

Annual Management Report of Fund Performance

As at December 31, 2022

Lysander-Crusader Equity Income 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-Crusader Equity Income 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 earn income and to achieve long term capital growth through a diversified portfolio composed primarily of equity securities, however other equity-like income-producing securities, debt and money market securities may be used to achieve this objective.

Investment Strategies

The Fund’s portfolio manager is Crusader Asset Management Inc. (“Portfolio Manager” or “Crusader”). The Fund’s portfolio will invest primarily in Canadian equity securities. The Fund will not be leveraged. The Fund may invest up to 30% of its assets in

foreign securities. The Fund’s investments will not be constrained by sector considerations. More details are contained in the Fund’s simplified prospectus.

Risks

On December 21, 2022, the Manager increased the risk rating of the Fund from “medium” to “medium-to-high” in accordance with the investment risk classification methodology mandated by the Canadian Securities Administrators. Please refer to the Fund’s most recent simplified prospectus.

Results of Operations

The Fund returns for the year were 26.20% for Series A, 27.65% for Series F and 28.87% for Series O.

The Fund’s strong outperformance of the S&P/TSX Composite Total Return Index was affected by two distinct periods. The first period corresponds with the first half of the year being January through June. The second period corresponds with the period July through December. In the first half of the year the Fund held overweight positions when compared to the S&P/TSX Composite Index of non-gold producing materials companies and energy producers. The Fund was fully invested, and these relative holdings accounted for the outperformance. Outperformance in the second half of the year was affected by several factors. First, was a material reduction in cyclical securities, specifically the equity securities of the non-gold producing materials companies which were entirely sold immediately preceding July and the weightings of companies producing energy (when compared to the S&P/TSX Composite Index) were reduced to 14.0% from 27.4% of total holdings immediately preceding July. Secondly, put and call options were purchased in the second half of the

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year initially to protect against downside risk to equities within the portfolio, then to hedge against cash holdings using a call option. Then, puts were purchased to protect against downside risk to equities within the portfolio to close the year. The use of these hedging strategies resulted in outperformance of the market.

The net assets of the Fund were approximately \$13.0 million at December 31, 2022 from \$6.2 million at the beginning of the year. There were net subscriptions of \$4.8 million during the year.

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

The Fund's positioning remains unchanged from December 31, 2022.

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 \$63,293 (including HST) in management fees to the Manager for the year ended December 31, 2022 (December 31, 2021 - \$28,105).

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 is included in the management fee. Portfolio management fees for the Portfolio Manager's services are paid from the management fee.

The Manager paid \$38,451 (including HST) to the Portfolio Manager for the year ended December 31, 2022 (December 31, 2021 - \$22,635).

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	\$ 8.77	\$ 6.42	\$ 9.66	\$ 10.67	\$ 13.03
Operations:					
Total revenue	0.28	0.27	0.35	0.48	0.59
Total expenses	(0.24)	(0.19)	(0.15)	(0.26)	(0.32)
Realized gains (losses)	1.88	1.18	(3.56)	(2.65)	(0.16)
Unrealized gains (losses)	(0.21)	1.21	(0.10)	1.64	(2.42)
Total increase (decrease) from operations²	\$ 1.71	\$ 2.47	\$ (3.46)	\$ (0.79)	\$ (2.31)
Distributions:					
From income (excluding dividends)	\$ -	\$ -	\$ -	\$ -	\$ -
From dividends	(0.11)	(0.05)	(0.16)	(0.27)	(0.37)
From capital gains	-	-	-	-	-
Total distributions^{2 3}	\$ (0.11)	\$ (0.05)	\$ (0.16)	\$ (0.27)	\$ (0.37)
Net assets, end of year^{2 3}	\$ 10.95	\$ 8.77	\$ 6.42	\$ 9.66	\$ 10.67

Ratios and supplemental data					
Net asset value ⁴	\$ 1,405,974	\$ 288,458	\$ 260,884	\$ 538,337	\$ 840,928
Units outstanding	128,394	32,903	40,622	55,745	78,804
Management expense ratio ⁵	% 2.33	% 2.33	% 2.34	% 2.56	% 2.49
Management expense ratio before waivers or absorption	2.46	2.45	2.53	2.56	2.49
Portfolio turnover rate ⁶	224.62	91.83	55.30	45.90	59.60
Trading expense ratio ⁷	0.25	0.27	0.19	0.20	0.30
Net asset value per unit, end of year	\$ 10.95	\$ 8.77	\$ 6.42	\$ 9.66	\$ 10.67

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. Effective January 1, 2020, the Fund paid a management fee of 1.80% (formerly 2.00%) per annum for Series A units and 0.80% (formerly 1.00%) per annum for Series F units.
- 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	\$ 8.80	\$ 6.47	\$ 9.71	\$ 10.57	\$ 12.83
Operations:					
Total revenue	0.28	0.28	0.35	0.47	0.57
Total expenses	(0.13)	(0.10)	(0.08)	(0.14)	(0.17)
Realized gains (losses)	1.94	1.11	(3.67)	(2.55)	(0.03)
Unrealized gains (losses)	0.14	1.20	(0.19)	1.50	(2.29)
Total increase (decrease) from operations²	\$ 2.23	\$ 2.49	\$ (3.59)	\$ (0.72)	\$ (1.92)
Distributions:					
From income (excluding dividends)	\$ -	\$ -	\$ -	\$ -	\$ -
From dividends	(0.02)	(0.17)	(0.22)	(0.27)	(0.39)
From capital gains	-	-	-	-	-
Total distributions^{2 3}	\$ (0.02)	\$ (0.17)	\$ (0.22)	\$ (0.27)	\$ (0.39)
Net assets, end of year^{2 3}	\$ 11.04	\$ 8.80	\$ 6.47	\$ 9.71	\$ 10.57
Ratios and supplemental data					
Net asset value ⁴	\$ 8,452,711	\$ 2,625,560	\$ 1,750,529	\$ 3,888,088	\$ 7,911,696
Units outstanding	765,324	298,192	270,592	400,580	748,457
Management expense ratio ⁵	% 1.20	% 1.20	% 1.21	% 1.43	% 1.37
Management expense ratio before waivers or absorption	1.36	1.31	1.34	1.40	1.37
Portfolio turnover rate ⁶	224.62	91.83	55.30	45.90	59.60
Trading expense ratio ⁷	0.25	0.27	0.19	0.20	0.30
Net asset value per unit, end of year	\$ 11.04	\$ 8.80	\$ 6.47	\$ 9.71	\$ 10.57

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. Effective January 1, 2020, the Fund paid a management fee of 1.80% (formerly 2.00%) per annum for Series A units and 0.80% (formerly 1.00%) per annum for Series F units.
- 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 O

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	\$ 9.09	\$ 6.68	\$ 10.25	\$ 11.44	\$ 13.92
Operations:					
Total revenue	0.30	0.28	0.36	0.50	0.61
Total expenses	(0.04)	(0.02)	(0.02)	(0.03)	(0.03)
Realized gains (losses)	2.12	1.16	(3.62)	(2.55)	(0.05)
Unrealized gains (losses)	0.12	1.20	0.43	1.55	(2.45)
Total increase (decrease) from operations²	\$ 2.50	\$ 2.62	\$ (2.85)	\$ (0.53)	\$ (1.92)
Distributions:					
From income (excluding dividends)	\$ -	\$ -	\$ -	\$ -	\$ -
From dividends	(0.19)	(0.24)	(0.43)	(0.66)	(0.60)
From capital gains	-	-	-	-	-
Total distributions^{2 3}	\$ (0.19)	\$ (0.24)	\$ (0.43)	\$ (0.66)	\$ (0.60)
Net assets, end of year^{2 3}	\$ 11.50	\$ 9.09	\$ 6.68	\$ 10.25	\$ 11.44
Ratios and supplemental data					
Net asset value ⁴	\$ 3,236,652	\$ 3,301,079	\$ 2,322,536	\$ 3,054,167	\$ 3,204,868
Units outstanding	281,365	362,960	347,864	297,947	280,193
Management expense ratio ⁵	% 0.30	% 0.30	% 0.30	% 0.30	% 0.25
Management expense ratio before waivers or absorption	0.48	0.44	0.57	0.37	0.25
Portfolio turnover rate ⁶	224.62	91.83	55.30	45.90	59.60
Trading expense ratio ⁷	0.25	0.27	0.19	0.20	0.30
Net asset value per unit, end of year	\$ 11.50	\$ 9.09	\$ 6.68	\$ 10.25	\$ 11.44

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

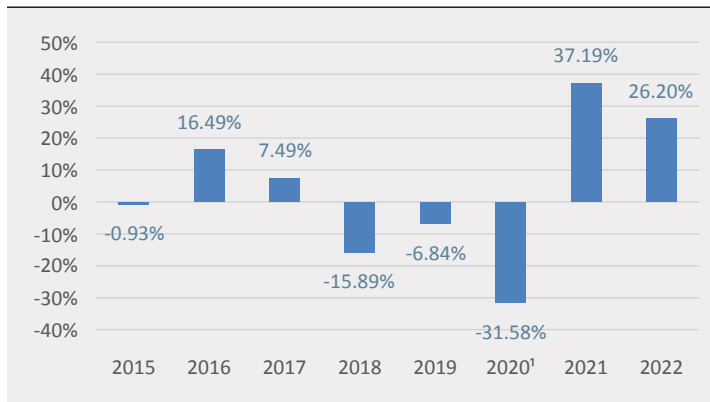
The Manager provides or arranges the provision of all general management and administrative services required by the Fund, and as described in the section “Related Party Transactions” above.

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 1.80% per annum for Series A units and at a rate of 0.80% per annum for Series F units. No management fee is charged to the Fund with respect to Series O units, but investors are charged a negotiated management fee.

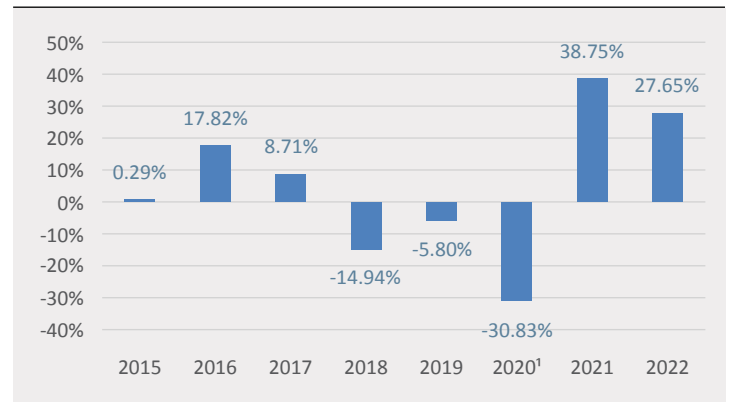
Service fees or trailing commissions of a maximum of 1.00% per annum were paid on Series A units to dealers. This comprises approximately 55.6% of the management fee of Series A units.

Year-by-Year Returns

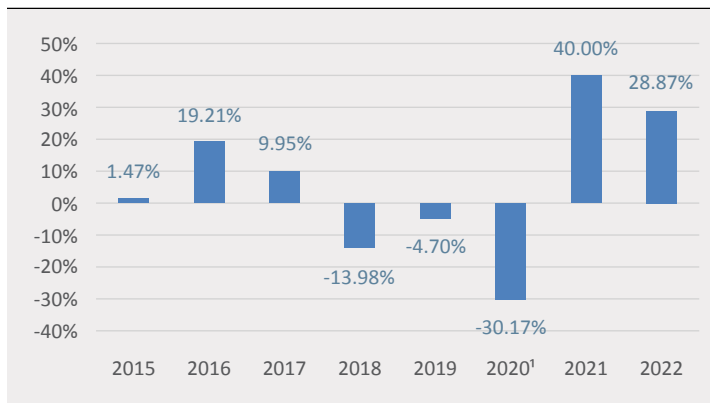
Series A



Series F



Series O



¹ Restated for the period January 1 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 S&P/TSX Composite Total Return Index. The returns of the S&P/TSX Composite Total Return 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	%	26.20	%	5.81	%	(1.48)	%	1.80
Series F ¹		27.65		7.00		(0.37)		2.97
Series O ¹		28.87		8.01		0.65		4.08
S&P/TSX Composite Total Return Index ⁴	%	(5.84)	%	7.54	%	6.85	%	6.74

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 December 30, 2014. Since inception returns are annualized.
- 4 TSX © Copyright 2022 TSX Inc. All Rights Reserved.

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Summary of Investment Portfolio

		% of NAV			% of NAV
Top 25 Issuers			Asset Mix		
Cash and Cash Equivalents	%	27.6	Canadian Equities	%	19.3
US Government (Debt)		7.9	Canadian Fixed Income		22.5
Bank Of Nova Scotia (Debt)		7.6	Cash and Cash Equivalents		27.6
Royal Bank Of Canada (Debt)		7.5	Foreign Equities		17.9
Toronto-Dominion Bank (Debt)		7.4	Money Market		7.9
Eli Lilly & Co		5.3	Options		4.6
S&P 500		4.5	Other Assets less Liabilities		0.2
Bristol-Myers Squibb Co		4.5	Total	%	100.0
Merck & Co Inc		4.4	Sector		
Pfizer Inc		3.7	Cash and Cash Equivalents	%	27.6
Molson Coors Beverage Co		3.5	Communication Services		3.0
Rogers Communications Inc		3.0	Consumer Staples		21.4
Freehold Royalties Ltd		2.0	Energy		12.8
Tourmaline Oil Corp		1.9	Financials		27.1
Canadian Natural Resources Ltd		1.8	Government		7.9
Whitecap Resources Inc		1.8	Other Assets less Liabilities		0.2
Peyto Exploration & Development		1.8	Total	%	100.0
ARC Resources Ltd		1.8			
Suncor Energy Inc		1.6			
Total	%	99.6			



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