

Annual Management Report of Fund Performance
As at December 31, 2022

Lysander TDV Fund



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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 TDV 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 provide long-term total returns consisting of both income and capital gains by investing primarily in a portfolio of fixed income securities and equities.

Investment Strategies

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

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

Risks

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

Results of Operations

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

The Fund returns for the year were -4.78% for Series A and -3.56% for Series F.

The net assets of the Fund were approximately \$27.7 million at December 31, 2022 from \$28.2 million at the beginning of the year. For the year, referral fees of \$196,229 (including HST) were paid by the Manager to the Royal Military Colleges Club of Canada in accordance with the disclosures in the Fund’s simplified prospectus.

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

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

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Recent Developments

The aggressive tightening of monetary policy around the world marks a complete turnaround from central bank policies of a year ago. Policies put in place to support economies during the pandemic have turned out to be major contributors to high inflation. The year-over-year inflation numbers in North America and elsewhere are the highest in decades and central banks are moving to slow it down through interest rate hikes and a reversal of quantitative easing (QE).

QE involves the central banks buying their own country's government bonds to push down yields and put money directly into people's hands. QE is not a new approach to monetary policy but its scale reached records during the pandemic. It is not clear what will happen as central banks stop reinvesting maturing bonds and possibly start selling bonds they hold.

In this environment of high inflation, rising interest rates, and reduced liquidity, financial assets have not performed well. The big question is how much further the monetary and fiscal authorities have to go to get inflation under control. The risk of an economic recession continues to become more likely. This will be negative for unemployment and credit markets.

The Fund is being managed increasingly conservatively. This helps to preserve capital in a market decline and makes it easier to take advantage of future investment opportunities.

During the year, the Fund decreased its equity exposure, increasing exposure to 35.5% from 41.3%.

The Fund's fixed income exposure continues to be invested in the Lysander-Canso Broad Corporate Bond Fund (48.3%) and the Lysander-Canso Short Term and Floating Rate Fund (16.3%).

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").

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 \$234,852 (including HST) in management fees to the Manager for the year ended December 31, 2022 (December 31, 2021 - \$176,406).

The Portfolio Manager is responsible for all investment advice provided to the Fund including providing investment analysis and recommendations, making investment decisions and arranging for the acquisition and disposition of portfolio investments. Fees for providing these services are included in the management fee. Portfolio management fees for the Portfolio Manager's services are paid from the management fee.

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

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Financial Highlights

Series A

Year ended	31-Dec-2022	31-Dec-2021	31-Dec-2020	31-Dec-2019	31-Dec-2018
Net assets per unit¹					
Net assets, beginning of year	\$ 12.51	\$ 10.85	\$ 9.96	\$ 8.68	\$ 11.28
Operations:					
Total revenue	0.28	0.30	0.24	0.28	0.30
Total expenses	(0.24)	(0.26)	(0.19)	(0.20)	(0.24)
Realized gains (losses)	0.05	0.97	0.17	(0.02)	0.96
Unrealized gains (losses)	(0.68)	1.27	0.85	1.30	(2.59)
Total increase (decrease) from operations²	\$ (0.59)	\$ 2.28	\$ 1.07	\$ 1.36	\$ (1.57)
Distributions:					
From income (excluding dividends)	\$ (0.04)	\$ -	\$ -	\$ -	\$ -
From dividends	(0.04)	(0.03)	(0.06)	(0.08)	(0.09)
From capital gains	(0.04)	(0.62)	(0.11)	-	(0.94)
Total distributions^{2 3}	\$ (0.12)	\$ (0.65)	\$ (0.17)	\$ (0.08)	\$ (1.03)
Net assets, end of year^{2 3}	\$ 11.78	\$ 12.51	\$ 10.85	\$ 9.96	\$ 8.68

Ratios and supplemental data					
Net asset value ⁴	\$ 7,636	\$ 8,019	\$ 6,624	\$ 5,979	\$ 5,165
Units outstanding	648	641	610	600	595
Management expense ratio ⁵	% 1.96	% 1.98	% 1.91	% 1.97	% 2.01
Management expense ratio before waivers or absorption	2.08	2.26	4.68	4.71	4.77
Portfolio turnover rate ⁶	27.76	44.61	23.09	27.33	32.4
Trading expense ratio ⁷	0.01	0.03	0.07	0.08	0.14
Net asset value per unit, end of year	\$ 11.78	\$ 12.51	\$ 10.85	\$ 9.96	\$ 8.68

Notes

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

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Series F

Year ended	31-Dec-2022	31-Dec-2021	31-Dec-2020	31-Dec-2019	31-Dec-2018
Net assets per unit¹					
Net assets, beginning of year	\$ 12.66	\$ 10.96	\$ 10.06	\$ 8.77	\$ 11.35
Operations:					
Total revenue	0.30	0.33	0.25	0.28	0.30
Total expenses	(0.14)	(0.16)	(0.12)	(0.12)	(0.14)
Realized gains (losses)	0.05	0.82	0.16	(0.03)	0.96
Unrealized gains (losses)	(0.65)	0.43	1.04	1.33	(2.61)
Total increase (decrease) from operations²	\$ (0.44)	\$ 1.42	\$ 1.33	\$ 1.46	\$ (1.49)
Distributions:					
From income (excluding dividends)	\$ (0.07)	\$ (0.09)	\$ (0.06)	\$ (0.02)	\$ (0.01)
From dividends	(0.07)	(0.08)	(0.07)	(0.15)	(0.15)
From capital gains	(0.06)	(0.82)	(0.13)	-	(0.96)
Total distributions^{2 3}	\$ (0.20)	\$ (0.99)	\$ (0.26)	\$ (0.17)	\$ (1.12)
Net assets, end of year^{2 3}	\$ 12.01	\$ 12.66	\$ 10.96	\$ 10.06	\$ 8.77
Ratios and supplemental data					
Net asset value ⁴	\$ 27,713,841	\$ 28,202,660	\$ 3,205,635	\$ 2,406,650	\$ 1,985,983
Units outstanding	2,307,271	2,228,313	292,425	239,220	226,525
Management expense ratio ⁵	% 1.13	% 1.13	% 1.14	% 1.14	% 1.15
Management expense ratio before waivers or absorption	1.24	1.31	3.90	3.91	3.91
Portfolio turnover rate ⁶	27.76	44.61	23.09	27.33	32.4
Trading expense ratio ⁷	0.01	0.03	0.07	0.08	0.14
Net asset value per unit, end of year	\$ 12.01	\$ 12.66	\$ 10.96	\$ 10.06	\$ 8.77

Notes

- The information is derived from the Fund's audited annual financial statements. All per unit figures presented are referenced to net assets determined in accordance to IFRS.
- Net assets and distributions are based on the actual numbers of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.
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- 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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Management Fees

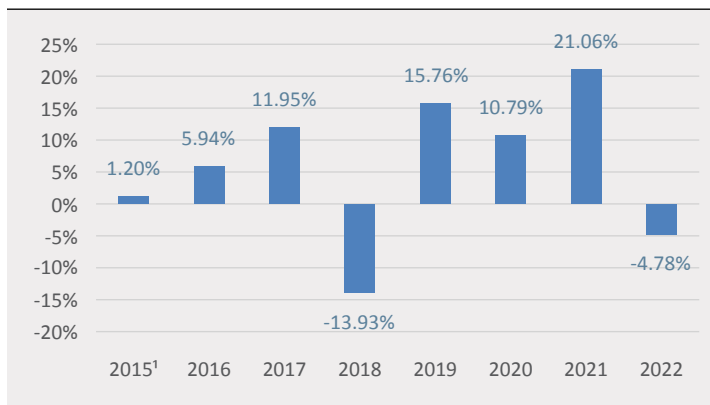
The Manager provides or arranges the provision of all general management and administrative services required by the Fund, and as described in the section “Related Party Transactions” above.

In consideration for such services, the Manager receives a management fee, based on the net asset value of each Series, calculated daily and payable monthly. The Fund pays a management fee at a rate of 1.50% per annum for Series A units and at a rate of 0.75% per annum for Series F units.

Service fees or trailing commissions of a maximum of 0.75% per annum are paid on Series A units to dealers. This comprises 50% of the management fee of Series A units.

Year-by-Year Returns

Series A

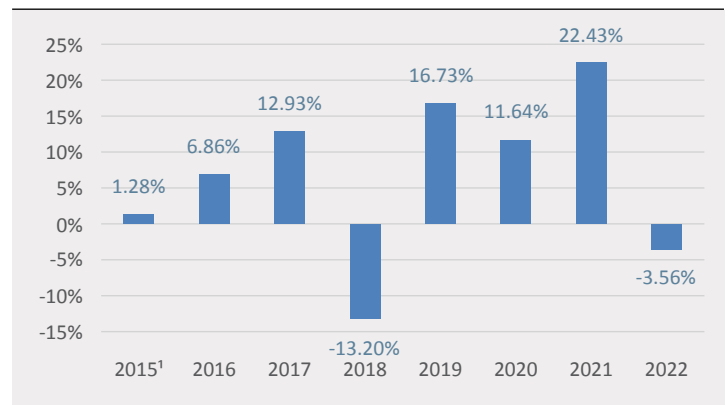


Past Performance

The commencement date of being distributed under a prospectus for Series A, D and F was November 20, 2015. Series D no longer has any unitholders as at November 10, 2021. Accordingly, returns are shown for the relevant period/years as indicated below.

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

Series F



¹ For the period November 20 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 50% FTSE Canada All Corporate Bond Index and 50% MSCI World (CAD) Index. The FTSE Canada All Corporate Bond Index is divided into sub-indices based on credit rating: a combined AAA/AA sector, a single A sector, and a BBB sector. The MSCI World (CAD) Index captures large and mid cap representation across 24 Developed Markets countries. The returns of the Index are calculated without the deduction of fees and expenses, whereas the performance of the Fund is calculated after deducting such fees and expenses.

For years ended December 31, 2022		1 Year		3 Year ²		5 Year ²		Since Inception ³
Annual Compound Return								
Series A ¹	%	(4.78)	%	8.49	%	4.94	%	6.13
Series F ¹		(3.56)		9.64		5.96		7.13
Index ^{4,5}	%	(11.15)	%	2.30	%	4.10	%	4.96

Notes

- 1 Returns are based on the net asset value per unit of the relevant series of the Fund and assume that all distributions were reinvested.
- 2 Compound period returns are annualized.
- 3 Period starting from November 20, 2015. Since inception returns are annualized.
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Summary of Investment Portfolio

		% of NAV
Top 25 Issuers		
Lysander-Canso Broad Corporate Bond Fund	%	48.3
Lysander-Canso Short Term And Floating Rate Fund		16.3
Ishares S&P/TSX 60 Index ETF (Equity) (Equity)		13.3
Ishares MSCI EAFE ETF (Equity)		5.6
Ishares Core Dividend Growth ETF (Equity)		5.6
SPDR S&P 500 ETF Trust (Equity)		5.3
Global X Copper Miners Etf (Equity)		2.7
Ishares S&P/TSX Capped Energy (Equity)		2.3
Yellow Pages Ltd/Canada (Equity)		0.3
Bird Construction Inc (Equity)		0.3
Total	%	100.0

		% of NAV
Asset Mix		
Canadian Equities	%	21.9
Mutual Fund		64.6
Other Assets less Liabilities		(0.1)
US Equities		13.6
Total	%	100.0
Sector		
Communication Services	%	0.3
Financials		34.9
Industrials		0.3
Other Assets less Liabilities		(0.1)
Mutual Funds		64.6
Total	%	100.0



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