

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

Lysander-Triasima All Country Long/Short Equity Fund



TRIASIMA



Lysander-Triasima All Country Long/Short 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-Triasima All Country Long/Short 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 St., 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 seek to provide long-term returns that are not correlated to major stock market indices by investing in, or gaining exposure to, primarily equity securities anywhere in the world. The Fund will use alternative investment strategies such as engaging in short sales and purchasing securities on margin or with borrowed funds.

Investment Strategies

The Fund’s portfolio manager is Triasima Portfolio Management Inc. (“Portfolio Manager” or “Triasima”). The Fund seeks long and short exposure to a diversified portfolio comprised primarily

of equity securities which involves simultaneously investing in equity securities (investing long) that the portfolio manager expects to increase in value and selling equity securities (investing short) that the portfolio manager expects to decrease in value relative to their comparables and/or where the portfolio manager expects these positions will reduce portfolio risk. The Fund is not constrained by geographic or sector considerations and could be substantially exposed to equity securities of issuers not in developed markets. From time to time, the Fund may also have exposure to depositary receipts, debt securities convertible into common stock, fixed income securities of governments, government agencies, supranational agencies, companies, trusts, limited partnerships and other funds including ETFs. 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

The Lysander-Triasima All Country Long/Short Equity Fund was launched on May 11, 2020.

Since the inception of the Fund, Triasima employed its 3-pillar methodology that analyzes securities from three perspectives: quantitative, fundamental, and trend, to determine their suitability and attractiveness for the Fund.

The Lysander-Triasima All Country Long/Short Equity Fund is a liquid alternative fund of the long and short category. As such, the Fund does buy securities and is also allowed to borrow

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securities it does not own, and to sell these borrowed securities short.

The Fund's Series A and F performance are 3.89% and 4.35%, respectively, for the period, versus 2% for the performance benchmark. The performance benchmark is the greater of i) the return generated by Canada 91-day Index, plus 3% per year or ii) a floor of 4% per annum.

This performance is consistent with the Fund's fundamental investment objective and strategies. The net assets of the Fund increased to \$8.6 million at June 30, 2021 from \$6.9 million at the beginning of the period. There were net subscriptions of \$1.4 million during the period.

The Fund may also borrow money up to a maximum of 50% of its net market value to purchase additional long positions; hence, the maximum leverage for the long positions is 150% of net market value. During the period, and using month-end data only, the market value of the long positions averaged 119% of the net market value of the Fund, and the maximum leverage was 127%.

As for the short positions, their market value must not exceed -50% of the net market value of the Fund; they averaged -39% during the period.

Long and short positions both moved up substantially on average in price during the period in the context of a strong equity market, with the broad equity market index MSCI ACWE advancing 9.4%. As such, the long positions were up 13.8% while the short positions were up more at 20.6%. The return for the Fund was nonetheless positive given the heavier weighting of the long positions.

At the sector level, the main contributors to the investment performance were Financials, Materials and Energy. These three sectors had large net long positions (the weighting of the long holdings exceeding the weighting of the short holdings). Conversely, the main performance detractors were Health Care and Utilities as these two sectors had roughly equivalent weightings of long and short holdings respectively.

The Fund routinely holds a large cash reserve because of having sold short a number of holdings. The cash drag was thus a significant performance detractor versus the strong equity market during the recent period. In addition, given the very low short-term interest rates, the cash reserve was also a performance detractor relative to the performance benchmark's floor return

Amongst the standout long holdings, performance-wise, we note Converge Technologies (Canada, infrastructure software), Storm Resources (Canada, oil & gas), Goeasy (Canada, consumer lending), Upwork (United States, marketplace for freelancers), Alcoa (United States, aluminum production), and Trisura (Canada, specialty insurance). This diverse group of six cyclical companies from five different sectors was up a strong 73% on average and contributed 10.7% to the Fund performance.

The primary detractors to performance were not short positions moving up in price but rather, and unusually, a few long holdings that disappointed and sharply pulled back. The worst four, Goodfood Market (Canada, meal kits), Ringcentral (United States, mobile communications), Afterpay (Australia, payment solutions), and Encavis (Germany, renewable energy) fell 35% on average.

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 or have been described below.

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

Recent Developments

The pandemic shut down the world economy over a year ago. An unprecedented policy response immediately followed, in the form of monetary and fiscal stimuli that kept economies and households afloat. This response is still ongoing. Central banks in advanced countries are keeping short-term interest rates at record low levels and are suppressing long-term rates by buying enormous amounts of government bonds, helping finance the fiscal response and national deficits.

The recession was abrupt, but the rebound was steep in the later months of 2020. It carried on during the first half of 2021, which can be described as the post-vaccine November 2020 announcement period. Covid cases have fallen while vaccines were widely administered in advanced countries. Economies reopened further and the world started to normalize. By the end of the period, the expression 'pandemic of the unvaccinated' had been coined to describe the actual situation.

Economic statistics indicate continued growth but at a declining pace at midyear 2021, with an inflation surge persisting due to supply chains pandemic-related disruptions and unexpectedly strong demand. With these conditions, companies are experiencing surprising pricing power in many industries.

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Fund turnover resulted in the addition of the value and cyclical factors with the Materials and Financials sectors increasing 8% on average. This was funded by sales in the more defensive sectors such as Utilities and Health Care. The Fund is now net short these sectors. At the sector level, the largest net long positions are held by the cyclical Industrial, Materials, and Financials sectors.

In terms of portfolio structure, the Fund concluded the period with a long/market value ratio of 127%, being fully invested with some financial leverage. The important short/long ratio is low at 30%, above the minimum of 20%, due to ongoing equity market strength.

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 \$39,845 (including HST) to the Manager for the period ended June 30, 2021 (June 30, 2020 - \$218).

The Manager is also entitled to receive a performance fee from the Fund (the "Performance Fee") under certain conditions as described in the Fund's most recently filed prospectus. For the period ended June 30, 2021 the Performance Fee accrued payable by the Fund was \$50,551 (including HST) (December 31, 2020 - Nil).

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 will also pay the Portfolio Manager a percentage of any Performance Fee that the Manager receives from the Fund, such percentage to be agreed

upon between the Manager and the Portfolio Manager from time to time.

The Manager paid \$19,689 (including HST) to the Portfolio Manager for the period ended June 30, 2021 (June 30, 2020 - Nil).

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
Net assets per unit¹				
Net assets, beginning of period	\$	10.81	\$	10.00
Operations:				
Total revenue		(0.58)		(2.29)
Total expenses		(0.16)		(0.15)
Realized gains (losses)		(0.41)		(0.56)
Unrealized gains (losses)		1.39		3.63
Total increase (decrease) from operations²	\$	0.24	\$	0.63
Distributions:				
From income (excluding dividends)	\$	-	\$	-
From dividends		-		-
From capital gains		-		-
Total distributions^{2 3}	\$	-	\$	-
Net assets, end of period^{2 3}	\$	11.23	\$	10.81
Ratios and supplemental data				
Net asset value ⁴	\$	101,455	\$	30,618
Units outstanding		9,033		2,832
Management expense ratio ⁵	%	2.85	%	2.24
Management expense ratio before waivers or absorption		3.47		3.44
Portfolio turnover rate ⁶		150.62		281.4
Trading expense ratio ⁷		0.42		0.8
Net asset value per unit, end of period	\$	11.23	\$	10.81

Notes

* The Fund commenced operations on May 11, 2020 and accordingly prior period numbers are not available.

1 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.

2 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.

3 Distributions were paid in cash or reinvested in additional units, or both.

4 This information is provided at the end of the period shown.

5 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.

6 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.

7 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	
Net assets per unit¹				
Net assets, beginning of period	\$	10.68	\$	10.00
Operations:				
Total revenue		(0.56)		(2.20)
Total expenses		(0.16)		(0.09)
Realized gains (losses)		(0.34)		(0.58)
Unrealized gains (losses)		1.50		3.13
Total increase (decrease) from operations²	\$	0.44	\$	0.26
Distributions:				
From income (excluding dividends)	\$	-	\$	-
From dividends		-		-
From capital gains		-		-
Total distributions^{2 3}	\$	-	\$	-
Net assets, end of period^{2 3}	\$	11.15	\$	10.68
Ratios and supplemental data				
Net asset value ⁴	\$	8,588,673	\$	6,906,079
Units outstanding		770,473		646,491
Management expense ratio ⁵	%	2.65	%	1.22
Management expense ratio before waivers or absorption		3.27		2.24
Portfolio turnover rate ⁶		150.62		281.4
Trading expense ratio ⁷		0.42		0.8
Net asset value per unit, end of period	\$	11.15	\$	10.68

Notes

* The Fund commenced operations on May 11, 2020 and accordingly prior period numbers are not available.

1 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.

2 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.

3 Distributions were paid in cash or reinvested in additional units, or both.

4 This information is provided at the end of the period shown.

5 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.

6 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.

7 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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Management Fees

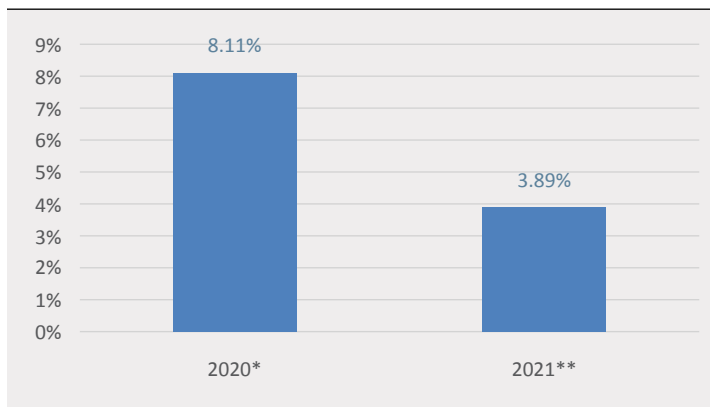
The Manager provides or arranges the provision of all general management and administrative services required by the Fund, and as described in the section “Related Party Transactions” above.

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 1.90% per annum for Series A units and 0.90% per annum for Series F units.

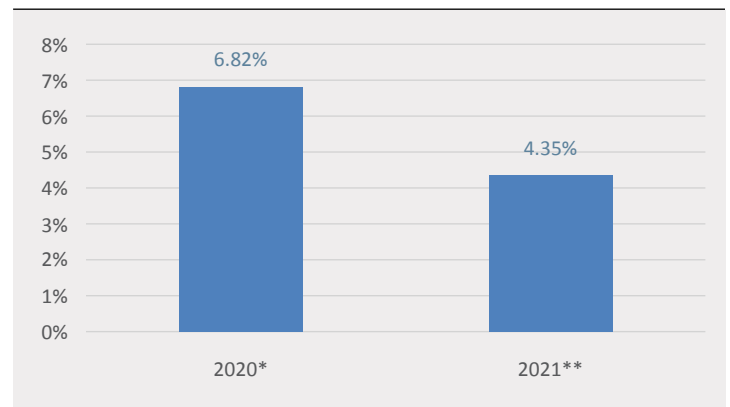
Service fees or trailing commissions of a maximum of 1.00% per annum are paid on Series A units to dealers. This comprises approximately 52.6% of the management fee of Series A units.

Year-by-Year Returns

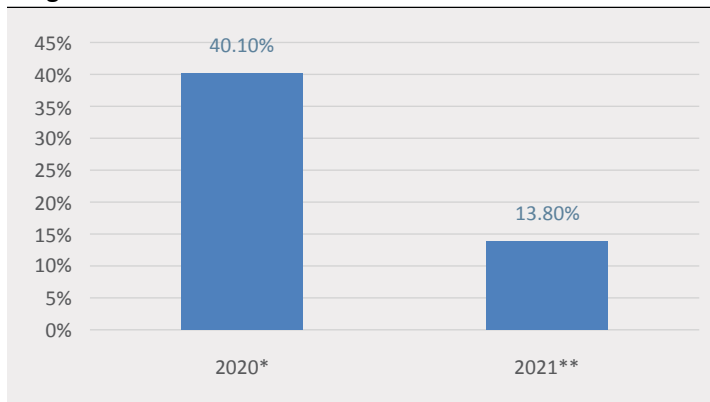
Series A



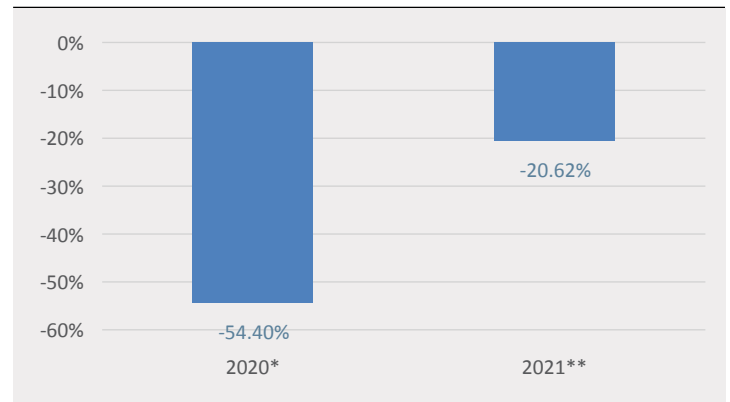
Series F



Long Portfolio



Short Portfolio



* For the period May 11 to December 31, ** 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		
Long positions:			Canadian Equities	%	51.5
Cash And Cash Equivalents	%	11.1	Canadian Equities - Short		(13.4)
Trisura Group Ltd		4.4	Cash and Cash Equivalents		11.1
Goeasy Ltd		4.2	Foreign Equities		76.1
Alcoa Corp		3.9	Foreign Equities - Short		(25.0)
Converge Technology Solutions		3.8	Other Assets less Liabilities		(0.3)
Sea Ltd		3.5	Total	%	100.0
Freshpet Inc		3.0	Sector		
Labrador Iron Ore Royalty Corp		3.0	Cash and Cash Equivalents	%	11.1
Goodyear Tire & Rubber Co/The		2.8	Communication Services		5.1
Valero Energy Corp		2.8	Consumer Discretionary		12.2
Upwork Inc		2.7	Consumer Staples		7.1
Bank of America Corporation (Debt)		2.7	Energy		8.9
Msci Inc		2.7	Financials		25.6
Transcontinental Inc		2.6	Health Care		(3.4)
Pool Corp		2.6	Industrials		12.7
Core Laboratories Nv		2.6	Information Technology		3.4
Canfor Corp		2.6	Materials		16.8
Aya Gold & Silver Inc		2.6	Other Assets less Liabilities		(0.3)
Tata Motors Ltd		2.5	Real Estate		2.3
Bt Group Plc		2.5	Utilities		(1.5)
Carrier Global Corp		2.5	Total	%	100.0
Bank Of Montreal		2.5			
American Express Co		2.5			
Pfb Corp		2.5			
Aptiv Plc		2.5			
Total	%	81.1			
Total Portfolio Long Positions	%	138.4			
Total Portfolio Short Positions		(38.4)			



3080 Yonge Street, Suite 3037
Toronto, ON M4N 3N1
www.lysanderfunds.com

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