30, 2021 (unaudited)

Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)
Canadian Equities (2.7%)			
10,643	Bird Construction Inc.	\$ 84,247	\$ 93,978
19,400	Bombardier Inc.	33,998	22,698
55,400	Cenovus Energy Inc Warrant	199,946	371,180
320	ClearStream Energy Services Inc.	-	26
3,929	MDA Ltd.	55,006	63,846
2,342	Nordstar Capital Inc. LP	2	63,739
1,872	Xplore Mobile Inc. (Mobility Spinco)	-	2,677
1,411	Xplornet Wireless Inc. (License Spinco)	-	6,912
22,414	Yellow Pages Limited	272,496	329,486
Total		\$ 645,695	\$ 954,542
Canadian Fixed Income (51.1%)			
282,000	Air Canada 4% Jul 1, 2025 (USD) 144A	\$ 416,439	\$ 543,565
100,000	Air Canada 4.75% Oct 6, 2023	97,500	101,958
613,000	Air Canada 9% Jun 22, 2024	604,660	652,845
38,000	Bell Canada 7.85% Apr 2, 2031	44,954	52,898
280,000	BMO (AT1) 4.30% Nov 26, 2025/2080	280,000	295,653
622,000	BNS (AT1) 3.7% Jul 27, 2026/2081	622,000	621,941
50,000	BNS FRN Aug 31, 2085 (USD) (SA LIBOR +12.5)	40,669	53,815
9,000	Bombardier Inc. 6% Oct 15, 2022 (USD) 144A	9,597	11,204
380,000	Bombardier Inc. 7.125% Jun 15, 2026 (USD) 144A	460,550	494,274
445,000	Bombardier Inc. 7.35% Dec. 22, 2026	340,638	431,710
535,000	Bombardier Inc. 7.45% May 1, 2034 (USD) REGS	654,759	713,796
11,000	Bombardier Inc. 7.50% Dec 1, 2024 (USD) 144A	10,705	14,281
80,000	Bombardier Inc. 7.50% March 15, 2025 (USD) 144A	73,438	102,308
627,000	Bombardier Inc. 7.875% Apr 15, 2027 (USD) 144A	620,060	808,168

232,000	Canada Housing Trust 1.15% Dec 15, 2021	233,492	233,027
100,000	Canada Housing Trust FRN Mar 15, 2022 (Q CDOR +16)	100,383	100,307
56,000	Cenovus Energy Inc. 4.25% Apr 15, 2027 (USD)	40,725	77,715
29,000	Cenovus Energy Inc. 5.25% Jun 15, 2037 (USD)	18,432	43,130
155,000	Cenovus Energy Inc. 5.4% Jun 15, 2047 (USD)	182,231	238,512
282,000	Cenovus Energy Inc. 6.75% Nov 15, 2039 (USD)	329,690	476,175
30,000	CIBC FRN Aug 31, 2085 (USD) (\$/A LIBOR+12.5)	23,862	32,712
119,408	ClearStream Energy Services Inc. 8% Mar 23, 2026	119,408	89,556
670,000	Enbridge Inc. 4.57% Mar 11, 2044	735,253	722,334
1,072,000	Ford Credit Canada Co. FRN Mar 21, 2024 (Q CDOR + 314)	1,025,006	1,104,024
329,000	GE Capital Canada 5.73% Oct 22, 2037	336,074	400,977
800,000	Manulife Financial Corp 3.375% Jun 19, 2026/2081	799,600	800,160
442,000	Nav Canada 2.924 Sep 29, 2051	480,394	437,039
211,000	Neptune Acquisition GP Inc. 10% Apr 8, 2027	209,223	218,385
158,000	Pembina Pipeline Corp 4.74% Jan 21, 2047	152,108	169,726
806,000	Pembina Pipeline Corp 4.75% Mar 26, 2048	850,510	868,415
259,000	Pembina Pipeline Corp 4.81% Mar 25, 2044	252,232	279,641
45,632	Postmedia Network Inc. 8.25% Jul 15, 2023	45,636	41,069
1,282,000	RBC (AT1) 4.5% Nov 24, 2025/2080	1,302,891	1,358,555
50,000	RBC FRN Jun 29, 2085(USD)(Q LIMEAN+25)	37,002	53,620

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Lysander-Canso Credit Opportunities Fund

Interim Schedule of Investment Portfolio as at June 30, 2021 (unaudited)

Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)	Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)
Canadian Fixed Income (51.1%)							
<i>Cont'd</i>							
459,000	Shaw Communications Inc. 6.75% Nov 9, 2039	616,986	618,446	330,000	American Airlines Inc. 5.75% Apr 20, 2029 (USD) 144A	418,553	443,262
252,000	SNC Lavalin 3.235% Mar 2, 2023	249,480	256,353	917,000	AT&T Inc. 4.85% May 25, 2047	966,310	1,021,402
50,000	Sobeys Inc. 6.06% Oct 29, 2035	51,500	62,138	496,000	Avis Budget Car/Finance 4.75% Apr 1, 2028 144A (USD)	628,010	631,556
905,000	Suncor Energy Inc. 5% Apr 9, 2030	966,946	1,064,383	32,000	Avis Budget Car/Finance 5.375% Mar 1, 2029 (USD) 144A	41,558	41,402
501,000	Sunlife Financial Inc. (AT1) 3.6% Jun 30, 2026/81	501,192	502,528	294,000	Avis Budget Car/Finance 5.75% Jul 15, 2027 (USD)	372,695	380,998
587,000	TransCanada Pipelines 4.34% Oct 15, 2049	626,623	619,100	289,000	Boeing Co 3.25% Mar 1, 2028 (USD)	386,685	376,924
1,500,000	TransCanada Pipelines FRN Jun 9, 2024 (Q CDOR +29)	1,500,000	1,501,465	166,000	Boeing Co 5.875% Feb 15, 2040 (USD)	231,450	265,993
483,000	TransCanada Pipelines FRN May 15, 2067 (Q LIBOR+221) (USD)	497,050	536,554	5,000	Continental Resources 3.8% Jun 1, 2024 (USD)	4,527	6,569
307,000	Videotron Ltee Sr Notes 5.625% Jun 15, 2025	307,661	340,994	432,000	Continental Resources 4.375% Jan 15, 2028 (USD)	468,413	594,524
Total		\$ 16,867,559	\$ 18,145,456	9,000	Continental Resources 4.9% Jun 01, 2044 (USD)	5,629	12,662
Canadian Security Short (-13.4%)							
	Canada 1.25% Jun 1, 2030	\$ (866,290)	\$ (823,016)	172,000	Delta Airlines Inc. 7% May 1, 2025 (USD)	242,326	249,212
	Canada 1.50% Jun 1, 2023	(89,637)	(97,928)	270,000	Embraer S.A 5.4% Feb 1, 2027 (USD)	328,152	357,439
	Canada 2% Dec 1, 2051	(2,110,160)	(1,817,519)	14,000	Embraer S.A 5.696% Sept 15, 2023 (USD) REGS	17,866	18,577
	Canada 2.5% Jun 1, 2024	(176,025)	(181,223)	335,000	Hertz 5.5% Oct 15, 2024 (USD)	185,500	419,490
	Canada 2.75% Dec 1, 2048	(1,759,679)	(1,779,980)	200,000	Hertz 6% Jan 15, 2028 (USD)	107,403	267,280
	Canada 8% Jun 1, 2027	(51,996)	(47,395)	71,000	Hertz 6.25% Oct 15, 2022 (USD)	36,011	88,870
	Canada 8.0% Jun 1, 2023	(17,888)	(13,723)	60,000	Hertz 7.125% Aug 1, 2026 (USD)	30,170	79,979
Total		\$ (5,071,675)	\$ (4,760,784)	175,000	Howmet Aerospace Inc. 6.875% May 1, 2025 (USD)	256,403	253,043
Foreign Fixed Income (34.5%)							
320,000	AMC Entertainment Holdings 10.5% Apr 15, 2025 (USD)	\$ 413,739	\$ 431,617	850,000	JP Morgan Chase FRN (USD) (Q LIBOR+85) Jan 10, 2025	1,096,938	1,068,876
225,000	AMC Entertainment Holdings 10.5% Apr 24, 2026 (USD)	285,420	303,969	44,000	Lehman Bros Hldg Inc 4.85% Sep 3, 2013 (USD)	-	136
535,000	American Airlines Inc. 11.75% Jul 15, 2025 (USD) 144A	740,278	833,967				

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Lysander-Canso Credit Opportunities Fund

Interim Schedule of Investment Portfolio as at June 30, 2021 (unaudited)

Par Value/Number of Shares			Average Cost (\$)	Fair Value (\$)	Par Value/Number of Shares			Average Cost (\$)	Fair Value (\$)
Foreign Fixed Income (34.5%)									
<i>Cont'd</i>									
182,000	Maxar Technologies Inc. 7.54% Dec 31, 2027 (USD)		240,170	244,466	5,000	Spirit Aerosystems Inc. 3.85% Jun 15, 2026 (USD)	6,583	6,489	
411,000	Maxar Technologies Inc. 9.75% Dec 31, 2023 (USD)		551,075	563,436	103,000	Spirit Aerosystems Inc. 3.95% Jun 15, 2023 (USD)	113,175	128,766	
80,000	MPLX LP. 6.875% Feb 15, 2023/2080 (USD)		98,666	101,611	549,000	Spirit Aerosystems Inc. 4.6% Jun 15, 2028 (USD)	614,441	669,322	
31,000	Navient Corp. 5.625% Aug 1, 2033 (USD)		28,304	37,237	40,000	Spirit Aerosystems Inc. 5.5% Jan 15, 2025 144A (USD)	52,375	52,887	
81,000	Occidental Petroleum Corp. 3.5% Aug 15, 2029 (USD)		55,668	101,003	369,000	Spirit Aerosystems Inc. 7.5% Apr 15, 2025 (USD) 144A	482,259	490,101	
195,000	Occidental Petroleum Corp. 4.1% Feb 15, 2047 (USD)		193,950	225,634	71,000	United Airlines Inc. 4.625% Apr 15, 2029 (USD)	88,883	91,294	
46,000	Occidental Petroleum Corp. 4.2% Mar 15, 2048 (USD)		30,069	53,443	Total	\$ 10,928,233	\$ 12,266,946		
18,000	Occidental Petroleum Corp. 4.3% Aug 15, 2039 (USD)		10,371	21,375	Foreign Security Short (-5.8%)				
22,000	Occidental Petroleum Corp. 4.5% Jul 15, 2044 (USD)		13,781	26,374	(148,000)	US Treasury 1.75% May 15, 2023 (USD)	\$ (149,248)	\$ (188,861)	
4,000	Occidental Petroleum Corp. 4.625% Jun 15, 2045 (USD)		2,381	4,857	(104,000)	US Treasury 1.875% Feb 15, 2051 (USD)	(118,802)	(123,201)	
210,000	Occidental Petroleum Corp. 6.2% Mar 15, 2040 (USD)		221,060	295,199	(1,298,000)	US Treasury 2.375% Nov 15, 2049 (USD)	(2,267,874)	(1,715,564)	
17,000	Occidental Petroleum Corp. 6.6% Mar 15, 2046 (USD)		15,376	25,118	(14,000)	US Treasury 3% May 15, 2045 (USD)	(18,718)	(20,492)	
453,000	Occidental Petroleum Corp. 6.625% Sept 1, 2030 (USD)		591,343	675,228	(15,000)	US Treasury 3.625% Aug 15, 2043 (USD)	(16,686)	(23,978)	
53,000	Occidental Petroleum Corp. 7.875% Sep 15, 2031 (USD)		59,120	84,705	Total	\$ (2,571,328)	\$ (2,072,096)		
8,000	Occidental Petroleum Corp. 7.95% Jun 15, 2039 (USD)		5,957	12,748	Mortgage Backed Securities (1.4%)				
67,000	Ovintiv Exploration Inc. 5.625% Jul 1, 2024 (USD)		86,827	92,614	550,000	RBC Dominion Sec NHA MBS (97517581) 0.6% Aug 1, 2025	\$ 513,011	\$ 506,776	
85,000	Ovintiv Inc. 5.15% Nov 15, 2041 (USD)		102,363	115,292	Total	\$ 513,011	\$ 506,776		
					Private Placements (0.5%)				
					136,669	Black Press Group Ltd. 12% Mar 31, 2024	\$ 136,669	\$ 109,335	
					69,000	Nordstar Capital LP. 10% Aug 5, 2025	69,000	69,000	
					18,000	Strait Crossing Dev. Inc. (amort) 6.17% Sep 15, 2031	11,975	13,230	
					Total	\$ 217,644	\$ 191,565		
					Preferred Shares (7.6%)				
					10,200	BCE Inc. (BCE.PR.E)	\$ 159,430	\$ 185,538	

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Lysander-Canso Credit Opportunities Fund

Interim Schedule of Investment Portfolio as at June 30, 2021 (unaudited)

Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)
Preferred Shares (7.6%)			
<i>Cont'd</i>			
6,700	BCE Inc. (BCE.PR.C)	104,807	131,253
4,700	BCE Inc. (BCE.PR.K)	56,416	83,425
1,700	BMO (BMO.PR.A)	40,015	42,466
19,200	Cenovus Energy Inc (CVE.PR.A)	115,926	293,760
4,300	Cenovus Energy Inc (CVE.PR.C)	48,515	94,600
4,900	CIBC (CM.PR.P)	96,757	115,689
184	ClearStream Energy Services Inc. Series 1 Preferred Share	184,000	128,800
8	ClearStream Energy Services Inc. Series 2 Pfd (restricted)	8,000	5,600
3,900	Enbridge Inc (ENB.PR.F)	53,885	73,788
30,600	Enbridge Inc (ENB.PR.H)	394,515	533,358
3,600	Enbridge Inc. (ENB.PR.N)	54,915	72,792
29,700	M Split Corp. 7.50% Dec 1, 2024 Series C	65,337	47,817
100	Manulife Financial (MFC.PR.L)	1,686	2,300
100	Manulife Financial (MFC.PR.M)	1,563	2,355
11,500	Sun Life Financial Inc (SLF.PR.H)	237,245	269,330
100	TC Energy Corp (TRP.PR.D)	1,478	2,057
100	TC Energy Corp (TRP.PR.H)	1,023	1,317
3,600	TD Bank (TD.PF.B)	63,473	85,068
13,700	TD Bank (TD.PF.K)	282,631	339,349
10,400	Thomson Reuters Corp (TRI.PR.B)	128,542	153,297
3,800	US Financial 15 Split Corp Pfd.	21,855	30,856
Total		\$ 2,122,014	\$ 2,694,815
Total investment portfolio (78.6%)		\$ 23,651,153	\$ 27,927,220
	Cash and cash equivalents (11.9%)		\$ 4,238,382
	Other assets less liabilities (9.5%)		3,381,246
Net assets		\$	\$ 35,546,848

Lysander-Canso Credit Opportunities Fund

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	2021-09-15	CAD \$	12,864,422	USD \$	10,666,000	0.83	0.81	\$ (376,184)

Notes

¹ Credit rating of counterparty is A+.

Lysander-Canso Credit Opportunities Fund

Notes to the interim financial statements for the six-month period ended June 30, 2021 (unaudited)

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 Credit Opportunities Fund (the "Fund") is an open-end fund formed under the laws of the Province of Ontario by a declaration of trust dated August 14, 2008.

The Fund commenced offering Series C and Series F units under prospectus exemption on March 31, 2014. On May 11, 2020, the Fund became a reporting issuer and its name changed to Lysander-Canso Credit Opportunities Fund.

The Fund's objective is to achieve long term capital growth by investing in, or gaining exposure to, a diversified portfolio composed primarily of debt and money market securities. The Fund will use alternative investment strategies such as engaging in short sales and purchasing securities on margin or with borrowed funds.

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 interim financial statements (the "financial statements") have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB"). These financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and do not include all of the information and disclosures required in the annual financial statements. These financial statements should be read in conjunction with the Fund's annual financial statements and accompanying note disclosures.

The financial statements were authorized for issue by Lysander's board of directors on August 23, 2021.

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.

Lysander-Canso Credit Opportunities Fund

Notes to the interim financial statements for the six-month period ended June 30, 2021 (unaudited)

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, 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 June 30, 2021 and December 31, 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 periods ended June 30, 2021 and

December 31, 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 period 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 period-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

Lysander-Canso Credit Opportunities Fund

Notes to the interim financial statements for the six-month period ended June 30, 2021 (unaudited)

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 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.

Lysander-Canso Credit Opportunities Fund

Notes to the interim financial statements for the six-month period ended June 30, 2021 (unaudited)

Income recognition

Dividend income is recognized when the Fund's right to receive the payment has been established, normally being the ex-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 period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

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, 2020, the Fund had no net capital losses (December 31, 2019 - Nil) and no non-capital losses (December 31, 2019 - Nil).

Distributions

The Fund makes distributions of net income quarterly 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

Lysander-Canso Credit Opportunities Fund

Notes to the interim financial statements for the six-month period ended June 30, 2021 (unaudited)

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:

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 June 30, 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 units, if applicable.

The maximum service fee is 0.50% per annum on the Series A 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 periods ended June 30, 2021 and 2020, the number of units issued, redeemed and outstanding were as follows:

Series A

For the periods ended	30-Jun-21	30-Jun-20
Units outstanding at beginning of period	84,203	-
Redeemable units issued	62,595	2,306
Redeemable units redeemed	(13,903)	-
Redeemable units issued on reinvestments	161	3
Units outstanding at end of period	133,056	2,309

Series C

For the periods ended	30-Jun-21	30-Jun-20
Units outstanding at beginning of period	152,830	92,999
Redeemable units issued	-	259,241
Redeemable units redeemed	-	(210,031)
Redeemable units issued on reinvestments	264	6,621
Units outstanding at end of period	153,094	148,830

Series F

For the periods ended	30-Jun-21	30-Jun-20
Units outstanding at beginning of period	1,932,671	489,445
Redeemable units issued	1,192,488	755,911
Redeemable units redeemed	(256,329)	(29,101)
Redeemable units issued on reinvestments	1,161	4,179
Units outstanding at end of period	2,869,991	1,220,434

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

Lysander-Canso Credit Opportunities Fund

Notes to the interim financial statements for the six-month period ended June 30, 2021 (unaudited)

Fund's constating documents. The Manager pays for the investment management services and provides all 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 June 30, 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 7.0% (December 31, 2020 - 9.8%).

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 units, 0.50% on Series C units, and up to 0.75% on Series F units, exclusive of applicable taxes, based on the net asset value of each respective series.

During the period ended June 30, 2021, the Manager paid the Portfolio Manager, \$47,321 (June 30, 2020 - \$8,740) for managing the portfolio of the Fund. As at June 30, 2021 the amount payable to the Portfolio Manager was \$9,394 (December 31, 2020 - \$6,799).

Performance Fees:

Subject to certain terms and conditions as described in the Fund's Prospectus, the Manager is entitled to receive a Performance Fee (the "Performance Fee") equal to 20% of the Fund's outperformance of the FTSE All Corporate Bond Index.

Performance fees are calculated and accrued monthly and paid annually, if earned. For the period ended June 30, 2021, the Performance Fee accrued by the Fund was \$739,146 (December 31, 2020 - \$370,729).

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 June 30, 2021 and December 31, 2020:

As at June 30, 2021	Level 1	Level 2	Level 3	Total
Financial Assets				
Fixed income	\$ -	\$ 31,041,743	\$ 69,000	\$ 31,110,743
Equities	881,214	-	73,328	954,542
Preferred Shares	2,560,415	-	134,400	2,694,815
Total	\$ 3,441,629	\$ 31,041,743	\$ 276,728	\$ 34,760,100
Financial Liabilities				
Fixed income sold short	\$ -	\$ 6,832,880	\$ -	\$ 6,832,880
Equities sold short	-	-	-	-
Payable on forward exchange contracts	-	376,184	-	376,184
Total	\$ -	\$ 7,209,064	\$ -	\$ 7,209,064
As at December 31, 2020				
Financial Assets				
Fixed income	\$ 55,185	\$ 26,914,429	\$ 83,000	\$ 27,052,614
Equities	375,312	-	39,192	414,504
Options	865	-	-	865
Preferred Shares	1,908,723	-	134,400	2,043,123
Receivable from forward exchange contracts	-	71,447	-	71,447
Total	\$ 2,340,085	\$ 26,985,876	\$ 256,592	\$ 29,582,553

Lysander-Canso Credit Opportunities Fund

Notes to the interim financial statements for the six-month period ended June 30, 2021 (unaudited)

As at December 31, 2020		Level 1		Level 2		Level 3		Total
Financial Liabilities								
Fixed income sold short	\$	-	\$	8,797,863	\$	-	\$	8,797,863
Total	\$	-	\$	8,797,863	\$	-	\$	8,797,863

As at			30-Jun-21		31-Dec-20
Level 3 reconciliation					
Balance, beginning of period		\$	256,592	\$	342,765
Purchases			-		154,023
Sales			(75,350)		(166,584)
Transfers In			-		-
Transfers Out			-		-
Realized gains and losses			36,350		52,379
Change in unrealized appreciation/depreciation			59,136		(125,991)
Balance, end of period		\$	276,728	\$	256,592

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 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 period ended June 30, 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: \$700.00

Valuation Technique: The private placement financing technique.

Unobservable Inputs: The last transacted price unless there is a material event that warrants a review. The preferred shares series 2 were issued on June 27, 2019 at \$1,000.00. On March 31, 2020, the Pricing Committee reviewed and agreed that the steep drop in oil prices along with the COVID-19 pandemic were material events which would impact the price. As a result, the Pricing Committee wrote down the price from \$1,000.00 to \$700.00. Despite the fact that oil prices have recovered, Exploration and Production producers are delaying their capital expenditure which directly impacts ClearStream's revenues. The Pricing Committee concluded that maintaining the price of \$700.00 is reasonable.

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 \$210.00

ClearStream Energy Services Inc. Series 2 Pfd (restricted)

Price: \$700.00

Valuation Technique: The private placement financing technique.

Unobservable Inputs: The last transacted price unless there is a material subsequent event that warrants a review. The preferred shares series 2 were issued on June 27, 2019 at \$1,000.00. On March 31, 2020, the Pricing Committee reviewed and agreed the steep drop in oil prices along with the COVID-19 pandemic were material events which would impact the price. As a result, the Pricing Committee wrote down the price from \$1,000.00 to \$700.00. Despite the fact that oil prices have recovered, Exploration and Production producers are delaying their capital expenditure which directly impacts ClearStream's revenues. The Pricing Committee concluded that maintaining the price of \$700.00 is reasonable.

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 \$210.00

Xplore Mobile Inc. ("Mobility Spinco")

Lysander-Canso Credit Opportunities Fund

Notes to the interim financial statements for the six-month period ended June 30, 2021 (unaudited)

Price: \$0.37

Valuation Technique: The relative value technique.

Unobservable Inputs: The primary unobservable inputs for this security include audited financial data 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 \$0.15.

Xplornet Wireless Inc. ("License Spinco")

Price: \$0.74

Valuation Technique: The relative value technique.

Unobservable Inputs: The primary unobservable inputs for this security include audited financial data 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 \$0.30

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 June 30, 2021 and December 31, 2020, the Fund had directly invested in debt instruments with the following credit ratings:

As a % of net assets		30-Jun-21	31-Dec-20
Credit exposure			
AAA	%	(16.9)	(32.6)
AA		-	6.9
A		5.7	2.9
BBB		40.3	48.6
BB		18.3	36.7
B		10.9	9.8
CCC		11.6	9.5
Not Rated		5.9	7.1

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.

The following table presents the Fund's liabilities according to their maturity date as at June 30, 2021 and December 31, 2020:

Lysander-Canso Credit Opportunities Fund

Notes to the interim financial statements for the six-month period ended June 30, 2021 (unaudited)

As at 30-Jun-2021	Less Than One Month		1-3 Months	3 Months – 1 Year
Liquidity exposure				
Fixed income sold short	\$	\$	\$	6,832,880
Accrued expenses			767,561	
Redemptions payable		101,256		
Payable on forward exchange contracts			376,184	
As at 31-Dec-2020				
Liquidity exposure				
Fixed income sold short	\$	-	\$	8,797,863
Accrued expenses		-	404,113	
Redemptions payable		192,776	-	-

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				
June 30, 2021	\$	333,334	\$	10,922,795
December 31, 2020		269,439	7,180,488	10,804,824

If interest rates had increased or decreased by 1% at June 30, 2021, with all other variables remaining constant, net assets of the fund would have decreased or increased by approximately \$645,963 (December 31, 2020 - \$935,815).

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:

	30-Jun-21		31-Dec-20	
Currency exposure				
US Dollars		%	38.2	%
				49.9

As at June 30, 2021, if the CAD had strengthened or weakened by 1% in relation to the above currencies, with all other factors remaining constant, the Fund's net assets would have decreased or increased by 0.4% (December 31, 2020 - 0.5%).

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.

Lysander-Canso Credit Opportunities Fund

Notes to the interim financial statements for the six-month period ended June 30, 2021 (unaudited)

As at June 30, 2021, approximately 10.3% (December 31, 2020 - 10.8%) of the Fund's net assets were invested in equity securities. If prices of these investments had increased or decreased by 5% as at June 30, 2021 with all other factors remaining constant, net assets would have increased or decreased, by approximately \$182,468 (December 31, 2020 - \$122,925).



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