

# **LYSANDER TDV FUND**

## **SIMPLIFIED PROSPECTUS**

**November 24, 2022**

### **Offering Series A and Series F Units**

No securities regulatory authority has expressed an opinion about these units. It is an offence to claim otherwise. The Fund and the Units of the Fund offered under this Simplified Prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.

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# Introduction

This Simplified Prospectus contains selected important information to help you make an informed investment decision and understand your rights as an investor. This Simplified Prospectus is divided into two parts. The first part, from pages 1 through 22, contains general information applicable to the Fund (as defined below). The second part, from pages 25 through 37, contains specific information about the Fund.

Throughout this Simplified Prospectus:

- *we, us, Lysander or the Manager* means Lysander Funds Limited, the trustee and investment fund manager of Lysander TDV Fund.
- *you* means each person who invests in the Fund.
- *dealer* means the company that sold you the Units of the Fund and the individual who sold them to you.
- *CRS* means The Organization for Economic Co-operation and Development's (OECD) Common Reporting Standard as implemented in Canada by Part XIX of the Tax Act.
- *custodian* means CIBC Mellon Trust Company.
- *FATCA* means the Foreign Account Tax Compliance Act as implemented in Canada by the Canada-United States Enhanced Tax Information Exchange Agreement and Part XVIII of the Tax Act.
- *Fund* means Lysander TDV Fund.
- *HST* means the Harmonized Sales Tax.
- *intermediary* means a third party that you or your dealer may use to administer your accounts.
- *IRC* means the independent review committee of the Fund established pursuant to NI 81-107.
- the *Lysander Funds* means the Fund, together with the other mutual funds managed by the Manager and offered under separate simplified prospectuses.
- *MER* means the management expense ratio for each series of Units of the Fund which reflects certain operating expenses paid by the Fund, but excludes brokerage commission on portfolio transactions and certain other costs, including certain taxes.
- *NAV* means net asset value.
- *NAV per Unit* means the net asset value per Unit of a series of the Fund.
- *NI 81-102* means National Instrument 81-102 *Investment Funds*.
- *NI 81-107* means National Instrument 81-107 *Independent Review Committee for Investment Funds*.
- *Registered Plans* means trusts governed by registered retirement savings plans (including group registered retirement savings plans, locked in retirement savings plans and locked in retirement accounts), registered retirement income funds (including life income funds, locked in retirement income funds and prescribed retirement income funds), deferred profit sharing plans, registered disability savings plans, registered education savings plans and tax free savings accounts.
- *Simplified Prospectus* means this simplified prospectus of the Fund.

- *Tax Act* means the *Income Tax Act* (Canada) and the regulations thereunder, as the same may be amended from time to time.
- *underlying fund* means any mutual fund in which the Fund invests.
- *Unit* means a mutual fund unit of the Fund.
- *Unitholder* means a holder of Units.
- *U.S. Dollar Funds* means Lysander-Canso U.S. Corporate Treasury Fund, Lysander-Canso U.S. Short Term and Floating Rate Fund and Lysander-Canso U.S. Credit Fund, which are Lysander Funds offered under a different simplified prospectus, and *U.S. Dollar Fund* means any of them.

### **For more information**

You can find more information about the Fund in each of the following documents:

- the Fund's most recently filed Fund Facts documents (**Fund Facts**);
- the Fund's most recently filed annual financial statements;
- any interim financial report filed after those annual financial statements;
- the Fund's most recently-filed annual management report of fund performance (**MRFP**); and
- any interim MRFP filed after that annual MRFP.

These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as part of this document. You can get a copy of these documents, at your request, and at no cost, by calling toll free at 1-877-308-6979, or from your dealer.

These documents are also available at the Fund's designated website at **www.lysanderfunds.com** and at **www.sedar.com**.

# Responsibility for Mutual Fund Administration

## The Manager

Lysander Funds Limited is the investment fund manager of the Fund. The head office of the Manager is located at 3080 Yonge Street, Suite 3037, Toronto, Ontario M4N 3N1. The phone number for the Manager is 1-877-308-6979, the email address is [manager@lysanderfunds.com](mailto:manager@lysanderfunds.com) and the website address is [www.lysanderfunds.com](http://www.lysanderfunds.com). As investment fund manager, we are responsible for the day-to-day operations and affairs of the Fund and provide marketing and administrative services to the Fund. We also furnish the office space and facilities, clerical help, bookkeeping and the internal accounting services required by the Fund. All Unitholder reporting and servicing requirements are also furnished by us or on our behalf. The Manager has retained Convexus Managed Services Inc. (“**Convexus**” or the “**Administrative Agent**”) to carry out certain administrative services for the Fund, including fund accounting, valuation, Unitholder recordkeeping, processing of all subscriptions and redemptions and calculating and processing all income and capital gains distributions. In this capacity, the receipt by the Administrative Agent of any document pertaining to the purchase, redemption, switch or reclassification of Units will be considered to be the receipt by the Fund.

The names and municipalities of residence of the directors and executive officers of the Manager, their respective positions and offices with the Manager are as follows:

Name and Municipality of Residence	Position with the Manager
John P. Carswell Richmond Hill, Ontario	Director
Timothy Hicks Toronto, Ontario	Chief Investment Officer and Director
Ruth Liu Vaughan, Ontario	General Counsel, Chief Compliance Officer and Corporate Secretary
Heather Mason-Wood Richmond Hill, Ontario	Director
Raymond Oh Richmond Hill, Ontario	Director
Salvatore Reda Verdun, Québec	Director
B. Richard Usher-Jones Toronto, Ontario	President, Chief Executive Officer, Ultimate Designated Person and Director
Rajeev Vijh Toronto, Ontario	Vice President, Chief Operating Officer and Chief Financial Officer
Lee Wong Markham, Ontario	Director

We act as investment fund manager of the Fund pursuant to an amended and restated master management agreement made as of March 27, 2020, as amended on May 11, 2020, December 31, 2020, May 11, 2021, November 1, 2021, December 31, 2021, May 5, 2022 and June 30, 2022 (the “**Management Agreement**”). The Management Agreement

may be terminated by us or the Fund on 60 days' prior written notice. Any change in the investment fund manager of the Fund (other than to one of our affiliates) may be made only with the approval of the Unitholders of the Fund and, where applicable, in accordance with securities legislation.

### **Fund of funds**

The Fund (referred to in this context as a top fund) may buy securities of an underlying fund. Where we are the Manager of both the top fund and an underlying fund, we will not vote the securities of the underlying fund that are held by the top fund. However, in our discretion, we may decide to flow those voting rights to investors in the top fund.

### **Portfolio manager**

Pursuant to an amended and restated investment management agreement dated July 29, 2022 between us and Canso Investment Counsel Ltd. (“**Canso**”) (the “**Canso IMA**”), Canso, located in Richmond Hill, Ontario, is the portfolio manager of the Fund. Lysander and Canso are affiliates.

In its role as portfolio manager, Canso is responsible for the management of the investment portfolio, the establishment of investment policies and guidelines and the provision of investment analysis relating to the Fund. In carrying out these responsibilities, Canso may retain the services of other portfolio managers as sub-advisers for the Fund. Certain of these sub-advisers may be affiliated with either Canso or the Manager.

The Canso IMA requires Canso to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances. The Canso IMA provides that Canso will not be liable in any way for any loss arising solely from Canso's compliance with the Fund's investment policy statement or any act or failure to act by any broker or person with whom Canso has been specifically directed to deal by the Manager in connection with the Fund.

The Canso IMA may be terminated immediately by either party to the agreement if either party's registration, license or other authorization required by it to perform the services under the Canso IMA have been revoked by the applicable securities regulatory authority, if either party is unable to meet its obligations under the Canso IMA, or if either party is in material breach of the Canso IMA and such breach has not been cured within 30 days of receipt of written notice of such breach.

Investment decisions for the Fund are made by one or more teams of individual portfolio managers employed by Canso, and are not subject to the approval of any committee. The individuals who make up the portfolio management team for the Fund and their roles in the investment decision-making process for the Fund are as set forth in the table below.

<b>Name and Title</b>	<b>Role in the Investment Decision-Making Process</b>
Jeff Carter Portfolio Manager	Deputy chief investment officer and member of the portfolio management team making investment decisions subject to the oversight of the Chief Investment Officer and the compliance department at Canso. Mr. Carter is the Chief Compliance Officer at Canso.
Jason Davis Portfolio Manager	Member of the portfolio management team making investment decisions subject to the oversight of the Chief Investment Officer and the compliance department at Canso.
Steffan Kelly Portfolio Manager	Member of the portfolio management team making investment decisions subject to the oversight of the Chief

Name and Title	Role in the Investment Decision-Making Process
	Investment Officer and the compliance department at Canso.
John Laing Portfolio Manager	Member of the portfolio management team making investment decisions subject to the oversight of the Chief Investment Officer and the compliance department at Canso.
Joe Morin Portfolio Manager	Member of the portfolio management team making investment decisions subject to the oversight of the Chief Investment Officer and the compliance department at Canso.
Vivek Verma Portfolio Manager	Deputy chief investment officer and member of the portfolio management team making investment decisions subject to the oversight of the Chief Investment Officer and the compliance department at Canso.

### Brokerage arrangements

Decisions as to the purchase and sale of portfolio securities and decisions as to the execution of all portfolio transactions, including selection of market, dealer or broker, and the negotiation, where applicable, of commissions are made by Canso, as the portfolio manager for the Fund.

In selecting brokers, various factors will be considered in the context of a particular trade and in regard to Canso's overall responsibilities with respect to the Fund and to other investment accounts Canso manages. Factors deemed relevant may include the following: (i) price; (ii) size and type of the transaction; (iii) reasonableness of compensation to be paid; (iv) speed and certainty of trade executions, including the broker's willingness to commit capital; (v) nature of markets on which the security is to be purchased or sold; (vi) the availability of liquidity in the security; (vii) reliability of a market center or broker; (viii) overall trading relationship with the broker; (ix) assessment of whether and how closely the broker will likely follow instructions; (x) degree of anonymity that a particular broker or market can provide; (xi) the potential for avoiding market impact; (xii) the execution services rendered on a continuing basis; (xiii) the execution efficiency, settlement capability and financial condition of the firm; (xiv) arrangements for payment of Fund expenses, if applicable; and (xv) the provision of additional brokerage and research products and services, if applicable.

Canso does not engage in "soft dollar" arrangements with brokers in respect of the Fund.

Since November 23, 2021, the date of the last annual information form, no companies affiliated with the Manager or Canso have provided research goods and services to the Manager or Canso in return for the allocation of brokerage transactions. In addition, since the date of the last annual information form, no research goods and services have been provided to Canso in connection with its portfolio management of the Fund.

The name of any dealer or third party that provided a good or service referred to in the foregoing list will be provided to Unitholders upon request by contacting us at 1-877-308-6979 or [manager@lysanderfunds.com](mailto:manager@lysanderfunds.com).

### Principal distributor

PBY Capital Limited ("**PBY Capital**"), an exempt market dealer, is the principal distributor of Units of the Fund, pursuant to a distribution agreement dated June 30, 2020, as the same may be amended from time to time, between the Manager and PBY Capital (the "**Distribution Agreement**"). PBY Capital's head office is located at 3080 Yonge Street, Suite 3032, Toronto, Ontario M4N 3N1. While PBY Capital is a principal distributor of the Fund, investors purchasing Units of the Fund under this Simplified Prospectus cannot purchase them through PBY Capital, as PBY

Capital is registered only as an exempt market dealer and therefore can only promote and distribute securities pursuant to applicable prospectus exemptions. The Distribution Agreement may be terminated by either party upon 30 days' prior written notice, or immediately upon the occurrence of certain events such as the bankruptcy or insolvency of a party, and the failure of a party to keep in good standing any necessary registration, licence or other qualification required to effect the purpose of the agreement. PBY Capital is an affiliate of the Manager.

### **Trustee**

We act as trustee of the Fund under an amended and consolidated declaration of trust as of March 27, 2020, as amended on May 11, 2020, December 31, 2020, May 11, 2021, November 1, 2021, December 31, 2021, May 5, 2022 and June 30, 2022 (the "**Declaration of Trust**"), which establishes the fundamental operating structure for the Fund. In our capacity as trustee, we have ultimate responsibility for the undertaking of the Fund and must carry out the terms of the Declaration of Trust. We may resign as trustee of the Fund by giving 60 days' prior written notice to Unitholders. If a successor trustee can be found and agrees to accept the appointment, such successor trustee will assume the duties and obligations of the incumbent trustee within the notice period. If a successor trustee cannot be found or is not appointed by Unitholders in accordance with the provisions of the Declaration of Trust, then the Fund will be terminated at the expiry of the notice period.

### **Custodian**

The portfolio assets of the Fund are held under the principal custodianship of CIBC Mellon Trust Company, located in Toronto, Ontario, pursuant to a custodial services agreement made as of December 8, 2011 and effective as of September 25, 2009, as amended on July 30, 2012, December 31, 2012, August 29, 2013, December 22, 2014, April 2, 2015, November 20, 2015, December 31, 2015, December 30, 2016, January 9, 2020, February 20, 2020, March 27, 2020, May 11, 2020, December 31, 2020, May 11, 2021, November 1, 2021, December 31, 2021, June 30, 2022 and July 29, 2022 (the "**Custodian Agreement**"). As custodian, CIBC Mellon Trust Company holds the cash and securities of the Fund. Any party to the Custodian Agreement may terminate it at any time upon 90 days' written notice or immediately, if any party becomes insolvent, or makes an assignment for the benefit of creditors, or a petition in bankruptcy is filed by or against that party and is not discharged within 30 days, or proceedings for the appointment of a receiver for that party are commenced and not discontinued within 30 days. The principal custodian has a qualified foreign sub-custodian in each jurisdiction in which the Fund invests in securities. The agreements between CIBC Mellon Trust Company and such sub-custodians are consistent with the provisions of the Custodian Agreement, provide that the Fund may enforce its rights in respect of its assets held in accordance with their provisions and otherwise comply with the relevant provisions of NI 81-102. CIBC Mellon Trust Company is not an affiliate of the Manager.

### **Auditor**

Deloitte LLP of Toronto, Ontario is the auditor of the Fund. Deloitte LLP is not an affiliate of the Manager.

### **Registrar and transfer agent**

Convexus acts as the registrar and transfer agent and provides other administrative services for the Fund, from its principal offices in Richmond Hill, Ontario, pursuant to an administrative services agreement dated July 1, 2009. For more information on the administrative services provided by Convexus please see *Responsibility for Mutual Fund Administration – The Manager* on page 1. Convexus is not an affiliate of the Manager.

### **Securities lending agent**

In the event that the Fund engages in securities lending or repurchase or reverse repurchase transactions, CIBC Mellon Trust Company of Toronto, Ontario will be appointed as the Fund's securities lending agent. The securities lending agent is not an affiliate of the Manager.

### **Independent review committee and fund governance**

#### **General fund governance**

The Manager, as the trustee and the investment fund manager of the Fund, has the ultimate authority to manage and direct the business, operations and affairs of the Fund, subject to applicable law and the Declaration of Trust. The Manager has established policies and procedures to enable and protect the proper functioning of the Manager and operations of the Fund. Such policies and procedures cover areas such as business continuity, cybersecurity,



confidentiality, sales and marketing activities and management of conflicts of interest. In addition, the Manager has implemented various measures to assess risk, including daily market security valuation, exposure reporting and reconciliation of portfolio investments and cash positions. For more information on the policies and practices of the Manager, please see *Responsibility for Mutual Fund Administration – Policies and practices* on page 6.

The portfolio manager of the Fund is responsible for managing the investment portfolio of the Fund. Risk management is part of the portfolio manager's security selection, which is supported by a research process and decision-making process. Based on the portfolio manager's assessment of risks, the portfolio manager manages risks in the Fund's portfolio through diversification and making decisions on the amount of exposure accordingly.

#### **Independent Review Committee (“IRC”)**

In accordance with NI 81-107, an IRC has been established for all of the investment funds managed by the Manager, including the Fund. The IRC is composed of 4 individuals, each of whom is independent of the Lysander Funds, the Manager and its affiliates. The current members of the IRC are Paul Fahey as Chair, Jim McGill, Bill Schultz and Ruth Gould.

The IRC has adopted a written charter that includes its mandate, responsibilities and functions and the policies and procedures that it follows when performing its functions.

In accordance with NI 81-107, the mandate of the IRC is to consider and provide recommendations to us on conflicts of interest to which we are subject when managing the Fund. We are required under NI 81-107 to identify conflicts of interest inherent in our management of the Fund and to request input from the IRC on how we manage those conflicts of interest, as well as on our written policies and procedures outlining our management of those conflicts of interest. We must refer our proposed course of action in respect of any such conflict of interest matter to the IRC for its review. Certain matters require the IRC's prior approval. Other matters require the IRC's recommendation as to whether or not, in the opinion of the IRC, our proposed action will provide a fair and reasonable result for the Fund. For recurring conflict of interest matters, the IRC can provide us with standing instructions.

The IRC may also approve any change of the auditor of the Fund and, in certain circumstances, approve a fund merger. Investor approval will not be obtained in these circumstances, but you will be sent a written notice at least 60 days before the effective date of any such change of auditor or merger.

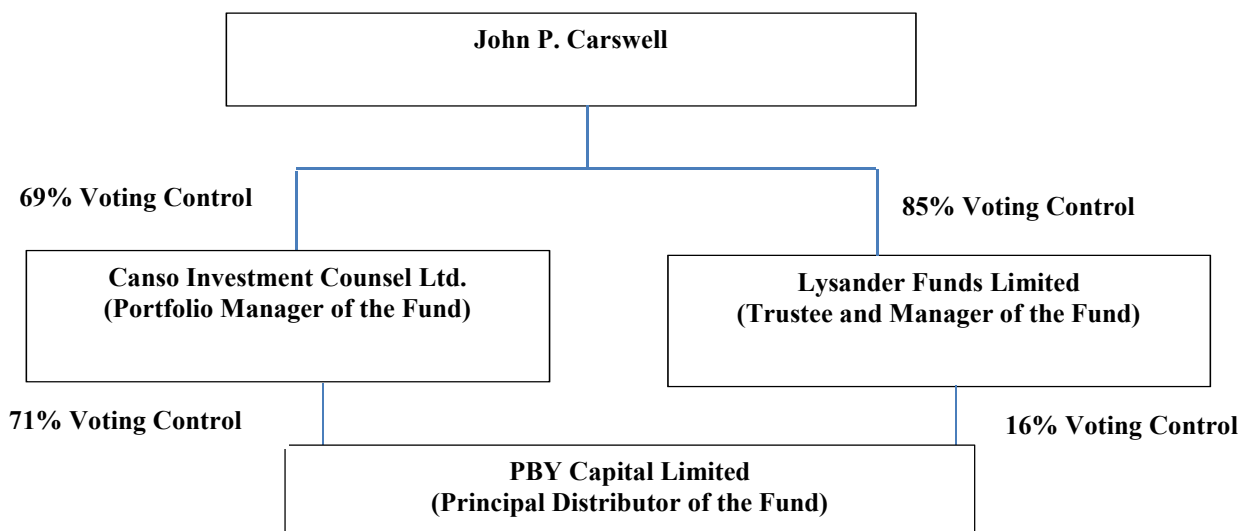
The IRC prepares, at least annually, a report of its activities for Unitholders. Such reports are available on the Fund's designated website at [www.lysanderfunds.com](http://www.lysanderfunds.com), or at the Unitholder's request and at no cost, by contacting the Manager at [manager@lysanderfunds.com](mailto:manager@lysanderfunds.com).

The annual report of the IRC will be available on or about March 31 in each year.

Each member of the IRC receives a quarterly retainer, and will be reimbursed for reasonable expenses incurred. For more information on the compensation received by each member of the IRC, please see *Responsibility for Mutual Fund Administration - Remuneration of trustee, directors and officers – Independent Review Committee compensation* on page 8.

## Affiliated entities

The following diagram shows the respective relationship between the Manager and any affiliated entity that provides services to the Fund and/or to the Manager with regard to the Fund:



Amounts material to the Fund paid by the Manager to an affiliated entity for services provided to the Fund will be reported in the audited financial statements of the Fund.

## Policies and practices

### General policies

In managing the day-to-day operations of the Fund, we have adopted certain policies as standard practice to comply with applicable legislation and regulations, including NI 81-102 and National Instrument 81-105 *Mutual Fund Sales Practices* (“NI 81-105”), relating to permitted compensation and trailing commissions, internal dealer incentive practices, marketing and education practices, sales disclosure and portfolio transactions. In addition, we have developed and adopted a formal compliance manual that governs all of our employees. The compliance manual includes policies on conflicts of interest, client confidentiality, acceptable outside activities, personal investments and requirements of our portfolio managers. The compliance manual also includes provisions and/or policies regarding recordkeeping, risk management and general compliance with regulatory and corporate responsibilities.

### Use of derivatives

The Fund may use derivatives as described under *What does the Fund invest in? – Investment strategies*. The Fund’s investment policies also describe the Fund’s use of derivatives, if any. In addition to the disclosure in the Simplified Prospectus and the description in the investment policies, the Fund must comply with the investment restrictions and practices in NI 81-102 in connection with its use of derivatives for hedging and non-hedging purposes. The decision as to the use of derivatives is made by Canso, as the Fund’s portfolio manager. The portfolio manager of the Fund is responsible for establishing trading limits and other controls on derivative trading. The chief compliance officer of the portfolio manager is responsible for ensuring the Fund’s use of derivatives is within the limits in NI 81-102. The Manager obtains confirmation from the portfolio manager on the Fund’s compliance with NI 81-102 as part of the Manager’s oversight.

### Short selling

The Fund may engage in short selling. A short sale by the Fund involves borrowing securities from a lender which are then sold in the open market. At a future date, the securities are repurchased by the Fund and returned to the lender. While the securities are borrowed, the proceeds from the sale are deposited with the lender and the Fund pays interest to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less any interest the Fund is required to pay the lender). Short selling involves risk. There is no assurance that securities will decline in

value during the period of the short sale and make a profit for the Fund. Securities sold short may instead appreciate in value creating a loss for the Fund. The Fund may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender may also recall borrowed securities at any time. The lender from whom the Fund has borrowed securities may go bankrupt and the Fund may lose the collateral it has deposited with the lender.

Should the Fund engage in short selling, the Fund will have policies and practices to manage the risks associated with short selling. The Fund will adhere to controls and limits that are intended to mitigate these risks by short selling only liquid securities and by limiting the amount of exposure for short sales to the total market value of all securities of an issuer of the securities sold short by the Fund to 5% of the NAV of the Fund and the total market value of all securities sold short by the Fund to 20% of the NAV of the Fund. We do not currently conduct risk measurements or simulations to test the Fund's portfolio under stress conditions in connection with short selling.

### **Securities lending, repurchase or reverse repurchase transactions**

The Fund may engage in securities lending, repurchase and reverse repurchase transactions to the extent permitted by the Canadian securities regulators. Prior to engaging in such transactions, the Fund will implement policies and practices to manage the risks associated with these types of transactions, and which will be reviewed at least annually by the Manager's Chief Compliance Officer.

Specifically, where the Fund engages in such investments, it will:

- require that the other party to the transaction deliver collateral equal to a minimum of 102% of the market value of the securities loaned (for securities lending transactions) or sold (for repurchase transactions), or 102% of the cash paid for the securities (for reverse repurchase transactions), as the case may be;
- hold collateral consisting only of cash, qualified securities or securities that can be immediately converted into securities identical to those that are on loan. The collateral is marked to market daily;
- adjust the amount of collateral each business day to ensure the collateral's value relative to the market value of the securities loaned, sold or purchased remains within the 102% limit; and
- limit the aggregate value of all securities loaned or sold through securities lending and repurchase transactions, as the case may be, to under 50% of the NAV of the Fund (not including the collateral held by the Fund).

Should the Fund engage in securities lending, repurchase and reverse repurchase transactions, we will appoint an agent under the terms of a written agreement established and reviewed by us, in order to administer any securities lending, repurchase and reverse repurchase transactions for the Fund. Under the provisions of this agreement, the agent shall be required to:

- assess the creditworthiness of potential counterparties to these transactions (typically, registered brokers and/or dealers);
- negotiate the actual securities lending, repurchase and reverse repurchase agreements with such counterparties;
- collect lending and repurchase fees and provide such fees to us;
- monitor (daily) the market value of the securities sold, loaned or purchased and the collateral and ensure that the Fund holds collateral equal to at least 102% of the market value of the securities sold, loaned or purchased; and
- ensure that the market value of securities loaned or sold, as the case may be, by the Fund through lending and repurchase transactions does not exceed 50% of the NAV of the Fund (not including the collateral held by the Fund).

Should the Fund engage in such transactions, we will establish written policies and procedures that set out the objectives and goals for these particular types of investments. There are no limits or controls restricting these transactions and risk measurements or simulations are not used to test the portfolio under stress conditions. We are responsible for reviewing these investments on an as needed basis and such review will be independent of the agent.

Each securities lending transaction, repurchase agreement, and reverse repurchase agreement must qualify as a “securities lending arrangement” under section 260 of the Tax Act.

### **Proxy Voting Policies and Procedures**

The Manager’s proxy voting policy requires the portfolio manager of the Fund to vote proxies in the best interests of the Fund and adopt proxy voting policies that are in line with the requirements in Part 10 of National Instrument 81-106 *Investment Fund Continuous Disclosure*.

Canso has adopted proxy voting policies that require Canso to vote proxies in the best interest of the Fund, which generally means voting in a manner that includes maximizing positive economic effect on the Fund’s value and to protect the Fund’s rights as a shareholder. The policies generally provide for voting in favour of management’s recommendations unless there are specific circumstances for voting against and/or Canso believes the Fund’s best interests would be better served by voting against such recommendations. Canso will document the reasons for a decision to cast a proxy vote in a manner that deviates from Canso’s voting policies.

Canso’s proxy voting policies provide that non-routine matters, including corporate restructurings, mergers and acquisitions, proposals affecting securityholder rights and executive compensation, will usually be addressed on a case-by-case basis with a focus on the best interests of the Fund.

The Fund is considered to have received a solicitation at the time it or Canso has received notice at its offices. In the event that Canso does not receive a solicitation within sufficient time to execute a vote or the proxy is not submitted to the issuer in the time required, the Fund will not be able to vote on the matters solicited.

A copy of the complete proxy voting policies and procedures for the Fund is available to you on request, free of charge, by calling us toll free at 1-877-308-6979, by sending an e-mail to [manager@lysanderfunds.com](mailto:manager@lysanderfunds.com) or by mailing to Lysander Funds Limited at 3080 Yonge Street, Suite 3037, Toronto, Ontario M4N 3N1.

The voting record, if any, for the previous year ended June 30 will be available free of charge to any Unitholder of the Fund upon request at any time after August 31 of that year and will be made available on the Fund’s designated website at [www.lysanderfunds.com](http://www.lysanderfunds.com).

## **Remuneration of trustee, directors and officers**

### **Trustee compensation**

We do not receive any additional fees for acting as trustee of the Fund.

### **Employee compensation**

The management functions of the Fund are carried out by employees of the Manager. The Fund does not have employees.

### **Independent Review Committee compensation**

Each member of the IRC is paid an annual retainer of \$12,800 (except for Paul Fahey, who is paid \$16,000 as chair) in aggregate by all the investment funds managed by the Manager (including its open-ended and closed-end funds).

For the financial year ended December 31, 2021, the aggregate amount paid to members of the IRC by all the investment funds managed by the Manager (including its closed-end funds, exchange-traded fund and the other Lysander Funds), including expenses reimbursed, was \$46,760. Each of the investment funds managed by the Manager, including the Fund, pays its pro rata share of the fees and expenses paid to the IRC which amount is reflected in the relevant fund’s financial statements.

## **Material contracts**

The material contracts that have been entered into by or on behalf of the Fund are as follows:

- the Declaration of Trust by the Manager, as amended in its capacity as trustee, as described under *Responsibility for Mutual Fund Administration – Trustee*;

- the Management Agreement between the Manager and the Fund, as amended, as described under *Responsibility for Mutual Fund Administration – The Manager*;
- the Canso IMA between the Manager and Canso, as portfolio manager to the Fund, as described under *Responsibility for Mutual Fund Administration – Portfolio Manager*;
- the Distribution Agreement between the Manager and PBY Capital, as amended, as described under *Responsibility for Mutual Fund Administration – Principal Distributor*; and
- the Custodian Agreement between the Manager, as trustee of the Fund, and CIBC Mellon Trust Company, as custodian, as amended, as described under *Responsibility for Mutual Fund Administration – Custodian*.

Copies of the foregoing may be inspected during ordinary business hours on any business day at the head office of the Fund.

### **Legal proceedings**

The Manager is not aware of any material legal proceedings, either pending or ongoing, which would affect the Fund.

### **Designated website**

A mutual fund is required to post certain regulatory disclosure documents on a designated website. The designated website of the Fund can be found at [www.lysanderfunds.com](http://www.lysanderfunds.com).

## **Valuation of portfolio securities**

In determining the fair value of the assets of the Fund the following rules apply:

- the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest, declared or accrued and not yet received, shall be deemed to be the full amount thereof, unless the Manager has determined that any such deposit, bill, demand note or account receivable is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as the Manager determines to be the reasonable value thereof;
- the value of any share, subscription right or other equity security which is listed or dealt in upon a stock exchange shall be determined by taking the latest available sale price or closing price (or lacking any sales or any record thereof, a price not higher than the latest available asked price and not lower than the latest available bid price therefor as the Manager may from time to time determine) on the day as of which the NAV or NAV per Unit is being determined, as reported by any means in common use. The value of any bond or other debt security shall be determined by using prices supplied by the Fund's pricing agents which reflect broker/dealer supplied valuations and electronic data processing techniques. If it is not possible to value a particular debt security pursuant to these valuation methods, then the value of such security shall be the most recent bid quotation supplied by a bona fide market-maker. The value of interlisted securities shall be computed in a manner which in the opinion of the Manager most accurately reflects their fair value. If, in the opinion of the Manager, the above valuations do not properly reflect the prices which would be received by the Fund upon the disposal of shares or securities necessary to effect any redemption or redemptions, the Manager may place such value upon such shares or securities as appears to it to most closely reflect the fair value of such shares or securities;
- the value of any bond, time note, share, subscription right or other security or other property which is not listed or dealt in on a stock exchange shall be determined on the basis of such price quotations which in the opinion of the Manager best reflect its fair value;
- the value of any restricted security, as defined in NI 81-102, shall be such value which in the opinion of the Manager best reflects its fair value;
- long positions in clearing corporation options, options on futures, over the counter options, debt like securities and listed warrants shall be valued at the current market value thereof;

- any premium received by the Fund for a written covered clearing corporation option, option on futures or over the counter option shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over the counter option that would have the effect of closing the position. The deferred credit shall be deducted in arriving at the NAV of the Fund or the series of the Fund. The securities, if any, which are the subject of a written clearing corporation option or over the counter option shall be valued in accordance with the provisions of this paragraph;
- futures contracts and forward contracts shall be valued according to the gain or loss with respect thereto that would be realized if, on the Valuation Date (as defined under *Calculation of net asset value*), the position in the futures contract or forward contract, as the case may be, were to be closed out unless daily limits are in effect, in which case fair value shall be based on the current market value of the underlying interest;
- margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;
- all assets of the Fund valued in terms of foreign currency, funds on deposit, contractual obligations payable to the Fund in foreign currency and liabilities payable by the Fund in foreign currency shall be taken at the current rate of exchange as nearly as practicable at the time as of which the NAV is computed. Foreign currency for the purpose of this section is currency other than Canadian currency; and
- the value of any bond, time note, share, subscription right or other security or other property for which none of the above valuation procedures is applicable shall be the fair value thereof as determined from time to time in such manner as the Manager may determine.

The Manager has the discretion noted above to deviate from the Fund's valuation principles set out above. We have not exercised such discretion in the past three years.

The liabilities of the Fund shall be deemed to include:

- all bills and accounts payable;
- all expenses payable by the Fund and/or accrued;
- all contractual obligations for the payment of money or property, including the amount of any declared but unpaid distributions;
- all allowances authorized or approved by the Manager for taxes or contingencies; and
- all other liabilities of the Fund or series of the Fund of whatsoever kind and nature, except liabilities represented by outstanding Units.

## Calculation of net asset value

As at 4:00 p.m. (Eastern Time) on each day that the Toronto Stock Exchange (“**TSX**”) is open for business (a “**Valuation Date**”), the NAV per Unit is calculated for each series of the Fund in Canadian dollars. The NAV per Unit (or Unit price) of a series will be based on the fair value of the series' proportionate share of the assets of the Fund, less that series' proportionate share of common liabilities and less any liabilities attributable to that series of the Fund, divided by the total outstanding Units of that series. The NAV per Unit of a series is the basis for all purchases, switches, reclassifications and redemptions and for reinvestment of distributions.

The Manager will make available the NAV per Unit for each series of the Fund on the Fund's designated website at [www.lysanderfunds.com](http://www.lysanderfunds.com). Such information will also be available on request, free of charge, by calling the Manager toll free at 1-877-308-6979, by sending an email to [manager@lysanderfunds.com](mailto:manager@lysanderfunds.com) or by mailing the Manager at 3080 Yonge Street, Suite 3037, Toronto, Ontario M4N 3N1.

# Purchases, switches and redemptions

The Fund may have an unlimited number of series and may issue an unlimited number of Units of each series. The Fund currently offers Series A and Series F Units. The Fund has been created primarily for investment by members (**RMC Members**) of the RMC Alumni Association Inc. (**RMC Alumni Association**), as well as friends and family of RMC Members and other investors wishing to support RMC Alumni Association (collectively, **Members**).

Units of each series of the Fund are offered on a continuous basis. Purchase orders must be placed with registered dealers in an investor's province or territory, except for orders placed under any applicable registration exemption. You may purchase, switch (redeem Units of the Fund and purchase units of another Lysander Fund), reclassify (change Units of the Fund into Units of another series of the Fund) or redeem Units of the Fund only through registered dealers in each jurisdiction where the Units are qualified for sale, except that switches between the Fund and U.S. Dollar Funds are not permitted.

With respect to the different series of Units described below, we reserve the right to set and change minimum initial and subsequent investment requirements for the Fund without notice to you. We reserve the right to redeem your Units if the value of your Units falls below these set minimum investment amounts.

**Series A Units:** Available to all investors.

**Series F Units:** Available to investors through dealers approved by us, which include dealers that offer fee-based programs, or order execution only platforms where the dealer does not make a suitability determination.

## How to purchase Units

You can buy Units of the Fund through a registered dealer. You must be of the age of majority in the province or territory in which you live to buy units in a mutual fund. You may hold Units in trust for a minor.

### Purchase price

When you buy Units in the Fund, the price you pay is the NAV per Unit of those Units. In general, the NAV per Unit is the NAV of the series of the Fund, divided by the total number of Units of that series outstanding. The NAV per Unit is calculated at the end of each business day.

We calculate the NAV per Unit for each series of the Fund in Canadian dollars.

If we receive your purchase order before 4:00 p.m. (Eastern Time) on a day that the TSX is open for business or before the TSX closes for the day, whichever is earlier, we will process your order based on the NAV per Unit calculated on that day. If we receive your order after that time, we will process your order based on the NAV per Unit calculated on the next business day.

The Fund does not intend to issue certificates for Units. Ownership will be evidenced by entry in the register maintained by the Fund's registrar. For information on the Fund's registrar, see the description under *Responsibility for Mutual Fund Administration – Registrar and transfer agent*.

### Purchasing Series A Units

Series A Units of the Fund are available to all investors under the following purchase option:

#### *Initial Sales Charge Option*

Under the Initial Sales Charge Option, investors may pay a fee of up to 5% of the amount invested to the dealer at the time of purchase for Series A Units of the Fund.

### Purchasing Series F Units

Series F Units are only available to investors through dealers approved by us, which include dealers that offer fee-based programs, or order execution only platforms where the dealer does not make a suitability determination.

There are no sales charges, redemption fees, trailing commissions or other commissions payable on the purchase or sale of Series F Units.

**If Unitholder ceases to be eligible**

If you cease to be eligible to hold your series of Units, we may change your Units into another series of the Fund for which you are eligible after giving you 30 days' prior written notice, unless you notify us during the notice period and we agree that you are once again eligible to hold the original series of Units. On a change from the original series of Units to another series, you will be required to pay the fees and charges under the applicable series, if any.

**Minimum investment**

The minimum initial investment in Units of Series A and Series F of the Fund is \$500. The minimum additional investment is \$100. The initial minimum investment amount may be adjusted or waived in our absolute discretion and without notice to Unitholders.

**How we process your order**

All orders for Units are forwarded to the registered office of the Fund for acceptance or rejection and the Fund reserves the right to reject any order in whole or in part. Dealers must transmit an order for Units to the registered office of the Fund without charge to the Unitholder. They must make such transmittal wherever practical by same day courier, priority post or telecommunications facility. This transmittal is now typically done through the electronic facility known as "Fundserv". Receipt of an order, payment or other documentation by Fundserv in accordance with Fundserv's policies and procedures on behalf of the Fund will be considered to be in receipt by the Fund. You and your dealer are responsible for ensuring that your purchase order is accurate and that we receive all the necessary documents or instructions.

If your purchase is made through a dealer, we must receive full payment within 2 business days of processing your order. If we do not receive payment within that time or if the payment is returned, we will sell your Units on the next business day. If the proceeds are greater than the amount you owe us, the Fund will keep the difference. If the proceeds are less than the amount you owe us, your dealer will pay the difference to the Fund and you may have to reimburse your dealer.

We have discretion to reject any purchase order. The decision to accept or reject any purchase order will be made within 1 business day of receipt of the order. If we accept your order, you will receive a written confirmation from us and/or your dealer or the intermediary. If we reject your order, we will return your money to you without interest.

**How to redeem your Units**

You may redeem all or a portion of your Units of the Fund on any business day by delivering a written redemption order to your dealer. Dealers must transmit the particulars of such redemption requests to the Fund without charge to a Unitholder and must make such transmittal wherever practical by same day courier, priority post or telecommunications facility. This transmittal is now typically done through the electronic facility known as "Fundserv". Receipt of a redemption request or other documentation by Fundserv in accordance with Fundserv's policies and procedures on behalf of the Fund will be considered to be in receipt by the Fund. You and your dealer are responsible for ensuring that your redemption request is accurate and that we receive all necessary documents or instructions. Your request must be duly authorized by you and, for the protection of investors, we or your dealer may require additional steps such as your signature being guaranteed by a guarantor acceptable to us or to your dealer, as applicable.

We will pay you the current NAV per Unit for your series of Units. If we receive your redemption request before 4:00 p.m. (Eastern Time) on a day that the TSX is open for business or before the TSX closes for the day, whichever is earlier, we will calculate your redemption value based on the NAV per Unit as of that day. If we receive your redemption request after that time, we will calculate your redemption value based on the NAV per Unit as of the next business day.

Special rules may apply if:

- your redemption proceeds are \$25,000 or more;
- you ask us to send your redemption proceeds to another person or to a different address than that recorded for your account;
- your redemption proceeds are not payable to all joint owners on your account; or



- a corporation, partnership, agent, fiduciary or surviving joint owner is redeeming Units.

### **Redemption fees**

There are no fees payable when redeeming Units of the Fund, other than applicable short-term trading fees that may apply as described below.

### **Excessive short-term trading**

In general, the Fund is a long-term investment. Some unitholders may seek to trade or switch units frequently to try to take advantage of changes in the NAV or the difference between a fund's calculated NAV and their perceived value of the fund's portfolio holdings. This activity is sometimes referred to as "market timing". Frequent trading or switching in order to time the market can hurt a fund's performance, affecting all the unitholders in a fund, by forcing the fund to keep cash or sell investments to meet redemptions. We use a combination of measures to detect and deter market-timing activity in the Fund, including:

- monitoring trading activity in Unitholder accounts and, through this monitoring, declining certain trades when deemed appropriate;
- imposing short-term trading fees; and
- when appropriate, applying fair value pricing to foreign portfolio holdings in determining the NAV of the Fund.

### **Short-term trading fees**

If you redeem or switch Units within 30 days of purchase, we may charge a short-term trading fee of up to 2% of the value of the Units redeemed or switched on behalf of the Fund. This is in addition to any switch fee that you may pay to your dealer. See *Switch fees* on page 15 and *Fees and expenses payable directly by you* on page 16. Each additional switch counts as a new purchase for this purpose.

A short-term trading fee will not be charged for a redemption of Units: (a) where we determine that the Fund is not disadvantaged by the redemption (for example, if the Fund did not have to sell securities to fund the redemption), (b) pursuant to a systematic withdrawal program, (c) on redemptions by another investment fund, product or program approved by us or (d) in other appropriate circumstances in our absolute discretion. For more information on short-term trading fees, please see *Fees and Expenses - Fees and expenses payable directly by you* on page 16.

### **Fair value pricing**

The TSX generally closes at 4:00 p.m. (Eastern Time). We price the Fund's equity holdings using their market values as of 4:00 p.m. (Eastern Time). For securities traded on North American markets, the closing prices are generally an accurate reflection of market values at 4:00 p.m. (Eastern Time). However, closing prices on foreign securities exchanges may, in certain cases, no longer accurately reflect market values, because their local closings may have occurred many hours earlier. Events affecting the values of the Fund's foreign portfolio holdings may have occurred after the foreign market closed but before 4:00 p.m. (Eastern Time). Absent our fair value pricing procedures, these events would not be captured in the Fund's NAV. We employ fair value pricing for two purposes. Firstly, it increases the likelihood that the Fund's NAV truly reflects the value of the Fund's holdings at the time the NAV is determined. Secondly, it acts to deter market timing activity by decreasing the likelihood that a Unitholder is able to take inappropriate advantage of market developments that occur following the foreign market close and prior to 4:00 p.m. (Eastern Time). Our fair value pricing techniques involve assigning values to the Fund's portfolio holdings that may differ from the closing prices on the foreign securities exchanges. We do this in circumstances where we have in good faith determined that to do so better reflects the market values of the securities in question.

### **How we process your redemption request**

We must receive all necessary documentation within 10 business days of receipt of the redemption order. The investor will generally be sent the redemption proceeds within 2 business days of the date the Units were priced subject to us receiving all necessary documentation. If the documentation is not received within 10 business days of receipt of the redemption order, the redemption order will be reversed by processing a purchase order on the 10<sup>th</sup> business day for the number of Units of the series that were redeemed. The redemption proceeds will be used to pay for the Units purchased. Any excess proceeds belong to the Fund. Any shortfall will be paid to the Fund by us. However, we will be entitled to collect the shortfall, plus any costs involved, from the dealer who placed the redemption request. That

dealer, in turn, may seek to collect this amount plus the expenses of doing so from the investor on whose behalf the redemption request was made. Payment for the Units redeemed shall be made as described above, provided that your cheque in payment for the purchase of any Units being redeemed has cleared. We will deduct any required withholding tax from the payment, as applicable.

If your account is registered in the name of your dealer or an intermediary, we will send the proceeds to that account unless your dealer or the intermediary tells us otherwise. If your account is registered in your name, we will mail you a cheque, unless you tell us to deliver the proceeds by wire transfer to your account at a Canadian bank, trust company or credit union. If you choose payment by wire transfer, you need to send us an imprinted void cheque so we can deposit the funds directly into your account, and you will be charged the cost of this wire transfer.

### **Automatic redemption**

Unitholders must be a Canadian resident in order to purchase and hold Units of the Fund. If you cease to be a Canadian resident, we will redeem all of the Units in your account and send the proceeds to you. In addition, if a Unitholder does not provide a valid taxpayer identification number or self-certification form from a FATCA or CRS perspective, which could result in non-compliance penalty obligations to the Fund, we may redeem some of the Unitholder's Units to make the Fund whole for the imposition of such penalties.

Unitholders in Series A or Series F of the Fund must keep at least \$500 in each of their accounts. If your account falls below this amount, we may notify you and give you 30 days to make another investment. If your account stays below \$500 after those 30 days, we may redeem all of the Units in your account and send the proceeds to you.

### **Suspending your right to redeem**

Your right to redeem Units of the Fund may be suspended for all or part of a period: (i) when normal trading is suspended on a stock, options or futures exchange in Canada or outside Canada upon which securities or derivatives that make up more than 50% of the value or underlying exposure of the Fund's total assets are traded (and those securities or derivatives are not traded on any other exchange that represents a reasonable alternative for the Fund); or (ii) with the consent of any securities commission or regulatory body having jurisdiction. During any period of suspension, no calculations of NAV per Unit will be made and the Fund will not be permitted to issue further Units or redeem any Units previously issued.

The calculation of NAV per Unit will resume when trading resumes on the exchange or with the permission of any securities commission or regulatory body having jurisdiction. If the right to redeem Units of the Fund is suspended and you make a redemption request during that period, your Units will be redeemed by the Fund in accordance with the redemption request at the NAV per Unit first calculated following the end of the suspension period.

### **How to switch your Units or reclassify between series**

You can switch all or some of your Series A or Series F Units of the Fund to units of the same series of another Lysander Fund by completing a transfer order form and depositing it with your dealer (except that switching between the Fund and a U.S. Dollar Fund is not permitted). A switch constitutes a sale (redemption) by you of your Units of the Fund and a purchase of units of the new Lysander Fund.

You may reclassify all or some of your Units of the Fund to Units of a different series of the Fund through your dealer if you meet the eligibility criteria for the series into which you are reclassifying, however you will be subject to the sales charge option applicable to that particular series, if any.

We may reclassify your series of Units of the Fund to another series for which you are eligible upon 30 days' prior notice if you cease to be eligible to hold the original series of Units in your account. We will not make the reclassification if your dealer notifies us during the notice period, and we agree, that you are once again eligible to hold the original series of Units.

### **Tax consequences of switching or changing**

If you switch between the Lysander Funds, the switch will be treated as a redemption followed by a purchase of Units. A redemption is a disposition for tax purposes. If you reclassify between series of the Fund, the reclassification will be treated as a redesignation of Units and will not generally result in a disposition for tax purposes. Any redemption of Units to pay any applicable fees upon a switch or a reclassification of Units will be considered a disposition for tax purposes. See *Income tax considerations* on page 18 for more details.

**Switch fees**

Your dealer may charge you a fee of up to 2% of the amount you switch or reclassify. You and your dealer negotiate the fee.

You may also have to pay to the Fund a short-term trading fee if you switch Units you bought or switched into in the last 30 days. See *Excessive short-term trading* on page 13 and *Short-term trading fees* on page 13.

## Optional Services Provided by the Mutual Fund Organization

**Systematic purchase program**

To invest money in the Fund on a regular basis, you may set up a systematic purchase program at no charge other than the fees associated with the purchase option you select. Ask your dealer for details.

**Systematic withdrawal program**

To withdraw money from the Fund on a regular basis, you may set up a systematic withdrawal program at no charge. Ask your dealer for details. The systematic withdrawal program may also be used in certain series of the Fund to generate cash to pay ongoing amounts due from you to your dealer. If your withdrawals in the Fund over time are greater than your investments and the income and growth in the Fund, you may eventually reduce your balance to zero.

## Fees and expenses

The following tables show the fees and expenses you may have to pay if you invest in the Fund. You will pay some of these fees and expenses directly. The Fund may pay some of these fees and expenses, which therefore reduces the value of your investment in the Fund.

The consent of Unitholders will be obtained if: (i) the basis of the calculation of a fee or expense that is charged to the Fund or series, or directly to its Unitholders by the Fund or us in connection with the holding of Units of the Fund, is changed in a way that could result in an increase in charges to that Fund or series or to its Unitholders; or (ii) a fee or expense to be charged to the Fund or series, or directly to its Unitholders by the Fund or us in connection with the holding of Units of the Fund that could result in an increase in charges to that Fund or series or to its securityholders, is introduced. In either case, Unitholder consent will not be required if the change or new fee or expense is a result of a change made by a third party at arm's length to the Fund, or is not required under securities regulation. Instead, if required under applicable securities laws, we will send you a written notice at least 60 days before the effective date of the change.

For Series F of the Fund, we may change the basis of the calculation of a fee or expense, or introduce a new fee or expense, in each case in a way that could result in an increase in charges to the series or to their Unitholders upon providing at least 60 days' written notice before the effective date of any such change.

### Fees and expenses payable by the Fund

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<b>Management fees</b>	Series A and Series F Units of the Fund pay the Manager a management fee which is calculated by multiplying the Fund's NAV attributable to the applicable series of Units by an annual management fee rate, for day-to-day management and administration services (the <b>Management Fee</b> ). The annual management fee rate is unique to each series of Units. The Management Fee is calculated and accrued daily and paid monthly. The annual management fee rate for each series is shown in the description of the Fund on page 35. The Management Fee is subject to HST and other applicable taxes.
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As investment fund manager, the Manager is responsible for the day to day operations and affairs of the Fund and provides marketing and administrative services to the Fund, including office space and facilities, clerical help, bookkeeping, internal accounting services, and Unitholder reporting and servicing requirements.

#### Management Fee Distributions

The Manager reserves the right to offer a reduced management fee to select investors in Series A or Series F Units who (among other considerations) hold large investments in the Lysander Funds, including the Fund. This is achieved by reducing the annual management fee rate charged by us to the Fund based on the aggregate NAV of the Units held by such investor and the Fund distributing an amount equal to such reduction (a **Management Fee Distribution**) in additional Units of the same series of the Fund to the investor. Management Fee Distributions may be made payable as of any Valuation Date and are paid first out of net income and net realized capital gains, and thereafter out of capital. The income tax consequences of Management Fee Distributions will generally be borne by the qualifying investors receiving the Management Fee Distributions. See *Income tax considerations* for more information regarding the income tax consequences of a Management Fee Distribution.

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#### **Other operating expenses**

The Fund is responsible for paying its own operating expenses, including brokerage commissions and fees on portfolio transactions, interest expenses, operating, administrative and systems costs (including overhead expenses of the Manager that are related to daily fund operating functions such as employee salaries, rent and utilities), custodian fees, regulatory fees (e.g. capital markets participation fees), costs and expenses related to the Fund's IRC, audit and legal fees, insurance, trustee fees, directors' or advisory committee's fees (if any), registrar's fees, distribution costs, the cost of reporting to Unitholders (including proxy solicitation material), the cost of qualifying and maintaining the qualification for sale of the Units of the Fund, any other fees that become commonly charged in the Canadian mutual fund industry, and taxes payable on any of these expenses, including HST.

In 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, and such payments may be stopped without notice to you.

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#### **Underlying funds**

If the Fund invests in an underlying fund, the underlying fund may pay a management fee (if the underlying fund is not a Lysander Fund) and other expenses in addition to the expenses payable by the Fund. However, the Fund will not pay a management fee on the portion of its assets that it invests in the underlying fund that, to a reasonable person, would duplicate a fee payable by the underlying fund for the same service. In addition, no sales or redemption fees are payable if the Fund invests in an underlying fund managed by us and if the Fund invests in an underlying fund not managed by us, it will not pay duplicative sales fees or redemption fees with respect to the purchase or redemption by it of securities of that underlying fund.

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### **Fees and expenses payable directly by you**

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#### **Sales charges**

Under the Initial Sales Charge Option, a sales charge of up to 5% of the amount you invest may be charged by your dealer if you purchase Series A Units of the Fund. You can negotiate this amount with your dealer. No fees are paid to the dealer at the time of purchase of Series F Units.

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#### **Series F fees**

If you invest in Series F Units, you may have to pay your dealer (i) a fee based on the assets in your account, (ii) brokerage commissions on the purchase or sale of Series F Units, or (iii) program or platform fees. Investors in Series F Units do not pay sales charges and we do not

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pay any commissions to dealers in respect of Series F Units. In certain cases where a fee is charged, we may collect the fee on behalf of your dealer.

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**Switch fees** You may pay up to 2% of the current value of the series of Units being: (i) switched between the Fund and another Lysander Fund, except that switches between the Fund and a U.S. Dollar Fund are not permitted; or (ii) reclassified between series of the Fund. You negotiate the switch fees with your dealer.

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**Short-term trading fee** You may pay up to 2% of the current value of the series of Units of the Fund that you own if you redeem or switch them within 30 days of purchase. All short-term trading fees are deducted from the amount you redeem or switch and are paid to the Fund. See *Short-term trading fees* on page 13 for details.

No short-term trading fees will be charged for a redemption of Units: (a) where we determine that the Fund is not disadvantaged by the redemption (for example, if the Fund did not have to sell securities to fund the redemption), (b) under a systematic withdrawal program, (c) on redemptions by another investment fund, product or program approved by us or (d) in other appropriate circumstances in our absolute discretion.

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## Dealer compensation

When you purchase Series A Units, your dealer receives two primary types of compensation – sales commissions and trailing commissions. Initially, your dealer may be paid a negotiable sales commission by you. Thereafter, a trailing commission is accrued daily and paid quarterly by us and is based upon the percentage of the NAV per Unit of all Series A Units of the Fund held in your account with your dealer.

There are no sales commissions or trailing commissions paid in respect of Series F Units.

### Sales Commissions – Series A

For Series A Units of the Fund purchased under the Initial Sales Charge Option, the dealer which distributes such Units may charge you a sales commission of up to 5.0% (\$50 for each \$1,000 investment) of the value of the Series A Units of the Fund you purchased.

### Trailing Commissions – Series A

We pay your dealer a portion of the Management Fee to assist your dealer in providing you with continuing advice and/or service. We may, at our discretion, negotiate, change the terms and conditions of, or discontinue the trailing commissions with dealers.

For Series A Units, we pay trailing commissions to dealers at an amount up to the annual rates listed below, based upon the aggregate value of Series A Units of the Fund held in that dealer's client accounts:

<b>Series of Units</b>	<b>Maximum Annual Rate</b>
Series A Units	0.75% (\$7.50 for each \$1,000 investment)

The trailing commission is paid by us to your dealer quarterly during each calendar year and will be calculated based on a daily average asset calculation. This trailing commission is determined by us and may be changed at any time. It is expected that dealers will pay a portion of the trailing commission to sales representatives as compensation for providing ongoing investment advice and/or service to the clients.

### Sales incentives

In addition to the sales commissions and trailing commissions listed above, we may share the costs of local advertising, dealer training seminars or other marketing or sales-related expenses with registered dealers to better serve their

clients. We may also provide dealers non-monetary benefits of a promotional nature and of minimal value and may engage in business promotion activities that result in dealers' sales representatives receiving non-monetary benefits. These activities are in compliance with applicable laws and regulations and costs incurred by them will be paid by us and not the Fund.

### **Equity interest**

The Manager is an affiliate of Canso and a specified affiliate of Portfolio HiWay Inc. Canso is registered as an exempt market dealer in all provinces of Canada. Portfolio HiWay Inc. is registered as an investment dealer in all provinces and territories in Canada. As at the date of this Simplified Prospectus, John Carswell, the President and a director of Canso, through his direct and indirect ownership of the issued and outstanding voting securities of Canso, had more than 10% voting control of Canso. In addition, each of John Carswell and Canso, through their direct and indirect ownership of the issued and outstanding voting securities of the Manager, had more than 10% voting control of the Manager. John Carswell, through his direct and indirect ownership of the issued and outstanding voting securities of Portfolio HiWay Inc., had more than 10% voting control of Portfolio HiWay Inc.

## **Income tax considerations**

The following summary fairly presents the principal Canadian federal income tax considerations under the Tax Act, as of the date hereof, for the Fund and for individuals (other than trusts) who, for the purposes of the Tax Act, are resident in Canada and hold Units of the Fund directly as capital property or in Registered Plans. This summary is based upon the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by the Minister of Finance (Canada) prior to the date hereof and the current published administrative practices and assessing policies of the Canada Revenue Agency ("CRA"). Except for the foregoing, this summary does not take into account or anticipate any change in law, whether by legislative, regulatory, administrative or judicial action. Furthermore, this summary does not take into account provincial or foreign income tax legislation or considerations.

The Fund does not qualify as a mutual fund trust under the Tax Act but is registered as a registered investment under the Tax Act for registered retirement savings plans, registered retirement income funds and deferred profit sharing plans. This summary is based on the assumption that not more than 50% of the Units of the Fund will at any time that the Fund does not qualify as a mutual fund trust under the Tax Act, be held by one or more financial institutions, as defined under section 142.2 of the Tax Act.

**This summary is of a general nature only, is not exhaustive of all possible income tax considerations and is not intended to be legal or tax advice. We do not describe the tax rules in detail or cover all the tax consequences that may apply. Accordingly, prospective investors should consult their own tax advisors about their individual circumstances.**

### **Taxation of the Fund**

In each year, the Fund will distribute its net income and net realized capital gains to investors to such an extent that it will not be liable for ordinary income tax under Part I of the Tax Act (after taking into account any applicable losses, capital gains refunds or available dividend tax credits of the Fund). If the Fund does not qualify as a mutual fund trust under the Tax Act, it is not entitled to the capital gains refund and may be subject to alternative minimum tax. In certain circumstances, losses of the Fund may be suspended or restricted and, as a result, would be unavailable to shelter income or capital gains.

The Fund is required to compute its net income and net realized capital gains in Canadian dollars for the purposes of the Tax Act and may, as a consequence, realize income or capital gains by virtue of changes in the value of the U.S. dollar, or other relevant currency, relative to the Canadian dollar. Generally, the Fund will include gains and deduct losses on income account in connection with investments made through certain derivatives, such as cash-settled options, futures contracts, forward contracts, total return swaps and other derivative instruments, except where such derivatives are used to hedge investments of the Fund's capital property and there is sufficient linkage. The Fund will generally recognize gains or losses under a derivative contract when it is realized by the Fund upon partial settlement or upon maturity. This may result in significant gains being realized by the Fund at such times and such gains may be taxed as ordinary income. In general, a gain or loss from short selling is treated as income rather than as a capital

gain or loss; however, a gain or loss from short selling “Canadian securities” as defined in the Tax Act will be treated as a capital gain or loss.

The Fund is registered as a registered investment under the Tax Act. If the Fund is not a mutual fund trust under the Tax Act, it is subject to a special tax under Part X.2 of the Tax Act if, generally, at the end of any month, it holds property that is not a “qualified investment” under the Tax Act for Registered Plans. The Fund will restrict its investments so that it will not be liable for a material amount of tax under Part X.2 of the Tax Act.

If at any time in a year the Fund is not a mutual fund trust under the Tax Act throughout that year and has a Unitholder that is a “designated beneficiary” within the meaning of the Tax Act, the Fund will be subject to a special tax at the rate of 40% under Part XII.2 of the Tax Act on its “designated income” within the meaning of the Tax Act. A “designated beneficiary” includes a non-resident of Canada. Designated income may include income from certain derivatives, and will include gains and losses from dispositions of taxable Canadian property. Where the Fund is subject to tax under Part XII.2, the Fund may make a designation which will result in Unitholders who are not designated beneficiaries receiving a tax credit with respect to their share of the Part XII.2 tax paid by the Fund.

## Taxation of investors

### How your investment can generate income

Your investment in the Fund can generate income for tax purposes in two ways:

- **Distributions.** When the Fund earns net income from its investments or realizes a net capital gain by selling securities, it may pass these amounts on to you as a distribution.
- **Capital gains (or losses).** You will realize a capital gain (or loss) when you sell or switch your Units of the Fund for more (or less) than you paid for them. Generally, you will not realize a capital gain (or loss) when you change or switch your units of one series to units of another series of the Fund unless the change or switch is processed as a redemption.

The tax you pay on your mutual fund investment depends on whether you hold your Units in a non-registered account or in a Registered Plan.

### Non-registered accounts

#### Distributions

Generally, you must include the taxable portion of distributions from the Fund (including Management Fee Distributions and distributions of capital gains on redemptions) in computing your income for tax purposes. This is the case whether you receive them in cash or reinvest them in additional Units. The amount of any reinvested distributions is added to your adjusted cost base (**ACB**) and thus reduces your capital gain or increases your capital loss when you redeem those Units, so that you do not pay tax twice on the same amount. The Fund will take steps so that capital gains, Canadian dividends and foreign source income will retain their character when paid to you. Canadian dividends are subject to the dividend gross up and tax credit rules. The Fund will take steps to pass on to you the benefit of the enhanced dividend tax credit that is available with respect to certain eligible dividends received from Canadian corporations.

Distributions from the Fund may include a return of capital. A distribution to you will generally be treated as a return of capital if distributions to you in the year exceed your share of the Fund’s net income and net realized capital gains. A return of capital distribution is not included in your income for tax purposes, but will reduce the ACB of your Units on which it was paid. Where net reductions to the ACB of Units would result in an ACB becoming a negative amount, such amount will be treated as a capital gain realized by you and the ACB of your Units will then be adjusted to nil.

We provide you with T3 tax slips showing the amount and type of distributions (ordinary income, Canadian dividends, returns of capital, foreign income and/or capital gains) you received from the Fund.

**Adjusted cost base**

Your ACB must be determined separately for each series of Units you own in the Fund. The aggregate ACB of your Units in a series of the Fund is made up of:

- The amount you paid for your Units, including sales commissions, plus
- Any reinvested distributions, minus
- Any return of capital distributions, minus
- The ACB of any Units already redeemed.

Your tax advisor can help you with these calculations.

**Buying Units before a distribution date**

The NAV per Unit of the applicable series at any time may reflect income or gains that have not yet been realized and/or distributed. If you purchase a Unit before a distribution is made, you will be taxed on that distribution even though the Fund may have earned the income or realized the gain giving rise to the distribution before you purchased the Unit. The effect will be greater if you purchase Units close to a distribution date.

**Portfolio turnover rate**

The portfolio turnover rate is how often the portfolio manager or portfolio management team buys and sells securities for the Fund. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio one time in the course of a year. The higher the Fund's portfolio turnover rate, the greater the trading costs payable by the Fund in a year and the greater the chance that the Fund will have realized gains on the sale of investments, and therefore that you will receive a distribution of capital gains. Any gains realized by the Fund would be offset by any losses realized on its portfolio transactions. There is not necessarily a relationship between a high portfolio turnover rate and the performance of the Fund.

**Tax impact of redeeming your Units**

If you redeem Units with a NAV per Unit that is greater than the ACB, you will have a capital gain, but if you redeem Units with a NAV per Unit that is less than the ACB, you will have a capital loss. You may deduct any reasonable redemption expenses in calculating your capital gains or losses.

Generally, one-half of a capital gain is included in your income and you may deduct one-half of your capital losses from your taxable capital gains, subject to certain tax rules.

When a Unitholder redeems all or any of the Units of the Fund held by such Unitholder, the Trustee shall have the sole discretion to distribute all or any portion of the Fund's net realized capital gains to such Unitholder, provided that the amount of the net realized capital gains allocated to a particular redeeming Unitholder shall not exceed the amount, if any, by which the amount payable on the redemption of the Units exceeds the ACB of the Units being redeemed. The balance of the amount paid to such Unitholder at the time of redemption shall be paid as proceeds of redemption.

You must keep a record of the price you paid for your Units, any distributions you receive and the NAV per Unit of Units redeemed or switched. This record will allow you to calculate your ACB and capital gains or capital losses when you redeem your Units.

**Tax impact of switching between the Fund and the Lysander Funds or reclassifying between series of the Fund**

Switching Units of the Fund for units of another Lysander Fund is considered a sale and purchase and will be treated as a disposition for tax purposes and the same tax rules apply as if you redeemed those Units.

A reclassification of Units of one series of the Fund to Units of another series of the Fund does not generally result in a disposition and therefore will not result in a capital gain or capital loss. However, any redemption of Units to pay any applicable fees upon a switch or a reclassification of Units will be considered a disposition for tax purposes and the same tax rules apply as if you redeemed those Units.



## Registered plans

You generally do not pay tax on distributions you receive in a Registered Plan. In addition, you will not pay tax on any capital gains realized by the Registered Plan from redeeming or otherwise disposing of the Units, including upon a switch of Units of the Fund for units of another fund, while the proceeds of disposition remain in the Registered Plan. However, most withdrawals from such Registered Plans (other than a withdrawal from a tax-free savings account and certain permitted withdrawals from registered education savings plans and registered disability savings plans) are generally taxable. In which case, you will generally pay tax on the amount you withdraw at your marginal tax rate.

Based on proposed amendments to the Tax Act released on August 9, 2022 to implement tax measures applicable to first home savings accounts (referred to as “FHSAs”) first proposed by the 2022 Federal Budget (Canada), FHSAs would be subject to the rules described above for Registered Plans. It is expected that FHSAs can be opened and contributed to during 2023.

If you intend to purchase Units of the Fund through a Registered Plan or FHSA, you should consult with your own tax advisor as to whether Units of the Fund would be a “prohibited investment” under the Tax Act in your Registered Plan or FHSA in your particular circumstances.

## Tax information reporting

The Fund has due diligence and reporting obligations under FATCA and the CRS. Generally, Unitholders (or in the case of certain Unitholders that are entities, the “controlling persons” thereof) will be required by law to provide their advisor or dealer with information related to their citizenship and tax residence, including their taxpayer identification number. If a Unitholder (or, if applicable, any of its controlling persons) (i) is identified as a U.S. Person (including a U.S. resident or a U.S. citizen); (ii) is identified as a tax resident of a country other than Canada or the U.S.; or (iii) does not provide the required information and indicia of U.S. or non-Canadian status is present, information about the Unitholder (or, if applicable, its controlling persons) and their investment in the Fund will generally be reported to the CRA unless the Units are held within a Registered Plan. The CRA will provide that information to, in the case of FATCA, the U.S. Internal Revenue Service, and, in the case of CRS, the relevant tax authority of any country that is a signatory of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information or that has otherwise agreed to a bilateral information exchange with Canada under CRS.

# What are your legal rights?

Under securities law in some provinces and territories, you have the right to withdraw from an agreement to buy mutual funds within two business days after you receive the simplified prospectus or Fund Facts document, or cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, Fund Facts document, or financial statements contain a misrepresentation. You must act within the time limits set by law in the applicable province or territory.

For more information, see the securities law of your province or territory or seek legal advice.

# Additional Information

## Referral Arrangement

RMC Alumni Association asked us to create the Fund primarily for investment by RMC Members, as well as friends and family of RMC Members and other investors wishing to support RMC Alumni Association. RMC Alumni Association will promote the existence and availability of the Fund to RMC Members and others who may be interested in purchasing Units of the Fund through their brokers and dealers (a “**Referral**”). We have entered into a written agreement governing such Referrals with RMC Alumni Association.

The Manager has agreed to act as investment fund manager to the Fund. The Manager is registered as an exempt market dealer and portfolio manager in Ontario and as an investment fund manager in each of Ontario, Québec and

Newfoundland & Labrador. The Manager will at all times during the period of the referral arrangement maintain its registration in such category of registration or such other categories of registration required or permitted from time to time to provide such services, including the category of investment fund manager.

All activities requiring registration under applicable securities legislation in connection with a Referral will be provided by the Manager, or by the investor's dealer.

### **Referral Fees**

The current referral fee is determined and payable by the Manager to RMC Alumni Association as follows:

1. The Manager shall pay to RMC Alumni Association 50% of the Management Fee payable to the Manager on all assets of the Fund, after deducting each of (i) the aggregate investment management fees payable by the Manager to the portfolio manager of the Fund, and (ii) the aggregate trailing commissions payable to dealers in respect of Units (see *Trailing Commissions – Series A*).
2. The referral fee at any given time is calculated monthly using the formula outlined above.
3. Referral fees are paid to RMC Alumni Association by us quarterly in arrears.

### **Conflicts of Interest**

As of the date of this Simplified Prospectus, we are not aware of any conflict of interest between RMC Alumni Association and us or the Fund.

## **Exemptions and Approvals**

Each Lysander Fund (including the Fund) where Canso acts as portfolio manager (each, a “**Lysander-Canso Fund**”) has obtained exemptive relief from applicable securities regulatory authorities such that each Lysander-Canso Fund may purchase portfolio securities from, or sell portfolio securities to (in each instance, an “**Inter-fund Trade**”): (i) any Lysander-Canso Fund and the price at which the securities are purchased or sold at could be at the “last sale price”; (ii) any fund where Canso acts as portfolio manager that is not subject to NI 81-102 (a “**pooled fund**”); or (iii) an account managed by Canso where it has discretionary authority (a “**managed account**”), subject to certain conditions, including that the Inter-fund Trade has received the approval of the independent review committee of the applicable fund. In addition, each Lysander-Canso Fund has obtained exemptive relief from applicable securities regulatory authorities to engage in *in specie* transactions with a pooled fund or a managed account, subject to certain conditions.

# Certificate of the Fund, the Manager and the Promoter

This simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each province and territory of Canada and do not contain any misrepresentations.

DATED the 24th day of November, 2022

*(Signed) "B. Richard Usher-Jones"*

B. Richard Usher-Jones  
Chief Executive Officer

*(Signed) "Rajeev Vijn"*

Rajeev Vijn  
Chief Financial Officer

On behalf of the Board of Directors of Lysander Funds Limited,  
the trustee, manager and promoter of the Fund

*(Signed) "John Carswell"*

John Carswell  
Director

*(Signed) "Timothy Hicks"*

Timothy Hicks  
Director

# Certificate of the Principal Distributor

To the best of our knowledge, information and belief, this simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each province and territory of Canada and do not contain any misrepresentations.

DATED the 24th day of November, 2022

PBY Capital Limited, as principal distributor of the Fund

*(Signed) "Lindsey Hall"*

\_\_\_\_\_  
Lindsey Hall

Chief Executive Officer

# Specific information about Lysander TDV Fund

## What is a mutual fund and what are the risks of investing in a mutual fund?

### **What is a mutual fund?**

The Fund is a mutual fund. A mutual fund is a way of making collective investments. When you invest in a mutual fund, you contribute your cash to a pool of investments along with many other people. Professional money managers use the cash to buy securities on behalf of all the contributors to a particular mutual fund.

A mutual fund invests in different kinds of securities based on its investment objectives. For example, a global equity fund buys mainly shares of global corporations, while a global balanced fund buys a mix of global equities and bonds. In each case, these securities form the mutual fund's investment portfolio. The value of these securities changes from day to day, reflecting changes in economic and market conditions, interest rates and company news. See *Price fluctuation* below for details.

### **What do you own?**

You receive units in a mutual fund in exchange for the cash you contribute, and you become a unitholder of the mutual fund. Where a mutual fund issues more than one series, a unitholder shares in the fund's income, expenses and any gains and losses allocated to the unitholder's series, generally in proportion to the units of the series he or she owns.

### **Structure of the Fund**

The Fund is an open-end unit trust governed by a master declaration of trust under Ontario laws. Lysander, as trustee for the Fund, holds the property and investments of the Fund in trust for the Unitholders and arranges for a professional custodian to hold the investments in safekeeping.

You can buy an unlimited number of Units of a series of the Fund.

### **What are the general risks of investing in a mutual fund?**

Risk is the chance that your investment may not perform as expected. There are different degrees and types of risk but, in general, the more investment risk you are willing to accept, the higher your potential returns and the greater your potential losses. Like other securities, the value of a unit of an investment fund can decrease at any time for a number of reasons including those listed below.

The general risks include:

#### **Price fluctuation**

Mutual funds own different types of investments, depending on their investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions and market and company news. As a result, the value of a mutual fund's units may go up and down and the value of your investment in a mutual fund may be worth more or less when you redeem it than when you purchased it.

#### **Your investment is not guaranteed**

The value of your investment in a mutual fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

### **Redemptions may be suspended**

Under exceptional circumstances, your right to redeem your Units may be suspended. See *Suspending your right to redeem* on page 14 for details.

### **What are the specific risks of investing in the Fund?**

As the Fund invests in underlying funds, including funds managed by the Manager or its affiliates, the Fund takes on the risks of the underlying funds. Accordingly, any reference to the Fund in this section is intended to include investments by the Fund in the underlying fund.

#### **Active management risk**

The Fund is actively managed. The Fund is dependent on its portfolio management team to select individual securities and, therefore, is subject to the risk that unfavourable security selection or market allocation will cause the Fund to underperform relative to other mutual funds with a similar investment objective or relative to its benchmark index. Active management risk may adversely affect the Fund's NAV, return, or its ability to meet its investment objective.

#### **Credit risk**

Credit risk can have a negative impact on the value of a debt security, such as a bond. This risk includes:

- Default risk, which is the risk that the issuer of the debt will not be able to pay interest or repay the debt when it is due. Generally, the greater the risk of default, the lower the quality of the debt security.
- Credit spread risk, which is the risk that the difference in interest rates (called **credit spread**) between the issuer's bond and a bond considered to have little associated risk (such as a treasury bill) will increase. An increase in credit spread generally decreases the value of a debt security.
- Downgrade risk, which is the risk that a specialized credit rating agency will reduce the credit rating of an issuer's securities. A downgrade in credit rating generally decreases the value of a debt security.
- Collateral risk, which is the risk that in the event of a default under secured debt instruments, it may be difficult to sell the assets the issuer has given as collateral for the debt or that the assets may be deficient. This difficulty could cause a significant decrease in the value of a debt security.

#### **Currency risk**

The assets and liabilities of the Fund are valued in Canadian dollars. As such, if the Fund holds a security denominated in a foreign currency, for the purposes of calculating the NAV of the Fund, we convert, on a daily basis, the value of the security into Canadian dollars. The Fund may also purchase or obtain exposure to foreign currencies as investments. Fluctuations in the value of the Canadian dollar relative to the foreign currency will impact the NAV of the Fund. If the value of the Canadian dollar has increased relative to the foreign currency, the return on the foreign security may be reduced, eliminated or made negative. The opposite can also occur; that is, where the Fund is holding a security denominated in a foreign currency, it may benefit from an increase in the value of the foreign currency relative to the Canadian dollar.

Some foreign governments may restrict currency exchange. If we cannot exchange the currencies in which the Fund is invested, we may be unable to make distributions or process redemptions.

To manage the risk of foreign currency fluctuations and restrictions, the Fund may enter into forward currency hedging contracts with another party. The Fund may also enter into forward currency contracts to increase exposure to a certain currency or to shift exposure to currency fluctuations from one currency to another. The use of forward currency contracts poses the risks set out under *Derivatives risk* below.

#### **Cybersecurity risk**

With the increased use of technologies such as the Internet to conduct business, each of the Manager and the Fund has become potentially more susceptible to operational and information security risks through breaches in cybersecurity. In general, a breach in cybersecurity can result from either a deliberate attack or an unintentional event. Cybersecurity breaches may involve, among other things, infection by computer viruses or other malicious software code or

unauthorized access to the Manager's or the Fund's digital information systems, networks or devices through "hacking" or other means, in each case for the purpose of misappropriating assets or sensitive information (including, for example, personal Unitholder information), corrupting data or causing operational disruption or failures in the physical infrastructure or operating systems that support the Manager or the Fund. Cybersecurity risks also include the risk of losses of service resulting from external attacks that do not require unauthorized access to the Manager's or the Fund's systems, networks or devices. Any such cybersecurity breaches or losses of service may cause the Manager or the Fund to lose proprietary information, suffer data corruption or lose operational capacity, which, in turn, could cause the Manager or the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. While the Fund and the Manager have established business continuity plans and risk management systems designed to prevent or reduce the impact of cybersecurity attacks, there are inherent limitations in such plans and systems due in part to the ever-changing nature of technology and cybersecurity attack tactics, and there is a possibility that certain risks have not been adequately identified or prepared for.

In addition, cybersecurity failures by or breaches of the Manager's or the Fund's third-party service providers may disrupt the business operations of the service providers and of the Manager or the Fund. These disruptions may result in financial losses, the inability of Unitholders to transact business with the Fund and inability of the Fund to process transactions, the inability of the Fund to calculate its NAV, violations of applicable privacy and other laws, rules and regulations, regulatory fines, penalties, reputational damage, reimbursement or other compensatory costs and/or additional compliance costs associated with implementation of any corrective measures. Cybersecurity risks may also impact issuers of securities in which the Fund invests, which may cause the Fund's investments in such issuers to lose value.

#### **Debt securities risk**

Investments in debt securities are subject to certain general investment risks that are similar to equity investments. In addition to credit risk and interest rate risk, a number of other factors may cause the price of a debt security to decline. In the case of corporate debt, this could include specific developments relating to the company, as well as general financial, political and economic conditions in the country where the company operates. In the case of government debt, this could include general economic, financial and political conditions. The market value of the Fund is affected by changes in the prices of the debt securities that it holds.

#### **Derivatives risk**

Derivatives are investments whose value is based on, or derived from, an underlying asset, such as a stock or a market index. Derivatives are not a direct investment in the underlying asset itself. Derivatives are often contracts with another party to buy or sell an asset at a later date. Some common derivatives are: (a) a futures or forward contract, which is an agreement to buy or sell currencies, commodities or securities for a set price at a specified future date; or (b) an option, which gives the buyer the right, but not the obligation, to buy or sell currencies, commodities or securities at a set price within a certain time period. The Fund may use derivatives to limit potential gains or losses caused by changes in exchange rates, stock prices or interest rates. This is called hedging. The Fund may also use derivatives for non-hedging purposes, such as reducing transaction costs, increasing liquidity, gaining exposure to financial markets or increasing speed and flexibility in making portfolio changes.

In addition to the specific risks outlined above, the use of derivatives has general risks, including:

- the hedging strategy may not be effective and may not achieve the intended effect;
- derivatives may be less liquid than traditional securities and there is no guarantee that a market for a derivative contract will exist when the Fund wants to buy or sell;
- there is no guarantee that the Fund will be able to find an acceptable counterparty willing to enter into a derivative contract;
- the counterparty to a derivative contract may not be able to meet its obligations, which could result in a financial loss for the Fund;
- a large percentage of the assets of the Fund may be placed on deposit with one or more counterparties, which exposes the Fund or the underlying fund to the credit risk of those counterparties;

- securities exchanges may set daily trading limits or halt trading, which may prevent the Fund from selling a particular derivative contract;
- the price of derivatives may move in unexpected ways, especially in abnormal market conditions; the price of derivatives based on a stock index could be distorted if some or all of the stocks that make up the index temporarily stop trading;
- derivatives traded on certain foreign markets may be harder to price and/or close out than those traded in Canada;
- the regulation of derivatives is a rapidly changing area of law and is subject to modification by government and judicial action; the effect of any future regulatory changes may make it more difficult, or impossible, for the Fund to use certain derivatives;
- costs relating to entering and maintaining derivatives contracts by the Fund may reduce the returns of the Fund;
- the use of futures or other derivatives can amplify a gain but can also amplify a loss, which loss can be substantially more than the initial margin or collateral deposited by the Fund;
- the price of a derivative may not accurately reflect the value of the underlying asset; and
- the Tax Act, or its interpretation, may change in respect of the income tax treatment of derivatives.

#### **Equity risk**

Companies issue equities, or stocks, to help finance their operations and future growth. A company's performance outlook, market activity and the larger economic picture influence its stock price. When the economy is expanding, the outlook for many companies will be positive and the value of their stocks should rise. The opposite is also true. The value of the Fund is affected by changes in the prices of the stocks it holds. The risks and potential rewards are usually greater for small companies, start-ups, resource companies and companies in emerging markets. Investments that are convertible into equity may also be subject to equity risk.

#### **Exchange-traded fund risk**

The Fund may invest in exchange-traded funds (ETFs) that seek to provide returns similar to an underlying benchmark such as particular market indices or industry sector indices. ETFs may not achieve the same return as their benchmark indices due to differences in the actual weightings of securities held in the ETF versus the weightings in the relevant index, and due to the fees and expenses payable by the ETF.

ETFs are traded on an exchange and as a result are subject to the following risks that do not apply to conventional mutual funds: (i) an ETF's securities often trade on the exchange at a premium or discount to the NAV of such securities; (ii) an active trading market for an ETF's securities may not develop or be maintained, and (iii) there is no assurance that the ETF will continue to meet the listing requirements of the exchange.

#### **Force majeure risk**

Natural disasters, incidences of war, riot or civil unrest, terrorist attacks, public health crises including epidemics, pandemics or outbreaks of new infectious disease or viruses can materially adversely affect the Fund's financial condition, liquidity or results of operations. A *force majeure* event can have a significant impact on the global economy and commodity and financial markets, resulting in, for example, extreme volatility in financial markets, a slowdown in economic activity, extreme volatility in commodity prices or even the prospect of a global recession. Such impact can materially adversely affect the operations of third parties in which the Fund has an interest or the Fund directly.

#### **Foreign investment risk**

The Fund may invest in securities issued by corporations in, or governments of, countries other than Canada. Investing in foreign securities can be beneficial in expanding the Fund's investment opportunities and portfolio diversification, but there are risks associated with foreign investments, including:



- companies outside of Canada may be subject to different regulations, standards, reporting practices and disclosure requirements than those that apply in Canada;
- the legal systems of some foreign countries may not adequately protect investor rights;
- political, social or economic instability may affect the value of foreign securities;
- foreign governments may make significant changes to tax policies, which could affect the value of foreign securities; and
- foreign governments may impose currency exchange controls that prevent the Fund from taking money out of the country.

The foreign investment risk associated with securities in developing countries may be higher than the foreign investment risk associated with securities in developed countries, as many developing countries tend to be less stable politically, socially and economically, may be more subject to corruption and may have less market liquidity and lower standards of business practices and regulation.

In addition, investment income received by the Fund from sources within foreign countries may be subject to foreign income tax withheld at the source. Any foreign withholding taxes could reduce the Fund's distributions paid to Unitholders. Canada has entered into tax treaties with certain foreign countries that may entitle mutual funds to a reduced rate of tax on such income. Some countries require the filing of a tax reclaim or other forms to receive the benefit of the reduced tax rate. Whether or not the Fund will receive the tax reclaim is within the control of the particular foreign country. Information required on these forms may not be available (such as Unitholder information); therefore, the Fund may not receive the reduced treaty rates or potential reclaims. Certain countries have conflicting and changing instructions and restrictive timing requirements that may cause the Fund not to receive the reduced treaty rates or potential reclaims. Certain countries may subject capital gains realized by the Fund on the sale or disposition of certain securities to taxation in that country.

#### **IBOR transition risk**

Various regulators and industry bodies are working globally on transitioning from interbank offered rates (“IBORs”), including the London Interbank Offered Rate (LIBOR), to alternative rates. The effect of such a transition on the Fund and the securities in which it invests cannot yet be determined, and may depend on factors that include, but are not limited to: (i) existing fallback or termination provisions in individual contracts; and (ii) whether, how, and when industry participants develop and adopt new reference rates and fallbacks for both legacy and new products and instruments. Such transition may result in a reduction in the value of IBOR-based instruments held by the Fund and increased illiquidity and volatility in markets that currently rely on an IBOR to determine interest rates, any of which could adversely impact the Fund's performance.

#### **Interest rate risk**

The Fund holds fixed income securities and, as such, its value will rise and fall as interest rates change. When interest rates fall, the value of an existing bond will rise. When interest rates rise, the value of an existing bond will fall. The value of debt securities that pay a variable (or floating) rate of interest is generally less sensitive to interest rate changes. To the extent the Fund holds instruments with a negative yield (e.g. where there are negative interest rates), its value could be impaired.

#### **Large transaction risk**

If an investor in the Fund makes a large transaction, the Fund's cash flow may be affected. For example, if an investor redeems a large number of Units of the Fund, the Fund may be forced to sell securities at unfavourable prices to pay the proceeds of redemption. This unexpected sale may have a negative impact on the value of your investment in the Fund. A large redemption request could also force the Fund to terminate. The Fund may agree with an investor who has submitted a large redemption request to make part of the redemptions in-kind, by transferring assets of an equal value to the large redeeming investor, if assets of the Fund cannot be sold at prices without a significant impact to the value of the asset.

We or others may offer investment products that invest all or a significant portion of their assets in the Fund. These investments may become large and could result in large purchases or redemptions of Units of the Fund.

**Liquidity risk**

A liquid asset trades actively on an organized market, such as a stock exchange, which provides price quotations for the asset. The trading of a security or other asset in an organized active market means that it should be possible to convert the asset to cash at, or close to, the quoted price.

An asset is considered illiquid if it is more difficult to convert it to a liquid investment, such as cash. A company's securities may be illiquid if:

- the company is not well known;
- there are few outstanding shares;
- there are few potential buyers;
- there is not an active market; or
- they cannot be resold because of a promise or an agreement.

In addition, in volatile markets securities that are generally liquid (including high yield bonds, floating rate debt instruments and other fixed income securities) may suddenly become illiquid.

Securities in which the Fund invests may be thinly traded and relatively illiquid or may cease to be traded after the Fund invests. In such cases and in the event of extreme market activity, the Fund may not be able to liquidate its investments promptly if the need should arise. In addition, the Fund's sales of thinly traded securities could depress the market value of such securities and thereby reduce the Fund's profitability or increase its losses. Such circumstances or events could affect materially and adversely the amount of gain or loss the Fund may realize.

**Repurchase, reverse repurchase and securities lending risk**

The Fund may engage in securities lending, repurchase and reverse repurchase transactions. Under a repurchase transaction, the Fund agrees to sell securities for cash while, at the same time, assuming an obligation to repurchase the same securities for a set amount of cash at a later date. A reverse repurchase transaction is a transaction pursuant to which the Fund buys securities for cash while, at the same time, agreeing to resell the same securities for cash (usually at a higher price) at a later date. Securities lending is an agreement whereby the Fund lends securities through an authorized agent in exchange for a fee and a form of acceptable collateral.

There is the risk that the other party to these types of transactions may default under the agreement or go bankrupt. If that happens in a reverse repurchase transaction and the market value of the security has dropped, the Fund may be unable to sell the security at the price it paid plus interest. If that happens in a repurchase or a securities lending transaction, the Fund may suffer a loss if the value of the security it sold or loaned has increased more than the value of the cash or collateral the Fund holds.

To reduce these risks, the Fund requires the other party to each of these transactions to put up collateral. The value of the collateral must be at least 102% of the market value of the security sold (for a repurchase transaction), bought (for a reverse repurchase transaction) or loaned (for a securities lending transaction). The value of the collateral is checked and reset daily. The market value of securities sold under repurchase transactions and loaned under securities lending agreements must not exceed 50% of the Fund's NAV. This calculation excludes cash held by the Fund for sold securities and collateral held for loaned securities.

**Series risk**

Units of the Fund are offered under a "multi-series" structure where each series of Units is charged, as a separate series, the expenses attributable to that particular series. There is risk, however, that the expenses of one series may affect the value of another series when one series is unable to pay its expenses. In this case, the Fund as a whole is responsible for paying the additional expenses.

**Short selling risk**

A short sale by the Fund involves borrowing securities from a lender which are then sold in the open market. At a future date, the securities are repurchased by the Fund and returned to the lender. While the securities are borrowed,

the proceeds from the sale are deposited with the lender and the Fund pays interest to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less any interest the Fund is required to pay the lender). Short selling involves risk. There is no assurance that securities will decline in value during the period of the short sale and make a profit for the Fund. Securities sold short may instead appreciate in value creating a loss for the Fund. The Fund may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender may also recall borrowed securities at any time. The lender from whom the Fund has borrowed securities may go bankrupt and the Fund may lose the collateral it has deposited with the lender. The Fund will adhere to controls and limits that are intended to mitigate these risks by short selling only liquid securities and by limiting the amount of exposure for short sales to the total market value of all securities of an issuer of the securities sold short by the Fund to 5% of the NAV of the Fund and the total market value of all securities sold short by the Fund to 20% of the NAV of the Fund. The Fund will also deposit collateral only with Canadian lenders that are regulated financial institutions or regulated dealers and only up to certain limits.

### **Small company risk**

Small companies can be riskier investments than larger companies. For one thing, they are often newer and may not have a track record, extensive financial resources or a well-established market for their securities. They generally do not have as many shares trading in the market, so it could be difficult for the Fund to buy or sell small company stock when it needs to. All of this means their prices can change significantly in a short period of time.

### **Specialization risk**

If the Fund invests primarily in one industry, market capitalization range or specific region or country, it may be more volatile than a less specialized fund and will be strongly affected by the overall economic performance of the area of specialization in which the Fund invests. The Fund must continue to follow its investment objectives regardless of the economic performance of the area of specialization.

### **Tax risk**

There can be no assurance that the CRA will agree with the tax treatment adopted by the Fund in filing its tax return. The CRA could reassess the Fund on a basis that results in an increase in the taxable component of distributions considered to have been paid to Unitholders. A reassessment by the CRA may result in the Fund being liable for unremitted withholding tax on prior distributions to non-resident Unitholders. Such liability may reduce the NAV of the Fund.

If the Fund experiences a “loss restriction event”: (i) the Fund will be deemed to have a year-end for tax purposes, and (ii) the Fund will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, the Fund could be subject to a loss restriction event when a person becomes a “majority-interest beneficiary” of the Fund, or a group of persons becomes a “majority-interest group of beneficiaries”, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of the Fund will be a beneficiary who, together with the beneficial interest of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all interest in the income or capital, respectively, in the Fund. Generally, a person is deemed not to become a majority-interest beneficiary of the Fund, and a group of persons is deemed not to become a majority-interest group of beneficiaries of the Fund, if the Fund meets certain investment requirements and qualifies as an “investment fund” under the rules.

### **Underlying fund risk**

If the Fund invests in another investment fund (including an ETF), the risks associated with investing in that investment fund include the risks associated with the securities in which that investment fund invests, along with the other risks of that investment fund. Accordingly, the Fund takes on the risk of any investment fund in which it invests and such investment fund’s respective securities in proportion to the Fund’s investment in that investment fund. If the investment fund suspends redemptions, the Fund may be unable to value the portion of its portfolio that is invested in such investment fund.

# Investment Restrictions and Practices

The Fund is subject to certain standard investment restrictions and practices contained in securities legislation, including NI 81-102, that are designed, in part, to ensure that the investments of the Fund are diversified and relatively liquid and to ensure the proper administration of the Fund. The Fund is managed in accordance with these standard investment restrictions and practices. A copy of these investment restrictions and practices may be obtained from the Manager upon request.

The fundamental investment objective of the Fund is set out in this Simplified Prospectus. Any change in the investment objective of the Fund requires the approval of a majority of Unitholders at a meeting called for that purpose. We may change the Fund's investment strategies from time to time at our sole discretion.

The Fund follows the standard investment restrictions and practices mandated by Canadian securities regulatory authorities, except in connection with any exemptions the Fund may have received. Please see *Exemptions and Approvals* on page 22 for a description of all approvals obtained by the Fund or the Manager and exemptions from, NI 81-101, NI 81-102, NI 81-105 and National Policy Statement 39, as applicable, obtained by the Fund or the Manager that continue to be relied on by the Fund or the Manager.

The Fund will not engage in any undertaking other than the investment of its funds in property for purposes of the Tax Act. The Fund is registered as a "registered investment" under the Tax Act for registered retirement savings plans, registered retirement income funds and deferred profit sharing plans. As a result, the Fund will not acquire an investment which is not a "qualified investment" under the Tax Act if, as a result thereof, the Fund would be subject to a material amount of tax under Part X.2 of the Tax Act.

## Description of units

### *General*

Although the money which you and other investors pay to purchase Units of any series is tracked on a series-by-series basis in the Fund's administrative records, the assets of all series of the Fund are combined into a single pool to create one portfolio for investment purposes.

Units of a series of the Fund represent your ownership in the Fund. Each Unit of a series will entitle an investor to:

- receive a *pro rata* share of all net income and net capital gains distributions attributable to that series made by the Fund (except for Management Fee Distributions (as defined in this document) and distributions of capital gains to redeeming Unitholders);
- share *pro rata* in the net assets of that series upon the wind-up or termination of the Fund;
- vote at all meetings of the Fund (where the nature of the business to be transacted at an investor meeting concerns an issue that is relevant only to holders of a particular series, only holders of that series will be entitled to vote); and
- redeem, reclassify Units to another series of the Fund, or switch Units of the Fund to units of another Lysander Fund, as described under *Purchases, switches and redemptions* on page 11.

Each Unit, regardless of the series, will entitle the holder to one vote at all meetings of Unitholders. Units are issued as fully paid and non-assessable. The Fund may issue fractional Units, which will entitle the holder to similar proportionate participation in the Fund but will not entitle the holder to receive notice of, or vote at, meetings of Unitholders of the Fund.

The rights and conditions attaching to the Units of each series of the Fund may be modified only in accordance with the provisions attaching to such Units and the provisions of the Declaration of Trust. A description of the series of Units offered by the Fund and the eligibility requirements attached to such series of Units is provided under *Purchases*,

*switches and redemptions* on page 11.

#### *Meetings of Unitholders*

The Fund does not hold regular meetings. Unitholders are entitled to vote on all matters that require Unitholder approval under NI 81-102 or under the Declaration of Trust. Some of these matters are:

- for Series A Units, the introduction of a fee or expense, or a change in the basis of the calculation of a fee or expense, that is or is to be charged to the Fund or directly to its Unitholders by the Fund or the Manager in connection with the holding of Units of the Fund, in a way that could result in an increase in charges to the Fund or to its Unitholders, and the party charging the fee or expense is a non-arm's length party to the Fund;
- a change of the Manager, unless the new manager is an affiliate of the Manager;
- a change in the fundamental investment objectives of the Fund;
- a decrease in the frequency of the calculation of the NAV per Unit of the Fund; and
- certain material reorganizations of the Fund.

Approval of these matters requires an affirmative vote of at least a majority of the Unitholders present in person or by proxy at a meeting called to consider these matters.

## Name, formation and history of the Fund

### *General*

The Fund is a unit trust established under the laws of Ontario on November 20, 2015. The head office of the Manager and the Fund is located at 3080 Yonge Street, Suite 3037, Toronto, Ontario M4N 3N1.

On March 12, 2021, the Fund amended its investment strategies to reflect that it may invest up to 100% of its NAV in securities of underlying funds, including funds managed by the Manager or its affiliates.

## Investment risk classification methodology

The investment risk level of the Fund is required to be determined in accordance with a standardized risk classification methodology that is based on the Fund's historical volatility as measured by the 10-year standard deviation of the returns of the Fund.

As the Fund does not have a 10-year return history, we calculate the investment risk level of the Fund by using the actual return history of the Fund, and, for the remainder of the 10-year period, the return history of a reference index that reasonably approximates the standard deviation of the Fund. The reference index used for the Fund for this purpose is set out below:

<b>Reference Index</b>	<b>Description</b>
50% FTSE TMX Canada All Corporate Bond Index	This index is composed of sub-indices based on credit rating: a combined AAA/AA sector, a single A sector and a BBB sector.
50% MSCI World (CAD) Index	This index captures large- and mid-cap representation across 24 developed market countries.

Other types of risk, both measurable and non-measurable, may exist. It is also important to note that the Fund's historical volatility may not be indicative of its future volatility.

Although monitored on an ongoing basis, we review the investment risk level of the Fund on an annual basis and each time a material change is made to the Fund's investment strategies and/or investment objective. We may exercise our discretion and assign the Fund a higher risk classification than indicated by the 10-year annualized standard deviation and the prescribed ranges if we believe that the Fund may be subject to other foreseeable risks that the 10-year annualized standard deviation does not reflect.

The method that we use to identify the investment risk level of the Fund is available on request, at no cost, by calling us at 1-877-308-6979, by sending an email to [manager@lysanderfunds.com](mailto:manager@lysanderfunds.com) or by mailing to us at 3080 Yonge Street, Suite 3037, Toronto, Ontario M4N 3N1.

# Lysander TDV Fund

## Fund Details

Fund type	Balanced
Securities offered	Series A and Series F Units of a unit trust
Start date	Series A: November 20, 2015 Series F: November 20, 2015
Registered plan eligibility	Qualified investment for registered plans
Management fee	Series A: 1.50% Series F: 0.75%
Portfolio manager	Canso Investment Counsel Ltd. Richmond Hill, Ontario

## What does the Fund invest in?

### 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.

The investment objective of the Fund can only be changed with the approval of a majority of the Unitholders at a meeting called for such purpose.

### Investment strategies

The Fund seeks to provide capital growth while moderating the volatility of equities by investing in, or gaining exposure to, primarily a diversified portfolio of both equities and bonds.

Some of the Fund's portfolio positions will, under normal circumstances, be in equity and fixed income securities of foreign issuers or unit trusts. The Fund may invest in debt securities convertible into common stock, and convertible and non-convertible preferred stock, and fixed income securities of governments, government agencies, supranational agencies and companies.

The Fund may invest in securities of other mutual funds and ETFs from time to time, including funds managed by the Manager or its affiliates. The Fund's investments in one or more underlying funds may range from 0% to 100% of the Fund's NAV at any given time. The decision to invest in an underlying fund is based on the portfolio manager's assessment of the underlying fund's ability to help the Fund meet its stated investment objectives. In selecting underlying funds, the portfolio manager assesses a variety of criteria, including management style, investment performance and consistency, risk tolerance levels, calibre of reporting procedures and, if the underlying fund is managed by a third party, quality of the underlying fund's investment fund manager and/or portfolio manager. In addition, the portfolio manager reviews and monitors the performance of the underlying funds in which the Fund invests. The review process consists of an assessment of the underlying funds. Factors such as adherence to stated investment mandate, returns, risk-adjusted return measures, assets, investment management process, style, consistency and continued portfolio fit may be considered.

The Fund will not be leveraged.

The Fund may invest up to 100% of its net assets in foreign securities. The Fund may also purchase foreign currencies in the form of bank deposits.

The Fund may use derivatives such as forwards, options, swaps and other derivative instruments for hedging purposes such as to hedge some or all of its foreign currency exposure or to provide protection for the Fund's portfolio. The Fund will only make these investments as permitted by Canadian securities regulatory authorities. For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivatives risk* beginning on page 27.

The Fund may also engage in short selling in a manner which is consistent with the investment objective of the Fund and as permitted by securities regulations (please see *Short selling risk* on page 30 for a description of the short selling process and the strategies used by the Fund to minimize the risks associated with the short sales of securities).

The Fund may hold all or a portion of its assets in cash or cash equivalents or invest in short term bonds or money market instruments in response to adverse market, economic and/or political conditions or for liquidity, defensive or other purposes. As a result, the Fund may not be fully invested in accordance with its investment objective.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to seek to earn additional returns, subject, in each case, to limits at least as stringent as those required by Canadian securities regulatory authorities. For a description of these transactions and how the Fund reduces the risks associated with these transactions, please see the discussion under *Repurchase, reverse repurchase and securities lending risk* on page 30.

## **What are the risks of investing in the Fund?**

The Fund is generally exposed to the following risks:

- Active management risk
- Credit risk
- Currency risk
- Cybersecurity risk
- Debt securities risk
- Derivatives risk
- Equity risk
- Exchange-traded fund risk
- *Force majeure* risk
- Foreign investment risk
- IBOR transition risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Repurchase, reverse repurchase and securities lending risk
- Series risk
- Short selling risk
- Small company risk
- Specialization risk
- Tax risk
- Underlying fund risk

As at October 31, 2022, RMC Alumni Association held 95.6% of the issued and outstanding Units of the Fund. Please see *Large transaction risk* on page 29 for a description of the risks associated with possible redemption requests by this investor.

During the 12 months preceding October 31, 2022, up to 39.3% of the NAV of the Fund was invested Series O Units of Lysander-Canso Broad Corporate Bond Fund, up to 32.2% in Series O Units of Lysander-Canso Short Term and Floating Rate Fund, and up to 12.1% in iShares S&P/TSX 60 Index Fund.



## **Distribution Policy**

The Fund's policy is to distribute its income quarterly and a sufficient amount of its net realized capital gains annually between December 14 and December 31 in each calendar year as will result in the Fund paying no ordinary income tax under Part I of the *Tax Act*. The Fund may make additional distributions from time to time throughout the year at our discretion, including distributions on account of reduced management fee arrangements with certain investors such as institutional investors. Management Fee Distributions will be distributed on such basis as we may determine.

All distributions by the Fund will be reinvested automatically in additional Units of the same series of the Fund held by you at the NAV per Unit thereof, unless you provide your dealer a written request that you wish to receive distributions in cash. No commissions are payable upon automatic reinvestment of distributions.

# Lysander TDV Fund

**Lysander Funds Limited  
3080 Yonge St.  
Suite 3037  
Toronto, Ontario M4N 3N1**

**1-877-308-6979**

**[www.lysanderfunds.com](http://www.lysanderfunds.com)**

You can find more information about the Fund in the Fund's Fund Facts, the management report of fund performance and the financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as part of it.

For a free copy of these documents, call us toll-free at **1-877-308-6979** or ask your dealer. These documents and other information about the Fund, such as information circulars and material contracts, are also available on the Fund's designated website at **[www.lysanderfunds.com](http://www.lysanderfunds.com)** or **[www.sedar.com](http://www.sedar.com)**.