

Semi-Annual Management Report of Fund Performance
As at June 30, 2021

Lysander-18 Asset Management Canadian Equity Fund



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A Note About Forward Looking Statements

This semi-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 semi-annual Management Report of Fund Performance of Lysander-18 Asset Management Canadian Equity Fund (the “Fund”) contains financial highlights for the period ended June 30, 2021 but does not contain the complete financial statements of the Fund. This report should be read in conjunction with the semi-annual financial statements of the Fund for the period ended June 30, 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 Canadian companies.

Investment Strategies

The Fund’s portfolio manager is 18 Asset Management Inc. (“Portfolio Manager” or “18AM”). The Fund uses a hybrid style strategy, with equal allocations to Offence (growth and momentum) and Defence (lower volatility, income, quality) styles. The Portfolio Manager employs a bottom-up systematic stock selection process to buy and sell securities within each style. The Fund will not be leveraged. The Fund may invest up to

30% of its assets in foreign securities. The Fund’s investments will not be constrained by sector considerations. 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.

Results of Operations

Overall, the Fund’s net performance for the first half of the year was gain of 14.6% and 15.3% for Series A and Series F respectively. The Fund is a style diversified portfolio, with exposure to companies with Offence characteristics (growth and momentum) and Defence characteristics (income and value).

Equity markets globally, including Canada, enjoyed strong gains during the first half of 2021 as they continued to recover from the impact of the pandemic. The portfolio participated in the rising equity tides, however underperformed the TSX Index for the period. During the first half of the year, both style sub-portfolios, Offence and Defence, contributed positively to the overall portfolio gains. The Offence style had a slow start to the year. A pullback in the performance of gold and information technology companies, as well as underexposure to rebounding energy sector dragged on this style’s return in Q1. However, the style’s performance improved in Q2. Overall, the Offence style gained 11.1% (before fees) during the 6-month period. Within that style, top performers were tech giant Shopify (+26.1%) and large cap Energy companies Tourmaline Oil (+108.8%) and Imperial Oil (+22.4%). Materials companies were the worst performing in the Offence style, including Pan American Silver (-15.4%) and Lundin Mining (-14.4%). The Defence style gained

Lysander-18 Asset Management Canadian Equity Fund

Semi-Annual Management Report of Fund Performance as at June 30, 2021

20.6% (before fees) over the same period. This style is heavily weighted in the Financials sector, which generated the majority of the return for the period. Top contributors to the Defence style were Power Financial (+37.4%), Bank of Montreal (+34.0%) and CIBC (+32.6%). Grocery company Metro (-6.5%) was this style's worst performer.

The net assets of the Fund were approximately \$5.1 million as of June 30, 2021, up from approximately \$4.4 million at the beginning of the year. The increase is comprised of market value gains of the securities in the Fund.

The positioning of the Fund by style, market capitalization and sector are consistent with the Fund's fundamental investment objectives 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 reasonably be expected or have been described below.

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

Recent Developments

18 AM's investment philosophy is founded on empirical research that supports investing in companies with attractive income statement and balance sheet fundamentals. Additionally, 18AM views style diversification as an effective risk management lever which can provide the Fund with prudent return generation. The Fund's strategy is to maintain a relatively equal allocation to two opposing styles – Offence (companies having attractive growth and momentum characteristics) and Defense (companies with desirable income and quality characteristics). In addition, the Fund had exposure across a majority of sectors throughout the year. There have been no changes to this investment philosophy.

Throughout the first half of 2021, the pandemic has remained the most significant story. However, as vaccines are rolled out around the world, the narrative around the pandemic is changing. After a slow start due to supply and distribution issues, the vaccine rollout in Canada in Q2 was so successful that Canada ended the period on track to attaining one of the highest population vaccination rates in the world. Correspondingly, the strong performance of the resource heavy Canadian equity market experienced the best performance globally over the same period. The TSX Index, representing the broad Canadian equity market, gained 17.3% as of the mid point of the year. Over 70% of companies in the index posted positive returns in the quarter. Gains were broadly distributed across the market

with 10 of the 11 sectors in the TSX posting gains in the period. Energy was the best performing sector, rebounding 42.9% as investors look to the post pandemic recovery. Financials were next, gaining 26.9% and contributing almost 50% of the overall return of the market. Information Technology was also strong, adding 13.5% to its already strong performance. Materials was the only sector to decline in the period, as gold companies gave back some of the performance they generated during the worst of the pandemic in 2020.

The course of the pandemic is undoubtedly going to continue to be one of the primary factors affecting an economic recovery both domestically and around the world. Vaccines are key to recovery, and in that sphere Canada is well positioned. Notwithstanding our enviable position, the pandemic has reinforced how connected the world is, and around the world the pandemic is ongoing. Governments and businesses are reacting and adjusting in real time to the changing conditions. As a result, any economic and earnings forecasts could be subject to substantial revisions and should be viewed with caution. Domestically, investors have reasons to maintain a positive outlook. Governments appear to be willing to continue to support the economy. Company fundamentals continue to improve. The outlook for 2021 is for a recovery of earnings of 53%, a significant improvement from the 34% expectation to start the year. Valuations remain within historical range, with the price to earnings ratio currently 17.2 times 2021 earnings despite the strong returns in 2021 so far. We recognize that the course out of the pandemic will be shifting and uneven.

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 \$16,353 (including HST) in management fees to the Manager for the period ended June 30, 2021 (June 30, 2020 - \$16,341).

Lysander-18 Asset Management Canadian Equity Fund

Semi-Annual Management Report of Fund Performance as at June 30, 2021

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 \$9,982 (including HST) to the Portfolio Manager for the period ended June 30, 2021 (June 30, 2020 - \$9,485).

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.

Lysander-18 Asset Management Canadian Equity Fund

Semi-Annual Management Report of Fund Performance as at June 30, 2021

Financial Highlights

Series A

Period ended	30-Jun-2021	31-Dec-2020	31-Dec-2019	31-Dec-2018	31-Dec-2017	31-Dec-2016
Net assets per unit¹						
Net assets, beginning of period	\$ 12.55	\$ 13.04	\$ 11.29	\$ 12.55	\$ 11.83	\$ 10.66
Operations:						
Total revenue	0.19	0.40	0.38	0.36	0.35	0.36
Total expenses	(0.14)	(0.26)	(0.33)	(0.32)	(0.31)	(0.28)
Realized gains (losses)	0.52	0.02	0.74	0.12	-	0.07
Unrealized gains (losses)	1.27	(1.57)	2.11	(1.36)	0.78	1.26
Total increase (decrease) from operations²	\$ 1.84	\$ (1.41)	\$ 2.90	\$ (1.20)	\$ 0.82	\$ 1.41
Distributions:						
From income (excluding dividends)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
From dividends	(0.04)	(0.06)	(0.01)	(0.03)	(0.06)	(0.04)
From capital gains	-	-	(0.51)	(0.04)	-	-
Total distributions^{2 3}	\$ (0.04)	\$ (0.06)	\$ (0.52)	\$ (0.07)	\$ (0.06)	\$ (0.04)
Net assets, end of period^{2 3}	\$ 14.34	\$ 12.55	\$ 13.04	\$ 11.29	\$ 12.55	\$ 11.83

Ratios and supplemental data						
Net asset value ⁴	\$ 161,881	\$ 141,306	\$ 300,049	\$ 415,393	\$ 464,596	\$ 383,146
Units outstanding	11,290	11,262	23,003	36,796	37,007	32,378
Management expense ratio ⁵	% 2.13	% 2.14	% 2.55	% 2.56	% 2.55	% 2.53
Management expense ratio before waivers or absorption	2.34	2.57	2.83	2.87	2.75	3.11
Portfolio turnover rate ⁶	31.36	41.05	62.18	47.6	74.2	92.90
Trading expense ratio ⁷	0.05	0.07	0.10	0.10	0.20	0.10
Net asset value per unit, end of period	\$ 14.34	\$ 12.55	\$ 13.04	\$ 11.29	\$ 12.55	\$ 11.83

Notes

- The information is derived from the Fund's unaudited semi-annual and/or 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. Effective January 1, 2020, the Fund paid a management fee of 1.80% (formerly 2.00%) per annum for Series A units and 0.80% (formerly 1.00%) per annum for Series F units.
- 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.

Lysander-18 Asset Management Canadian Equity Fund

Semi-Annual Management Report of Fund Performance as at June 30, 2021

Series F

Period ended	30-Jun-2021	31-Dec-2020	31-Dec-2019	31-Dec-2018	31-Dec-2017	31-Dec-2016
Net assets per unit¹						
Net assets, beginning of period	\$ 12.61	\$ 13.22	\$ 11.48	\$ 12.77	\$ 12.02	\$ 10.86
Operations:						
Total revenue	0.20	0.42	0.41	0.36	0.36	0.37
Total expenses	(0.07)	(0.12)	(0.19)	(0.18)	(0.18)	(0.16)
Realized gains (losses)	0.52	(0.11)	0.61	0.12	-	0.05
Unrealized gains (losses)	1.28	(0.54)	1.61	(1.38)	0.75	1.09
Total increase (decrease) from operations²	\$ 1.93	\$ (0.35)	\$ 2.44	\$ (1.08)	\$ 0.93	\$ 1.35
Distributions:						
From income (excluding dividends)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
From dividends	(0.12)	(0.29)	(0.23)	(0.17)	(0.18)	(0.22)
From capital gains	-	-	(0.64)	(0.04)	-	-
Total distributions^{2 3}	\$ (0.12)	\$ (0.29)	\$ (0.87)	\$ (0.21)	\$ (0.18)	\$ (0.22)
Net assets, end of period^{2 3}	\$ 14.41	\$ 12.61	\$ 13.22	\$ 11.48	\$ 12.77	\$ 12.02
Ratios and supplemental data						
Net asset value ⁴	\$ 3,529,653	\$ 3,090,046	\$ 3,815,598	\$ 2,711,951	\$ 3,002,912	\$ 2,698,702
Units outstanding	244,888	245,030	288,714	236,250	235,065	224,481
Management expense ratio ⁵	% 1.00	% 0.99	% 1.42	% 1.43	% 1.42	% 1.41
Management expense ratio before waivers or absorption	1.21	1.47	1.74	1.73	1.61	1.97
Portfolio turnover rate ⁶	31.36	41.05	62.18	47.60	74.20	92.90
Trading expense ratio ⁷	0.05	0.07	0.10	0.10	0.20	0.10
Net asset value per unit, end of period	\$ 14.41	\$ 12.61	\$ 13.22	\$ 11.48	\$ 12.77	\$ 12.02

Notes

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Lysander-18 Asset Management Canadian Equity Fund

Semi-Annual Management Report of Fund Performance as at June 30, 2021

Series O

Period ended	30-Jun-2021	31-Dec-2020	31-Dec-2019	31-Dec-2018	31-Dec-2017	31-Dec-2016
Net assets per unit¹						
Net assets, beginning of period	\$ 12.69	\$ 13.34	\$ 11.59	\$ 12.87	\$ 12.11	\$ 10.92
Operations:						
Total revenue	0.20	0.41	0.38	0.35	0.35	0.35
Total expenses	(0.01)	(0.01)	(0.04)	(0.04)	(0.04)	(0.04)
Realized gains (losses)	0.53	(0.11)	0.63	0.12	-	0.03
Unrealized gains (losses)	1.28	(0.46)	1.76	(1.41)	0.75	1.15
Total increase (decrease) from operations²	\$ 2.00	\$ (0.17)	\$ 2.73	\$ (0.98)	\$ 1.06	\$ 1.49
Distributions:						
From income (excluding dividends)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
From dividends	(0.18)	(0.42)	(0.36)	(0.3)	(0.3)	(0.31)
From capital gains	-	-	(0.64)	(0.02)	-	-
Total distributions^{2 3}	\$ (0.18)	\$ (0.42)	\$ (1.00)	\$ (0.32)	\$ (0.3)	\$ (0.31)
Net assets, end of period^{2 3}	\$ 14.51	\$ 12.69	\$ 13.34	\$ 11.59	\$ 12.87	\$ 12.11
Ratios and supplemental data						
Net asset value ⁴	\$ 1,407,995	\$ 1,215,853	\$ 1,232,244	\$ 995,532	\$ 1,078,021	\$ 990,412
Units outstanding	97,033	95,787	92,392	85,922	83,751	81,781
Management expense ratio ⁵	% 0.10	% 0.09	% 0.29	% 0.30	% 0.29	% 0.28
Management expense ratio before waivers or absorption	0.30	0.58	0.61	0.60	0.48	0.86
Portfolio turnover rate ⁶	31.36	41.05	62.18	47.60	74.20	92.90
Trading expense ratio ⁷	0.05	0.07	0.10	0.10	0.20	0.10
Net asset value per unit, end of period	\$ 14.51	\$ 12.69	\$ 13.34	\$ 11.59	\$ 12.87	\$ 12.11

Notes

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- 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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- 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.
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Lysander-18 Asset Management Canadian Equity Fund

Semi-Annual Management Report of Fund Performance as at June 30, 2021

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 management fee, based on the net asset value of each Series, calculated daily and payable monthly. The Fund pays a management fee of 1.80% per annum for Series A units and 0.80% per annum for Series F units.

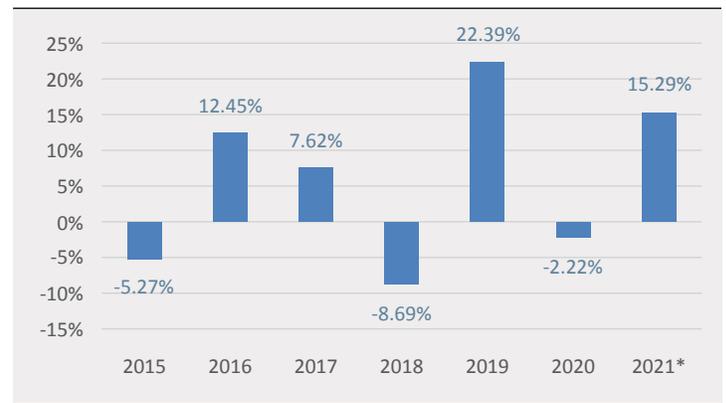
Service fees or trailing commissions of a maximum of 1.00% per annum were paid on Series A units to dealers. This comprises approximately 55.6% of the management fee of Series A units.

Year-by-Year Returns

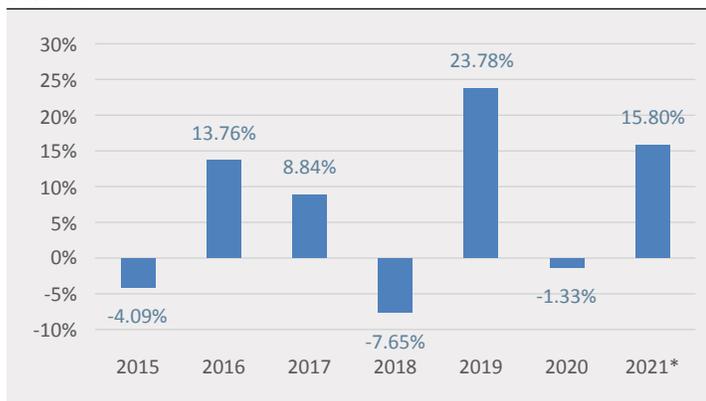
Series A



Series F



Series O



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.

* For the period January 1 to June 30

Lysander-18 Asset Management Canadian Equity Fund

Semi-Annual Management Report of Fund Performance as at June 30, 2021

Summary of Investment Portfolio

		% of NAV			% of NAV
Top 25 Issuers			Asset Mix		
Tourmaline Oil Corp	%	4.4	Canadian Equities	%	99.6
CIBC		3.8	Cash and Cash Equivalents		0.1
West Fraser Timber Co Ltd		3.7	Other Assets less Liabilities		0.3
Bank of Nova Scotia		3.6	Total	%	100.0
Bank Of Montreal		3.5	Sector		
National Bank Of Canada		3.4	Cash and Cash Equivalents	%	0.1
Royal Bank of Canada		3.4	Communication Services		3.3
Gildan Activewear Inc		3.4	Consumer Discretionary		6.6
Toronto-Dominion Bank		3.4	Energy		13.9
Cameco Corp		3.4	Financials		34.2
Canadian Pacific Railway Ltd		3.4	Industrials		9.5
Onex Corp		3.4	Information Technology		6.3
Bce Inc		3.3	Materials		16.2
Enbridge Inc		3.3	Other Assets less Liabilities		0.3
Emera Inc		3.3	Real Estate		3.1
Power Corp Of Canada		3.3	Utilities		6.5
Fortis Inc		3.2	Total	%	100.0
Constellation Software Inc/Can		3.2			
Sun Life Financial Inc		3.2			
Ia Financial Corp Inc		3.2			
Franco-Nevada Corp		3.2			
Magna International Inc		3.2			
Cae Inc		3.1			
Shopify Inc.		3.1			
Imperial Oil Ltd		3.1			
Total	%	83.1			



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