

Annual Management Report of Fund Performance

As at December 31, 2021

Lysander TDV Fund



Lysander TDV Fund

Annual Management Report of Fund Performance as at December 31, 2021

A Note About Forward Looking Statements

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

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

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

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

About This Report

This annual Management Report of Fund Performance of Lysander TDV Fund (the “Fund”) contains financial highlights for the year ended December 31, 2021 but does not contain the complete financial statements of the Fund. This report should be read in conjunction with the annual financial statements of the Fund for the year ended December 31, 2021. Lysander Funds Limited (the “Manager”) is the manager of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling toll-free 1 877 308 6979, by writing to Lysander Funds Limited, 3080 Yonge 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 provide long-term total returns consisting of both income and capital gains by investing primarily in a portfolio of fixed income securities and equities.

Investment Strategies

The Fund’s portfolio manager, is Canso Investment Counsel Ltd. (“Portfolio Manager” or “Canso”), a company under common control as the Manager. The Fund will seek to provide capital growth while moderating the volatility of equities by investing primarily in a diversified portfolio of both equities and bonds. The Fund will not be leveraged. The Fund may invest up to 100%

of its assets at the time in foreign securities. More details are contained in the Fund’s simplified prospectus.

Risks

On November 22, 2021, the Manager increased the risk rating of the Fund from “low-to-medium” to “medium” in accordance with the investment risk classification methodology mandated by the Canadian Securities Administrators. Please refer to the Fund’s most recent simplified prospectus.

Results of Operations

During the year, Canso employed its bottom-up process to buy and sell securities for the Fund. The Fund’s positioning and performance is consistent with the Fund’s fundamental investment objective and strategies.

The Fund returns for the year were 21.06% for Series A and 22.43% for Series F.

The net assets of the Fund increased to \$28.2 million at December 31, 2021 from \$3.2 million at the beginning of the year. For the year, referral fees of \$11,506 (including HST) were paid by the Manager to the Royal Military Colleges Club of Canada in accordance with the disclosures in the Fund’s simplified prospectus.

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.

Lysander TDV Fund

Annual Management Report of Fund Performance as at December 31, 2021

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

Recent Developments

Investors entered the new year concerned with medical, economic and political challenges. In the U.S., the Democrats won control of the Senate, paving the way for the new administration to pass a larger stimulus package. Fiscal policy relief did not immediately allay investor concerns over increased COVID-19 cases and the impact of renewed lockdown measures. However, views changed rapidly as the vaccine rollout gathered pace and the prospect for an economic reopening crystallized. Economists quickly altered forecasts predicting a stronger recovery and higher inflation. Reassurance from the Federal Reserve that short rates would remain near zero, coupled with government support for the economy proved good news for equity markets but less so for bond markets as yields moved sharply higher for much of the year.

As inflation pushed to its highest level since the 1980s, government bond yields rose. Central bankers began to increasingly signal that higher interest rates were on the way some time in 2022. The view that higher inflation was only transient increasingly fell by the wayside as cost pressures and higher wage demands were also drivers of the higher inflation numbers.

In Canada, the housing market continued to be strong. Continued low mortgage rates was the main driver. Higher commodity prices also brightened the prospects for exports and business investment. Low interest rates also propelled risky assets upward and equity markets posted double digit returns for the year.

Signs of rampant speculation were increasingly apparent as the year wore on, whether it was in crypto-currencies, growth in very speculative venture capital deals, or the low and shrinking compensation lenders earned from high yield bonds.

The emergence of the Omicron variant late in the year contributed to a market sell-off, especially in technology names with high valuations and for bonds to regain some of the value lost from earlier in the year. However, the bond rally was short lived and Canso expects selloffs to continue as rising yields will deflate asset values for some time. This will come as a shock to younger investors who have never experienced negative returns from bonds. In Canso's view, the outlook for financial asset returns is not optimistic, with the greatest risk in highly valued or highly levered investments.

During the second half of the year the fund continued to reduce its equity exposure, reducing exposure to 41.3% from 59.9%.

The fund continued its transition as most of the securities that were received in-kind were sold and proceeds were reinvested in equity ETFs.

On the fixed income side of the Fund, it continues to be invested in Lysander-Canso Broad Corporate Bond Fund for 38.8% of the total accounts. The remaining 18.6% of the account is invested in Lysander-Canso Short Term and Floating Rate 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 \$176,406 (including HST) in management fees to the Manager for the year ended December 31, 2021 (December 31, 2020 - \$21,045).

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 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 TDV Fund

Annual Management Report of Fund Performance as at December 31, 2021

Financial Highlights

Series A

Year ended	31-Dec-2021	31-Dec-2020	31-Dec-2019	31-Dec-2018	31-Dec-2017
Net assets per unit¹					
Net assets, beginning of year	\$ 10.85	\$ 9.96	\$ 8.68	\$ 11.28	\$ 10.48
Operations:					
Total revenue	0.30	0.24	0.28	0.30	0.21
Total expenses	(0.26)	(0.19)	(0.20)	(0.24)	(0.22)
Realized gains (losses)	0.97	0.17	(0.02)	0.96	0.42
Unrealized gains (losses)	1.27	0.85	1.30	(2.59)	0.83
Total increase (decrease) from operations²	\$ 2.28	\$ 1.07	\$ 1.36	\$ (1.57)	\$ 1.24
Distributions:					
From income (excluding dividends)	\$ -	\$ -	\$ -	\$ -	\$ -
From dividends	(0.03)	(0.06)	(0.08)	(0.09)	(0.06)
From capital gains	(0.62)	(0.11)	-	(0.94)	(0.38)
Total distributions^{2 3}	\$ (0.65)	\$ (0.17)	\$ (0.08)	\$ (1.03)	\$ (0.44)
Net assets, end of year^{2 3}	\$ 12.51	\$ 10.85	\$ 9.96	\$ 8.68	\$ 11.28
Ratios and supplemental data					
Net asset value ⁴	\$ 8,019	\$ 6,624	\$ 5,979	\$ 5,165	\$ 6,001
Units outstanding	641	610	600	595	532
Management expense ratio ⁵	% 1.98	% 1.91	% 1.97	% 2.01	% 1.96
Management expense ratio before waivers or absorption	2.26	4.68	4.71	4.77	4.78
Portfolio turnover rate ⁶	44.61	23.09	27.33	32.4	22.5
Trading expense ratio ⁷	0.03	0.07	0.08	0.14	0.06
Net asset value per unit, end of year	\$ 12.51	\$ 10.85	\$ 9.96	\$ 8.68	\$ 11.28

Notes

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

Lysander TDV Fund

Annual Management Report of Fund Performance as at December 31, 2021

Series D

Year ended	31-Dec-2021	31-Dec-2020	31-Dec-2019	31-Dec-2018	31-Dec-2017
Net assets per unit¹					
Net assets, beginning of year	\$ 10.99	\$ 10.08	\$ 8.78	\$ 11.37	\$ 10.50
Operations:					
Total revenue	0.25	0.24	0.28	0.30	0.21
Total expenses	(0.14)	(0.12)	(0.13)	(0.16)	(0.14)
Realized gains (losses)	0.86	0.17	(0.02)	0.96	0.39
Unrealized gains (losses)	1.40	0.87	1.32	(2.61)	0.88
Total increase (decrease) from operations²	\$ 2.37	\$ 1.16	\$ 1.45	\$ (1.51)	\$ 1.34
Distributions:					
From income (excluding dividends)	\$ (0.06)	\$ (0.06)	\$ (0.01)	\$ -	\$ -
From dividends	(0.04)	(0.07)	(0.14)	(0.14)	(0.07)
From capital gains	-	(0.11)	-	(0.95)	(0.39)
Total distributions^{2 3}	\$ (0.10)	\$ (0.24)	\$ (0.15)	\$ (1.09)	\$ (0.46)
Net assets, end of year^{2 3}	\$ -	\$ 10.99	\$ 10.08	\$ 8.78	\$ 11.37
Ratios and supplemental data					
Net asset value ⁴	\$ -	\$ 6,868	\$ 6,154	\$ 5,278	\$ 6,088
Units outstanding	-	625	611	601	535
Management expense ratio ⁵	% 1.28	% 1.19	% 1.25	% 1.26	% 1.24
Management expense ratio before waivers or absorption	1.53	3.96	4.00	4.02	4.09
Portfolio turnover rate ⁶	44.61	23.09	27.33	32.4	22.5
Trading expense ratio ⁷	0.03	0.07	0.08	0.14	0.06
Net asset value per unit, end of year	\$ -	\$ 10.99	\$ 10.08	\$ 8.78	\$ 11.37

Notes

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

Lysander TDV Fund

Annual Management Report of Fund Performance as at December 31, 2021

Series F

Year ended	31-Dec-2021	31-Dec-2020	31-Dec-2019	31-Dec-2018	31-Dec-2017
Net assets per unit¹					
Net assets, beginning of year	\$ 10.96	\$ 10.06	\$ 8.77	\$ 11.35	\$ 10.48
Operations:					
Total revenue	0.33	0.25	0.28	0.30	0.22
Total expenses	(0.16)	(0.12)	(0.12)	(0.14)	(0.13)
Realized gains (losses)	0.82	0.16	(0.03)	0.96	0.39
Unrealized gains (losses)	0.43	1.04	1.33	(2.61)	0.88
Total increase (decrease) from operations²	\$ 1.42	\$ 1.33	\$ 1.46	\$ (1.49)	\$ 1.36
Distributions:					
From income (excluding dividends)	\$ (0.09)	\$ (0.06)	\$ (0.02)	\$ (0.01)	\$ (0.01)
From dividends	(0.08)	(0.07)	(0.15)	(0.15)	(0.08)
From capital gains	(0.82)	(0.13)	-	(0.96)	(0.39)
Total distributions^{2 3}	\$ (0.99)	\$ (0.26)	\$ (0.17)	\$ (1.12)	\$ (0.48)
Net assets, end of year^{2 3}	\$ 12.66	\$ 10.96	\$ 10.06	\$ 8.77	\$ 11.35
Ratios and supplemental data					
Net asset value ⁴	\$ 28,202,660	\$ 3,205,635	\$ 2,406,650	\$ 1,985,983	\$ 2,264,275
Units outstanding	2,228,313	292,425	239,220	226,525	199,419
Management expense ratio ⁵	% 1.13	% 1.14	% 1.14	% 1.15	% 1.12
Management expense ratio before waivers or absorption	1.31	3.90	3.91	3.91	3.97
Portfolio turnover rate ⁶	44.61	23.09	27.33	32.4	22.5
Trading expense ratio ⁷	0.03	0.07	0.08	0.14	0.06
Net asset value per unit, end of year	\$ 12.66	\$ 10.96	\$ 10.06	\$ 8.77	\$ 11.35

Notes

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

Lysander TDV Fund

Annual Management Report of Fund Performance as at December 31, 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 1.50% per annum for Series A units, 0.85% per annum for Series D and 0.75% per annum for Series F units.

Service fees or trailing commissions of a maximum of 0.75% per annum are paid on Series A units to dealers and 0.10% per annum are paid on Series D units to dealers. This comprises 50.0% of the management fee of Series A units and 11.8% of the management fee of Series D.

Year-by-Year Returns

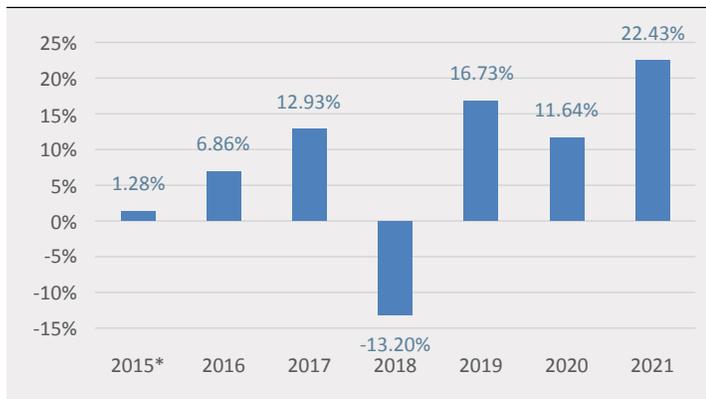
Series A



Series D



Series F



Past Performance

The commencement date of being distributed under a prospectus for Series A, D and F was November 20, 2015. Series D no longer has any unitholders as at November 10, 2021. 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 November 20 to December 31

Lysander TDV Fund

Annual Management Report of Fund Performance as at December 31, 2021

Annual Compound Returns

The following table shows the Fund's annual compound return for each period indicated, compared with the Fund's index ("Index" which is 50% FTSE Canada All Corporate Bond Index and 50% MSCI World (CAD) Index. The FTSE Canada All Corporate Bond Index is divided into sub-indices based on credit rating: a combined AAA/AA sector, a single A sector, and a BBB sector. The MSCI World (CAD) Index captures large and mid cap representation across 24 Developed Markets countries. The returns of the Index are calculated without the deduction of fees and expenses, whereas the performance of the Fund is calculated after deducting such fees and expenses.

For years ended December 31, 2021		1 Year		3 Year ²		5 Year ²		Since Inception ³
Annual Compound Return								
Series A ¹	%	21.06	%	15.79	%	8.39	%	8.03
Series F ¹		22.43		16.85		9.36		8.99
Index ^{4,5}	%	7.79	%	11.21	%	8.48	%	7.85

Notes

- 1 Returns are based on the net asset value per unit of the relevant series of the Fund and assume that all distributions were reinvested.
- 2 Compound period returns are annualized.
- 3 Period starting from November 20, 2015. Since inception returns are annualized. Compound returns for Series D are not shown because no Series D units were issued and outstanding on December 31, 2021
- 4 FTSE Canada Global Debt Capital Markets. Copyright © FTSE Canada Global Debt Capital Markets. All rights reserved. FTSE Canada Global Debt Capital Markets Inc ("FTDCM"), FTSE International Limited ("FTSE"), the London Stock Exchange Group companies (the "Exchange") or TSX INC. ("TSX" and together with FTDCM, FTSE and the Exchange, the "Licensor Parties"). The Licensor Parties make no warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE Canada Canada Indices ("the Indices") and/or the figure at which the said Indices stand at any particular time on any particular day or otherwise. The Indices are compiled and calculated by FTDCM and all copyright in the Indices values and constituent lists vests in FTDCM. The Licensor Parties shall not be liable (whether in negligence or otherwise) to any person for any error in the Indices and the Licensor Parties shall not be under any obligation to advise any person of any error therein.
- 5 The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used to create any financial instruments or products or any indices. The MSCI information is provided on an as is basis and the user of this information assumes the entire risk of any use it may make or permit to be made of this information. Neither MSCI, any of its affiliates or any other person involved in or related to compiling, computing or creating the MSCI information (collectively, the MSCI Parties.) makes any express or implied warranties or representations with respect to such information or the results to be obtained by the use thereof, and the MSCI Parties hereby expressly disclaim all warranties (including, without limitation, all warranties of originality, accuracy, completeness, timeliness, noninfringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential or any other damages (including, without limitation, lost profits) even if notified of, or if it might otherwise have anticipated, the possibility of such damages.

Lysander TDV Fund

Annual Management Report of Fund Performance as at December 31, 2021

Summary of Investment Portfolio

		% of NAV
Top 25 Issuers		
Lysander-Canso Broad Corporate Bond Fund	%	38.8
IShares (Equity)		24.5
Lysander-Canso Short Term and Floating Rate Fund		18.6
SPDR S&P (Equity)		9.9
Vanguard Emerging Markets (Equity)		4.3
Invesco QQQ Trust (QQQ) (Equity)		1.7
Cash and Cash Equivalents		1.0
Yellow Pages Limited (Equity)		0.4
Bird Construction Inc (Equity)		0.3
Clearstream Energy Services Inc. (Equity)		0.1
Total	%	99.6

		% of NAV
Asset Mix		
Canadian Equities	%	20.6
Cash and Cash Equivalents		1.0
Foreign Equities		20.7
Mutual Fund		57.4
Other Assets less Liabilities		0.3
Total	%	100.0
Sector		
Cash and Cash Equivalents	%	1.0
Communication Services		0.4
Energy		0.1
Financials		40.5
Industrials		0.3
Mutual Funds		57.4
Other Assets less Liabilities		0.3
Total	%	100.0



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

® Lysander Funds is a registered trademark of Lysander Funds Limited