

Semi-Annual Management Report of Fund Performance
As at June 30, 2023

Lysander-Canso Corporate Treasury ActivETF



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A Note About Forward Looking Statements

This semi-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 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 semi-annual Management Report of Fund Performance of Lysander-Canso Corporate Treasury ActivETF (the “Fund”) contains financial highlights for the period ended June 30, 2023 but does not contain the complete financial statements of the Fund. This report should be read in conjunction with the interim financial statements of the Fund for the period ended June 30, 2023. 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 seeks to provide total returns consisting principally of interest income by investing primarily in liquid short term fixed income and floating rate debt securities of Canadian and foreign issuers.

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’s portfolio will primarily be invested in liquid short term fixed income and floating rate debt securities of Canadian and foreign issuers. The Fund will not be leveraged. More details are contained in the Fund’s prospectus.

Risks

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

Results of Operations

During the period, 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’s return for the six-month period ended June 30, 2023 was 1.61%.

The net assets of the Fund were approximately \$5.1 million at June 30, 2023 from \$2.5 million at the beginning of the period. There were net subscriptions of \$2.5 million during the period.

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 period except for immaterial short-term cash overdrafts.

Recent Developments

Government bond yields rose during the second quarter as the U.S. banking crisis abated and the economy demonstrated resilience despite higher interest rates. Early in the period, bonds rallied as investors worried about the collapse of U.S. regional banks and its potential impact on credit flow to

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households and businesses. However, yields rebounded higher as the period ended because of favourable economic news including the resolution of the U.S. debt-ceiling debate. The labour market remains strong and while inflation has trended lower, it is still at a very high level. There is optimism among one segment of investors who believe that the U.S. Federal Reserve can tame price increases without tipping the economy into recession. On the other side are investors pointing to the persistent inversion of the yield curve, where short bond yields are higher than long bond yields. The inversion of the yield curve generally precedes an economic recession.

Corporate bond spreads tightened in the period but the underlying rise in government yields resulted in the U.S. Corporate Bond Index ("Index") falling 0.2%. The Index is 3.2% year-to-date. The U.S. High Yield Bond Index rose 1.6% in the period and is at 5.4% year-to-date. The Canadian FTSE Universe Bond Index fell 0.7% during the period to 2.5% and the FTSE Corporate Bond Index rose 0.2% during the to 3.0% period to-date.

At the beginning of June, the Bank of Canada surprised the markets by raising its overnight policy rate to 4.75% after not hiking at its previous two meetings. The central bank admitted to inflation remaining stubbornly high. Consumption and services growth has been strong and spending on interest-sensitive goods including housing has increased. Demand for labour continues to be strong and even with higher immigration, new workers have found employment. The Bank of Canada believes its monetary policy is not sufficiently restrictive to bring inflation sustainably to its 2% target.

During the period, the Fund focused on maintaining its position in short-dated, liquid government securities as both credit and interest rate risks remained elevated. The Fund added to its weight in Government of Canada bonds with coupons of 0.25% and 0.75%, trading at a discount to par. This position represents just under 63% of the portfolio at June 30, 2023. The Fund increased its weight in high-quality, short-term corporates including a Apple 2024's, a Hydro One 2024 bond with a coupon of 2.54%, and participated in a new floating rate new issue of TransCanada Pipelines that matures in 2026. At June 30, 2023 the Fund's weighted average term to maturity was 0.9 years and duration of 0.8 years.

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 prospectus.

The Fund paid \$4,242 (excluding HST) in management fees to the Manager for the period ended June 30, 2023.

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 paid \$2,397 (including HST) to the Portfolio Manager for the period ended June 30, 2023.

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

Period ended	30-Jun-2023	31-Dec-2022
Net assets per unit¹		
Net assets, beginning of period	\$ 10.05	\$ 10.00*
Operations:		
Total revenue	0.07	0.04
Total expenses	(0.02)	(0.01)
Realized gains (losses)	0.07	0.02
Unrealized gains (losses)	0.03	0.03
Total increase (decrease) from operations²	\$ 0.15	\$ 0.08
Distributions:		
From income (excluding dividends)	\$ (0.04)	\$ (0.02)
From dividends	-	-
From capital gains	-	(0.01)
Return of capital	-	-
Total distributions^{2 3}	\$ (0.04)	\$ (0.03)
Net assets, end of period^{2 3}	\$ 10.17	\$ 10.05
Ratios and supplemental data		
Net asset value ⁴	\$ 5,084,413	\$ 2,512,575
Units outstanding	500,000	250,000
Management expense ratio ⁵	% 0.38	% 0.38
Management expense ratio before waivers or absorption	2.54	2.82
Portfolio turnover rate ⁶	60.43	62.18
Trading expense ratio ⁷	-	-
Net asset value per unit, end of period	10.17	10.05
Closing market price per unit ⁴	\$ 10.18	\$ 10.09

Notes

* The Fund commenced operations on August 26, 2022.

1 The information is derived from the Fund's unaudited semi-annual and/or 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.

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.

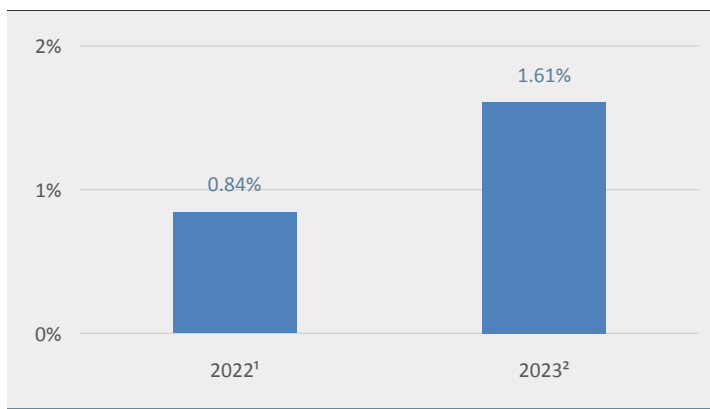
In consideration for such services, the Manager receives a management fee, based on the net asset value of the fund, calculated daily and payable monthly. The Fund pays a management fee at a rate of 0.25% per annum.

Past Performance

The Fund commenced operations on August 26, 2022. Accordingly, returns are shown for the relevant years/periods as indicated below.

The following charts and table show the past performance of the Fund. Past performance does not necessarily indicate how the Fund will perform in the future. The information shown assumes that cash distributions made by the Fund in the periods shown were reinvested in additional units of the Fund.

Year-by-Year Returns



1 For the period August 26 to December 31, 2 For the period January 1 to June 30

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Summary of Investment Portfolio

		% of NAV			% of NAV
Top 25 Issuers			Asset Mix		
Canadian Government	%	62.9	Cash and Cash Equivalents	%	0.2
Canada Housing Trust		11.8	Fixed Income		98.6
Hydro One Inc.		5.6	Other Assets less Liabilities		1.2
Apple Inc.		5.5	Total	%	100.0
Toronto-Dominion Bank		4.8	Sector		
Royal Bank Of Canada		3.9	Cash and Cash Equivalents	%	0.2
Met Life Glob Funding I		3.9	Energy		0.2
Transcanada Pipelines		0.2	Financials		12.6
Cash and Cash Equivalents		0.2	Government		74.7
Total	%	98.8	Information Technology		5.5
			Other Assets less Liabilities		1.2
			Utilities		5.6
			Total	%	100.0



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