

Annual Management Report of Fund Performance

As at December 31, 2022

Lysander-Triasima All Country Long/Short Equity Fund



TRIASIMA



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A Note About Forward Looking Statements

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

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

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

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

About This Report

This annual Management Report of Fund Performance of Lysander-Triasima All Country Long/Short Equity Fund (the “Fund”) contains financial highlights for the year ended December 31, 2022 but does not contain the complete financial statements of the Fund. This report should be read in conjunction with the annual financial statements of the Fund for the year ended December 31, 2022. Lysander Funds Limited (the “Manager”) is the manager of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling toll-free 1 877 308 6979, by writing to Lysander Funds Limited, 3080 Yonge St., Suite 3037, Toronto, Ontario, M4N 3N1, by visiting our website at www.lysanderfunds.com or at SEDAR at www.sedar.com.

Unitholders may also contact Lysander Funds Limited using one of these methods to obtain a copy of the Fund’s proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Investment objective

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

Investment Strategies

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

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

Risks

The risks of this Fund remain as discussed in the Fund’s most recent simplified prospectus.

Results of Operations

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

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

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

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

The Fund's Series A and F returns were -10.1% and -8.4%, respectively, for the year, versus 5.4% for the performance benchmark. The performance benchmark is the greater of i) the return generated by Canada 91-day Index, plus 3% per period or ii) a floor of 4% per annum.

This performance is consistent with the Fund's fundamental investment objective and strategies. The net assets of the Fund were approximately \$7.9 million at December 31, 2022 from \$9.6 million at the beginning of the year. There were net redemptions of \$1 million during the year.

The short positions of the Fund provided some protection during a down market year. They declined -23% (a favourable outcome for the fund). The long positions moved down by -15%. The USA positions (-28%, a positive outcome) was the most beneficial to absolute performance. It was largely made up of expensive growth names that faltered in a rising rate environment. Naturally, long positions in general, whether Canadian, American, or International, were the largest contributors to negative returns in a down year for equities.

Amongst the standout contributors to both absolute and relative performance, long positions in two Canadian Energy companies, ARC Resources and Meg Energy which benefitted from the rise in the price of energy. On short sales, expensive growth names such as Warby Parker (United States, online eyeglasses shop), Naked Wines (United Kingdom, online wine shop) and Ballard Power (Canada, fuel cells) declined significantly and contributed positively to the performance of the Fund.

There were no unusual changes to the components of revenue and expenses of the Fund and there were no unusual events or transactions, economic changes or market conditions that affected performance beyond what would be reasonably expected or as described below.

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

Recent Developments

High inflation and rising interest rates hindered economic growth, and a worldwide slowdown gradually developed as the year progressed. Households experienced a loss of purchasing power and falling real disposable income. Confidence levels gradually fell to low readings. Fortunately, a strong labour market and rising household revenues partially compensated.

In many countries, inflation peaked mid-year 2022 and began to fade thereafter. Long-term interest rates then steadied in North America, halting their rise. Economic slowdown being the main reason. Also helping to subdue inflation have been the easing of the pandemic disruptions, a labour market becoming more balanced in certain industries, and a normalization of supply chains. Less generous fiscal policies also contributed to easing costs pressures.

Central bankers in Europe, Canada, the United States, and many other countries, had adopted very easy monetary policies in 2020 at the onset of the COVID pandemic. They stayed the course throughout 2021 and finally moved away from their accommodative policies in 2022; after having overstimulated economies. Bond purchases programs were abandoned, and central bankers began raising, at a furious pace, their respective overnight rates in order to slow down economic growth and weaken the strong labour market. Playing catch-up, they are continuing to do so, despite lower inflation readings manifesting themselves. The objective remains to lower aggregate demand and reduce inflation.

In general terms, Fund turnover in the first half of 2022 was focused on moving the Fund away from the expensive growth factor in the face of rising interest rates while increasing the predictability and defensiveness of the Long holdings. During the year, the Fund saw large weightings gains, up 19% and 20% respectively, in the Industrials and Healthcare sectors; with both moving from Short to Long status. The net weight of Industrials names grew with the introduction of quality growth cyclical companies such as Aéroport de Paris and the short covering of companies such as Allegion (United States, security mechanisms) and Honeywell (United States, multi-industrial). Supply chain issues for these companies are abating and sales remain strong.

As for the Healthcare sector, the aim was to add growing yet defensive stocks providing shelter in a turbulent market. Names that were added were in the managed care as well as pharmaceuticals services subsectors. There was also some short covering of speculative names such as Moderna (United States, biotechnology) and Exact Sciences (United States, cancer screening).

There have been no changes to the Manager or Portfolio Manager, or change of control of the Manager, or of the Fund. There have been no actual or planned reorganizations, mergers or similar transactions involving the Fund.

There were no changes to the membership of the Fund's Independent Review Committee ("IRC").

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Related Party Transactions

The Manager provides or arranges to provide for the provision of all general management and administrative services required by the Fund in its day-to-day operations, including but not limited to, calculating and reporting the net asset value of the Fund and its series, preparing all offering documents, unitholder recordkeeping and other administrative services. The Manager receives a management fee for these services. The fee is calculated based on a percentage of the net asset value of the Fund as disclosed in the simplified prospectus.

The Fund paid \$89,930 (including HST) in management fees to the Manager for the year ended December 31, 2022 (December 31, 2021 - \$87,675).

The Manager is also entitled to receive a performance fee from the Fund (the "Performance Fee") under certain conditions as described in the Fund's most recently filed prospectus. For the year ended December 31, 2022 the Performance Fee accrued payable by the Fund was nil (including HST) (December 31, 2021 - \$330,091).

The Portfolio Manager is responsible for all investment advice provided to the Fund including providing investment analysis and recommendations, making investment decisions and arranging for the acquisition and disposition of portfolio investments. Portfolio management fees for the Portfolio Manager's services are paid from the management fee. The Manager will also pay the Portfolio Manager a percentage of any Performance Fee that the Manager receives from the Fund, such percentage to be agreed upon between the Manager and the Portfolio Manager from time to time.

The Manager paid \$44,039 (including HST) to the Portfolio Manager for the year ended December 31, 2022 (December 31, 2021 - \$43,290).

The Manager relied, or may rely on standing instructions from the IRC in respect of securities traded amongst mutual funds, closed end funds, managed accounts or pooled funds managed by the Manager or an affiliate of the Manager. In such cases the Manager is required to comply with the Manager's written policies and procedures presented to the IRC and provide periodic reports to the IRC in accordance with National Instrument 81-107.

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Financial Highlights

Series A*

Year ended	31-Dec-2022		31-Dec-2021		31-Dec-2020	
Net assets per unit¹						
Net assets, beginning of year	\$	12.34	\$	10.81	\$	10.00
Operations:						
Total revenue		0.56		(1.07)		(2.29)
Total expenses		(0.32)		(0.74)		(0.15)
Realized gains (losses)		0.06		(0.03)		(0.56)
Unrealized gains (losses)		(1.66)		3.27		3.63
Total increase (decrease) from operations²	\$	(1.36)	\$	1.43	\$	0.63
Distributions:						
From income (excluding dividends)	\$	-	\$	-	\$	-
From dividends		-		-		-
From capital gains		-		-		-
Total distributions^{2 3}	\$	-	\$	-	\$	-
Net assets, end of year^{2 3}	\$	11.10	\$	12.34	\$	10.81

Ratios and supplemental data						
Net asset value ⁴	\$	130,026	\$	135,600	\$	30,618
Units outstanding		11,715		10,989		2,832
Management expense ratio ⁵	%	2.45	%	6.34	%	2.24
Management expense ratio before waivers or absorption		2.81		6.72		3.44
Portfolio turnover rate ⁶		303.20		273.85		281.4
Trading expense ratio ⁷		0.59		0.66		0.8
Net asset value per unit, end of year	\$	11.10	\$	12.34	\$	10.81

Notes

* Series A commenced operations on May 11, 2020.

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

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Series F*

Year ended	31-Dec-2022		31-Dec-2021		31-Dec-2020	
Net assets per unit¹						
Net assets, beginning of year	\$	12.29	\$	10.68	\$	10.00
Operations:						
Total revenue		0.67		(1.09)		(2.20)
Total expenses		(0.18)		(0.61)		(0.09)
Realized gains (losses)		0.13		(0.03)		(0.58)
Unrealized gains (losses)		(1.65)		3.35		3.13
Total increase (decrease) from operations²	\$	(1.03)	\$	1.62	\$	0.26
Distributions:						
From income (excluding dividends)	\$	-	\$	-	\$	-
From dividends		-		-		-
From capital gains		-		-		-
Total distributions^{2 3}	\$	-	\$	-	\$	-
Net assets, end of year^{2 3}	\$	11.25	\$	12.29	\$	10.68
Ratios and supplemental data						
Net asset value ⁴	\$	7,740,593	\$	9,464,728	\$	6,906,079
Units outstanding		687,821		770,027		646,491
Management expense ratio ⁵	%	1.32	%	5.18	%	1.22
Management expense ratio before waivers or absorption		1.71		5.61		2.24
Portfolio turnover rate ⁶		303.20		273.85		281.4
Trading expense ratio ⁷		0.59		0.66		0.8
Net asset value per unit, end of year	\$	11.25	\$	12.29	\$	10.68

Notes

* Series F commenced operations on May 11, 2020.

1 The information is derived from the Fund's audited annual financial statements. All per unit figures presented are referenced to net assets determined in accordance to IFRS.

2 Net assets and distributions are based on the actual numbers of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

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

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

5 The management expense ratio is based on the total expenses of the period ended and is expressed as an annualized percentage of daily average net asset values during the period.

6 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales of securities divided by the weighted average market value of portfolio securities, excluding short term securities.

7 The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

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Management Fees

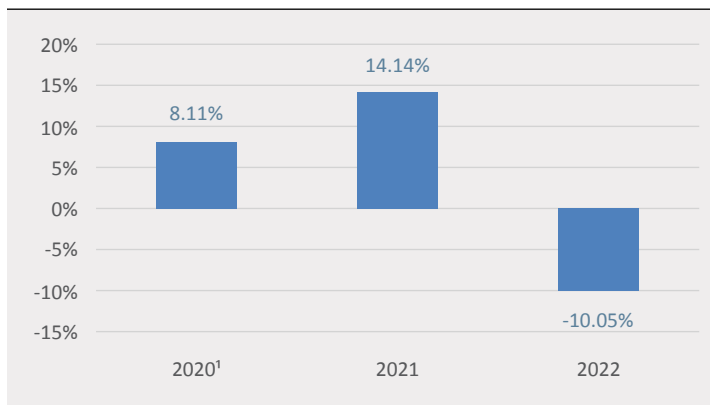
The Manager provides or arranges the provision of all general management and administrative services required by the Fund, and as described in the section “Related Party Transactions” above.

In consideration for such services, the Manager receives a monthly management fee, based on the net asset value of each Series, calculated daily and payable monthly. The Fund pays a management fee at a rate of 1.90% per annum for Series A units and at a rate of 0.90% per annum for Series F units.

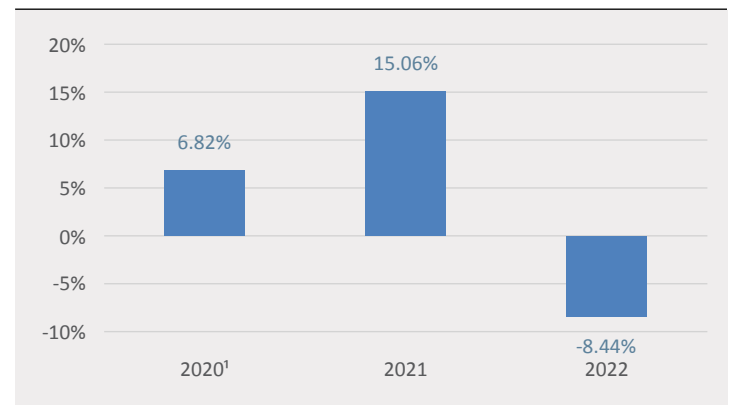
Service fees or trailing commissions of a maximum of 1.00% per annum are paid on Series A units to dealers. This comprises approximately 52.6% of the management fee of Series A units.

Year-by-Year Returns

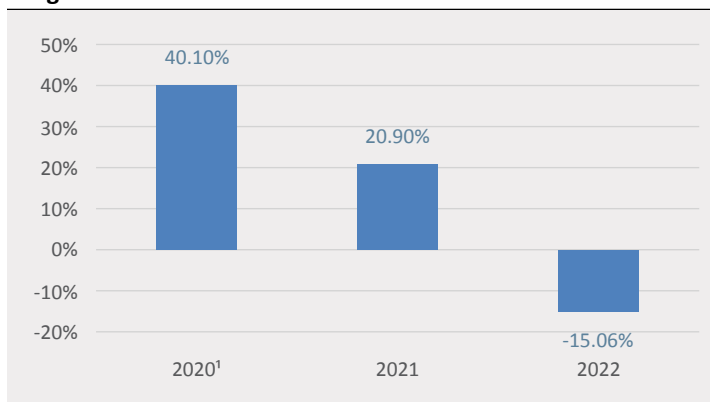
Series A



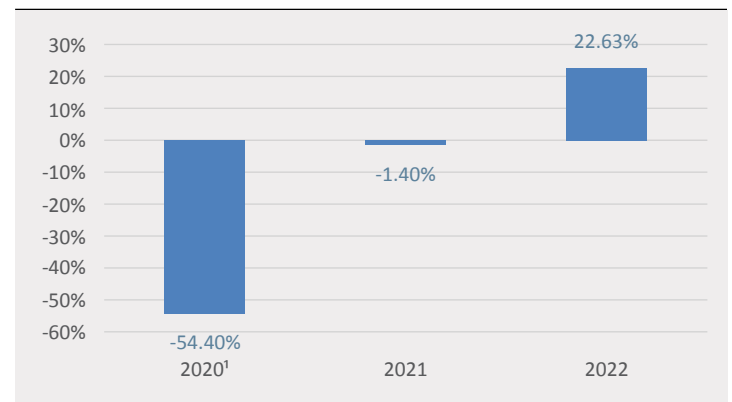
Series F



Long Portfolio



Short Portfolio



Past Performance

The Fund became a reporting issuer on May 11, 2020. Accordingly, returns are shown for the relevant period/years as indicated below.

The performance information assumes that any distributions are reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. Past performance does not necessarily indicate how the series will perform in the future.

¹ For the period May 11 to December 31

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Annual Compound Returns

The following table shows the Fund's annual compound return for each period indicated, compared with the Fund's index ("Index" which is the greater of i) the Canadian Government Bonds 3 Month Bill + 3% per annum, or ii) 4% per annum. The Canadian Government Bonds 3 Month Bill Index tracks the performance of generic 3-month Government of Canada bills. The returns of the Index are calculated without the deduction of fees and expenses, whereas the performance of the Fund is calculated after deducting such fees and expenses.

For year ended December 31, 2022		1 Year		Since Inception ²
Annual Compound Return				
Series A ¹	%	(10.05)	%	4.03
Series F ¹		(8.44)		4.58
Long Portfolio ¹		(15.06)		14.33
Short Portfolio ¹		22.63		(7.35)
Index	%	5.35	%	4.51

Notes

¹ Returns are based on the net asset value per unit of the relevant series of the Fund and assume that all distributions were reinvested.

² Period starting from May 11, 2020. Since inception returns are annualized.

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Summary of Investment Portfolio

		% of NAV			% of NAV
Top 25 Issuers			Asset Mix		
Long positions:			Canadian Equities	%	19.7
Murphy Usa Inc.	%	5.3	Canadian Fixed Income		21.5
Unum Group		5.2	Canadian Securities Sold Short		(7.7)
Mckesson Corp.		5.2	Cash and Cash Equivalents		3.5
Hershey Co/The		5.1	Foreign Equities		95.1
Unitedhealth Group Inc.		4.8	Foreign Securities Sold Short		(32.6)
W R Berkley Corp.		4.7	Other Assets less Liabilities		0.6
Autozone Inc.		4.2	Total	%	100.0
Northrop Grumman Corp.		4.1	Sector		
H&R Block Inc.		4.1	Cash and Cash Equivalents	%	3.5
Vertex Pharmaceuticals Inc.		4.0	Communication Services		0.3
Mitsui & Co Ltd		3.8	Consumer Discretionary		18.8
CF Industries Holdings Inc.		3.8	Consumer Staples		21.0
Home Trust Co (Debt)		3.7	Energy		10.0
Msa Safety Inc.		3.7	Financials		19.7
Elevance Health Inc.		3.7	Industrials		13.2
John Deere Canada Fnd In (Debt)		3.7	Information Technology		1.1
Abc-Mart Inc.		3.7	Materials		2.7
Netscout Systems Inc.		3.6	Other Assets less Liabilities		0.6
Park National Corp.		3.6	Utilities		5.4
Royal Bank Of Canada (Debt)		3.6	Health Care		3.7
Toyota Credit Canada Inc. (Debt)		3.5	Total	%	100.0
Dollarama Inc.		3.5			
Cash and Cash Equivalents		3.5			
Tourmaline Oil Corp.		3.5			
Manulife Bank Of Canada (Debt)		3.5			
Total	%	101.1			
Total Portfolio Long Positions	%	140.3			
Total Portfolio Short Positions		(40.3)			



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