

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

Lysander-Seamark Total 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-Seamark Total 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 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 positions 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

Life at the mid-point of 2021 looks so much better than one year ago. MRNA Covid vaccines with surprisingly high efficacy have been developed in short order, they have received emergency use approvals, and for the most part, are finding their way into people’s arms. At 67%, the U.S. will fall just shy of the Biden objective of having 70% of the citizens getting at least one shot by July 4th. About 40% of the U.S. population has been fully vaccinated by mid-year. Canada is behind our southern neighbour, with just 20% of the population being fully vaccinated, but now moving at a quickened pace. With more shots in arms, we are gaining on the goal of achieving herd immunity. In the meantime, the U.S. is enjoying a relaxation of many of the Covid restrictions that have been playing havoc with the economy. Each state and each province is navigating its way back to life as we once knew it.

In local currencies, by mid-year, the S&P 500 Index rose 8.2%, the S&P/TSX Composite Index rose 7.8% and Morningstar Developed Markets Ex-North America PR Index rose 4.2%. The Canadian dollar appreciated from year end levels, rising to 80.68 cents USD, up from 78.54 six months ago (2.72%). The rise of the CAD had a negative impact on Canadian dollar returns of U.S. denominated assets for the period.

The U.S. and Canadian economies have been printing strong recovery numbers. GDP growth, the broadest measure of economic health, has been impressive, with expectations of

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5.0% growth in Canada and 6.0% in the U.S. for this year. Employment numbers on both sides of the border are improving, but many jobs still need to be created before reaching full employment levels seen before the advent of Covid-19. Those levels of employment are probably still a year away. The economic recovery, although impressive so far, has not occurred without heavy infusions of monetary and fiscal stimulus. Even at this stage, it is not clear if enough has been done to nurse the economy back to health. The Biden Administration is intent on passing an infrastructure program that would inject yet another 1.2 trillion into the U.S. economy. Canada has agreed to provide additional support to provinces and territories for the safe reopening of their economies over the next several months.

The level of uncertainty in the recovery is also being reflected in financial markets. Equities have continued to make a strong recovery this year on the strength of rapidly improving earnings. At the same time though, bond yields have reversed direction, declining this quarter, despite the economic advances and the resurfacing of inflation.

The Fund's conservative equity selections outperformed during what has continued to be a decidedly 'risk-on' market in the post-COVID recovery so far. Canadian and U.S. markets reached new highs during the first half of 2021. We continued to be fully invested during the period, so we participated commensurately in the gains.

Currency was once again a mitigating factor when reviewing year to date returns in 2021. Strong foreign equity markets returns were mitigated by weakness in the U.S. dollar which depreciated 2.7% against the Canadian dollar. Over the six-month period, the Fund recorded double digit returns of 15.5% for Series A and 16.1% for Series F. At period end the largest equity sectors of the Fund were Financials, Information Technology, Health Care and Consumer Staples. In combination, these sectors comprised 51.6% of the portfolio. Financials showed the strongest weighted returns followed by information technology while utilities and real estate were the weakest. In the equity space, leading performers were ATS Automation, Applied Materials, Cenovus, Google and Canadian Natural Resources while some of the weakest holdings were Barrick Gold, Canadian National Railway, Merck, Verizon and Walt Disney.

In the first half of the year, new positions were established in Teck Class B, Maxar, New Flyer, American Towers and Visa. Positions in ABB and Emerson were sold. Shares in Husky Energy were converted to shares of Cenovus. Shares of Organon- a new spin-off from Merck were also sold, following their receipt.

The Fund continued to be fully invested in equities during the year. This positioning and performance are consistent with the Fund's fundamental investment objective and strategies. The net assets of the Fund were \$2.4 million at June 30, 2021 versus \$2.1 million at December 31, 2020.

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 period except for immaterial short-term cash overdrafts.

Recent Developments

Share prices have continued to advance nicely in anticipation of further economic expansion. They may be subject to some near-term correction, but we expect higher share prices a year ahead.

When we look under the hood at the recovery of equity prices, we find evolving periods of leadership over the last twelve months. Initially, big tech and work from home companies led, well ahead of a positive turn for the economy. The performance mirrored the upward direction of bond prices, as interest rates plummeted. But oddly, yield sensitive equities, those with attractive dividends, failed to be among the early leaders. In the second half of 2020, as it became more evident that the economy was entering a recovery phase, early leadership gave way to the more cyclical recovery stocks. In the broadest terms this was seen as a shift from growth to value, recognizing the bounce back earning power of companies that are more dependent on cyclical economic recovery. In the most recent quarter, notwithstanding the obvious economic recovery underway, the market has experienced yet another reversal of leadership- back toward the growth sectors. This was again in concert with the direction of bond prices that rallied in the second quarter. The seemingly close connection to bond yields may portend another change in leadership to the cyclical sectors if yields work their way higher over the next 12 months as we expect.

Future returns will be in part dependent on finally putting the Coronavirus behind us. As we have seen, there has been an ebb and flow of market leadership, depending on the confidence of investors in the economic transition. The portfolio remains invested in high quality companies, broadly diversified across countries, and all eleven industry sectors. Share prices may need a breather after a year of robust returns. But when looking a year ahead, the cyclical recovery in share prices should persist as earnings continue to expand with increased economic

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activity. With this outlook, the portfolio is nearly fully invested, with cash comprising only 1.0% of 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 \$14,039 (including HST) in management fees to the Manager for the period ended June 30, 2021 (June 30, 2020 - \$12,031).

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 \$6,371 (including HST) to the Portfolio Manager for the period ended June 30, 2021 (June 30, 2020 - \$5,127).

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

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	\$ 11.81	\$ 11.51	\$ 9.92	\$ 10.97	\$ 10.72	\$ 9.79
Operations:						
Total revenue	0.17	0.35	0.37	0.37	0.33	0.30
Total expenses	(0.17)	(0.29)	(0.30)	(0.29)	(0.29)	(0.27)
Realized gains (losses)	0.20	(0.17)	(0.09)	(0.02)	(0.11)	0.05
Unrealized gains (losses)	1.60	(0.61)	1.69	(1.01)	0.32	1.01
Total increase (decrease) from operations²	\$ 1.80	\$ (0.72)	\$ 1.67	\$ (0.95)	\$ 0.25	\$ 1.09
Distributions:						
From income (excluding dividends)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.02)
From dividends	-	(0.02)	(0.07)	(0.06)	(0.04)	(0.03)
From capital gains	-	-	-	-	-	(0.10)
Total distributions^{2 3}	\$ -	\$ (0.02)	\$ (0.07)	\$ (0.06)	\$ (0.04)	\$ (0.15)
Net assets, end of period^{2 3}	\$ 13.63	\$ 11.81	\$ 11.51	\$ 9.92	\$ 10.97	\$ 10.72

Ratios and supplemental data						
Net asset value ⁴	\$ 248,469	\$ 197,129	\$ 395,863	\$ 384,818	\$ 437,286	\$ 393,328
Units outstanding	18,225	16,694	34,380	38,792	39,857	36,704
Management expense ratio ⁵	% 2.56	% 2.53	% 2.56	% 2.55	% 2.55	% 2.55
Management expense ratio before waivers or absorption	2.86	3.50	3.65	3.56	3.01	3.54
Portfolio turnover rate ⁶	2.02	29.59	15.20	32.30	16.00	19.70
Trading expense ratio ⁷	0.01	0.05	0.03	0.10	-	0.10
Net asset value per unit, end of period	\$ 13.63	\$ 11.81	\$ 11.51	\$ 9.92	\$ 10.97	\$ 10.72

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.
- 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

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	\$ 11.90	\$ 11.64	\$ 10.03	\$ 11.11	\$ 10.86	\$ 9.89
Operations:						
Total revenue	0.19	0.36	0.38	0.38	0.34	0.31
Total expenses	(0.10)	(0.17)	(0.18)	(0.18)	(0.17)	(0.16)
Realized gains (losses)	0.20	(0.29)	(0.08)	(0.04)	(0.09)	0.08
Unrealized gains (losses)	1.64	0.66	1.70	(1.03)	0.33	0.99
Total increase (decrease) from operations²	\$ 1.93	\$ 0.56	\$ 1.82	\$ (0.87)	\$ 0.41	\$ 1.22
Distributions:						
From income (excluding dividends)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.02)
From dividends	-	(0.21)	(0.21)	(0.21)	(0.17)	(0.12)
From capital gains	-	-	-	-	-	(0.08)
Total distributions^{2 3}	\$ -	\$ 0.21	\$ (0.21)	\$ (0.21)	\$ (0.17)	\$ (0.22)
Net assets, end of period^{2 3}	\$ 13.81	\$ 11.90	\$ 11.64	\$ 10.03	\$ 11.11	\$ 10.86
Ratios and supplemental data						
Net asset value ⁴	\$ 2,175,364	\$ 1,873,390	\$ 1,667,352	\$ 1,514,900	\$ 1,607,562	\$ 1,867,495
Units outstanding	157,463	157,439	143,252	151,025	144,641	171,962
Management expense ratio ⁵	% 1.43	% 1.40	% 1.43	% 1.42	% 1.42	% 1.42
Management expense ratio before waivers or absorption	1.73	2.46	2.52	2.43	1.90	2.49
Portfolio turnover rate ⁶	2.02	29.59	15.20	32.30	16.00	19.70
Trading expense ratio ⁷	0.01	0.05	0.03	0.10	-	0.10
Net asset value per unit, end of period	\$ 13.81	\$ 11.90	\$ 11.64	\$ 10.03	\$ 11.11	\$ 10.86

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.
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Management Fees

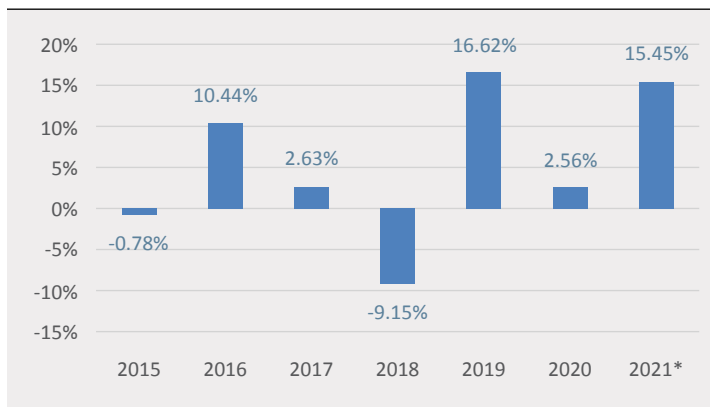
The Manager provides or arranges the provision of all general management and administrative services required by the Fund, and as described in the section “Related Party Transactions” above.

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

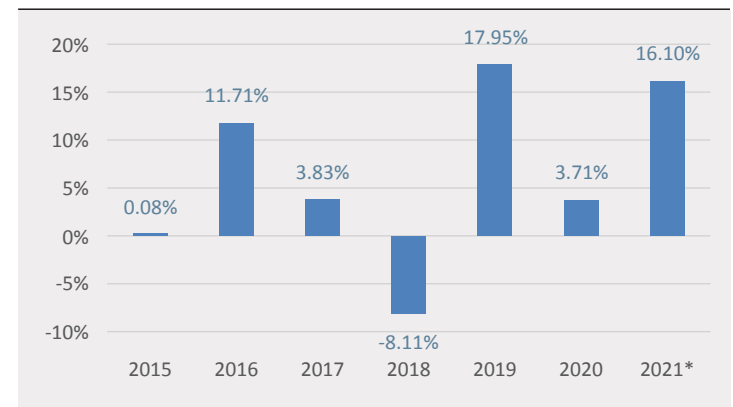


Past Performance

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



* For the period January 1 to June 30

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Summary of Investment Portfolio

		% of NAV			% of NAV
Top 25 Issuers			Asset Mix		
Canadian Natural Resources Ltd	%	2.8	Canadian Equities	%	49.0
IA Financial Corp Inc		2.8	Cash and Cash Equivalents		0.9
Toronto-Dominion Bank		2.7	Foreign Equities		50.0
Bank of Nova Scotia		2.5	Other Assets less Liabilities		0.1
Royal Bank of Canada		2.5	Total	%	100.0
Cenovus Energy Inc		2.4	Sector		
ATS Automation Tooling Systems		2.4	Cash and Cash Equivalents	%	0.9
Alphabet Inc		2.3	Communication Services		9.5
Applied Materials Inc		2.2	Consumer Discretionary		6.4
KLA Corp		2.0	Consumer Staples		8.9
Apple Inc		1.8	Energy		7.1
The Walt Disney Co.		1.8	Financials		18.3
Manulife Financial Corp		1.8	Health Care		10.8
United Parcel Service Inc		1.8	Industrials		10.6
Royal Dutch Shell Plc		1.7	Information Technology		12.4
Bank Of America Corp		1.7	Materials		10.1
Teck Resources Ltd		1.6	Other Assets less Liabilities		0.1
CCL Industries Inc		1.6	Real Estate		2.4
Canadian Tire Corp Ltd		1.6	Utilities		2.5
Biogen Inc		1.6	Total	%	100.0
J.P. Morgan Chase & Co		1.6			
BHP Group Ltd		1.6			
Cisco Systems Inc/Delaware		1.6			
TC Energy Corp		1.5			
Sap Se		1.5			
Total	%	49.4			



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