

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

Lysander-Triasima All Country Long/Short Equity Fund



TRIASIMA



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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 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 semi-annual Management Report of Fund Performance of Lysander-Triasima All Country Long/Short Equity Fund (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’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

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

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The Fund returns for the six-month period ended June 30, 2023 were Series A and F -4.5% and -4.0%, respectively, versus 3.7% for the performance fee benchmark. The performance fee 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 \$6.2 million at June 30, 2023 from \$7.9 million at the beginning of the period. There were net redemptions of \$1.3 million during the period.

The performance of the Fund's Long positions rose 4.1%, a positive outcome versus Short positions that rose 14.7%, a negative outcome. Overall, due to the sharp rise in the value of the short positions, the return for the Fund was overall negative. Long positions in the aggregate contributed 3.4% while Short positions took away 7.2%.

There was a significant increase in the price of several short holdings. This was particularly notable for high beta stocks that had experienced a decline in 2022 due to the rising interest rates. Examples of such stocks include 10x Genomics (Gene Sequencing Technology, United States), Guardant Health (Cancer screening, United States), and Bellus Health (Biotechnology, Canada). On average, 10x Genomics and Guardant Health saw a rise of 32%, while Bellus Health experienced a substantial increase of 75% due to its acquisition by GSK.

The sector with the largest contribution to the Fund's return was Information Technology (+3.6%). Sectors with the worst contributions were Consumer Discretionary (-2.3%), Financials (-1.6%), Health Care (-1.5%), and Energy (-1.2%).

The Fund routinely holds a large cash reserve due to its short selling activity. Some of this cash reserve is invested in money market instruments and short-term bonds. The bond holdings contributed positively to the Fund's return in 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

A gradual economic slowdown persisted in most countries in the first half of the year, accompanied by higher interest rates

impacting economies globally. Macroeconomic data exhibited signs of deterioration, as seen in the United States where the PMI Manufacturing index finished the period below 50, signalling a contraction. However, the services industries have emerged as a crucial support for the global economy, while the manufacturing sector encounters challenges amid the slowdown.

Given the ongoing recovery from the pandemic and strong income levels, households are directing their spending towards services, particularly in sectors like tourism and leisure. This shift in consumer behavior contributes to sustaining the global economy during these times.

The rapid rise of interest rates caused a banking crisis which erupted in the United States over issues of funding stability and asset-liability mismatch. The key offset to the impact of high interest rates is the strong labour market. Wages are rising while inflation slows down, increasing real disposable income, and propping up confidence.

The same inflation is buoying nominal revenues for corporations. But sales volumes are mainly stagnant while unit labour costs, and other input costs, are rising. The result is declining profit margins and falling earnings expectations for the second half of 2023. Earnings expectations, however, are no longer falling for 2024, and equity markets have taken note of this.

In terms of portfolio structure, the Fund concluded the period with a long/market-value ratio of 106%, being fully invested with minimal financial leverage. The important short/long ratio is at an average of 41%.

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.

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The Fund paid \$35,533 (including HST) in management fees to the Manager for the period ended June 30, 2023 (June 30, 2022 - \$46,907).

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 period ended June 30, 2023 the Performance Fee accrued payable by the Fund was nil (including HST) (December 31, 2022 - Nil).

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 \$17,429 (including HST) to the Portfolio Manager for the period ended June 30, 2023 (June 30, 2022 - \$22,959).

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*

Period ended	30-Jun-2023	31-Dec-2022	31-Dec-2021	31-Dec-2020
Net assets per unit¹				
Net assets, beginning of period	\$ 11.10	\$ 12.34	\$ 10.81	\$ 10.00
Operations:				
Total revenue	5.74	0.56	(1.07)	(2.29)
Total expenses	(0.13)	(0.32)	(0.74)	(0.15)
Realized gains (losses)	0.22	0.06	(0.03)	(0.56)
Unrealized gains (losses)	(6.36)	(1.66)	3.27	3.63
Total increase (decrease) from operations²	\$ (0.53)	\$ (1.36)	\$ 1.43	\$ 0.63
Distributions:				
From income (excluding dividends)	\$ -	\$ -	\$ -	\$ -
From dividends	-	-	-	-
From capital gains	-	-	-	-
Total distributions^{2 3}	\$ -	\$ -	\$ -	\$ -
Net assets, end of period^{2 3}	\$ 10.60	\$ 11.10	\$ 12.34	\$ 10.81
Ratios and supplemental data				
Net asset value ⁴	\$ 115,563	\$ 130,026	\$ 135,600	\$ 30,618
Units outstanding	10,905	11,715	10,989	2,832
Management expense ratio ⁵	% 2.45	% 2.45	% 6.34	% 2.24
Management expense ratio before waivers or absorption	3.00	2.81	6.72	3.44
Portfolio turnover rate ⁶	136.80	303.20	273.85	281.4
Trading expense ratio ⁷	0.29	0.59	0.66	0.8
Net asset value per unit, end of period	\$ 10.60	\$ 11.10	\$ 12.34	\$ 10.81

Notes

* Series A commenced operations on May 11, 2020.

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 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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Series F*

Period ended	30-Jun-2023	31-Dec-2022	31-Dec-2021	31-Dec-2020
Net assets per unit¹				
Net assets, beginning of period	\$ 11.25	\$ 12.29	\$ 10.68	\$ 10.00
Total revenue	1.10	0.67	(1.09)	(2.20)
Total expenses	(0.01)	(0.18)	(0.61)	(0.09)
Realized gains (losses)	(1.52)	0.13	(0.03)	(0.58)
Unrealized gains (losses)	(0.08)	(1.65)	3.35	3.13
Total increase (decrease) from operations²	\$ (0.51)	\$ (1.03)	\$ 1.62	\$ 0.26
Distributions:				
From income (excluding dividends)	\$ -	\$ -	\$ -	\$ -
From dividends	-	-	-	-
From capital gains	-	-	-	-
Total distributions^{2 3}	\$ -	\$ -	\$ -	\$ -
Net assets, end of period^{2 3}	\$ 10.80	\$ 11.25	\$ 12.29	\$ 10.68
Ratios and supplemental data				
Net asset value ⁴	\$ 6,103,892	\$ 7,740,593	\$ 9,464,728	\$ 6,906,079
Units outstanding	564,918	687,821	770,027	646,491
Management expense ratio ⁵	% 1.32	% 1.32	% 5.18	% 1.22
Management expense ratio before waivers or absorption	1.87	1.71	5.61	2.24
Portfolio turnover rate ⁶	136.80	303.20	273.85	281.4
Trading expense ratio ⁷	0.29	0.59	0.66	0.8
Net asset value per unit, end of period	\$ 10.80	\$ 11.25	\$ 12.29	\$ 10.68

Notes

* Series F commenced operations on May 11, 2020.

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 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

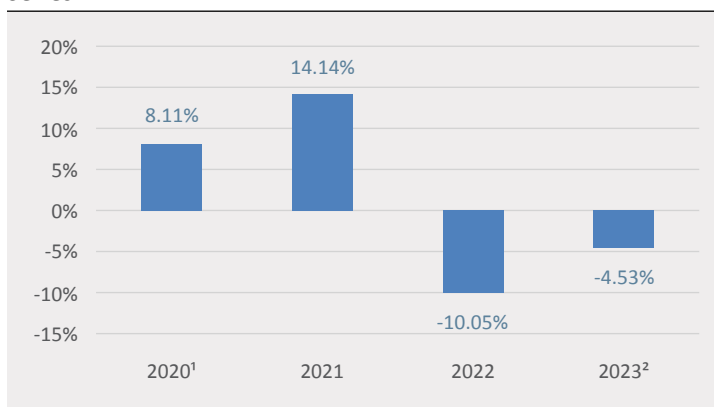
The Manager provides or arranges the provision of all general management and administrative services required by the Fund, and as described in the section “Related Party Transactions” above.

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.

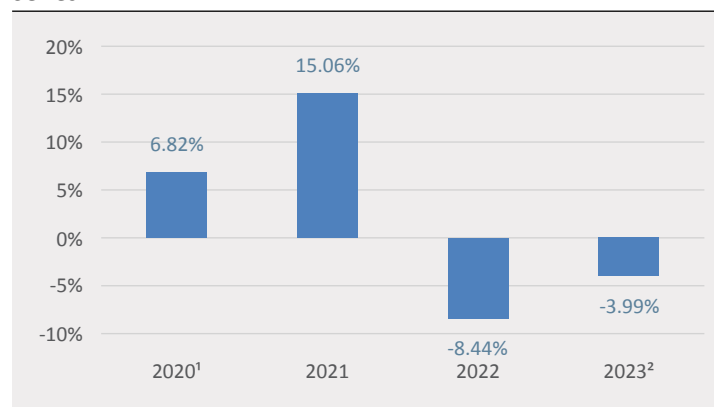
Service fees or trailing commissions of a maximum of 1.00% per annum are paid on Series A units to dealers. This comprises approximately 52.6% of the management fee of Series A units.

Year-by-Year Returns

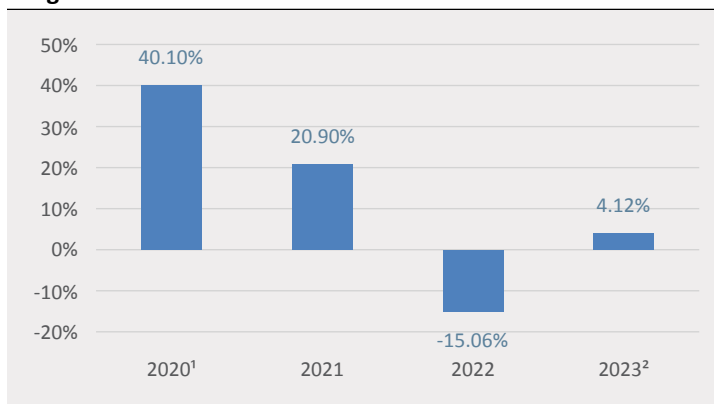
Series A



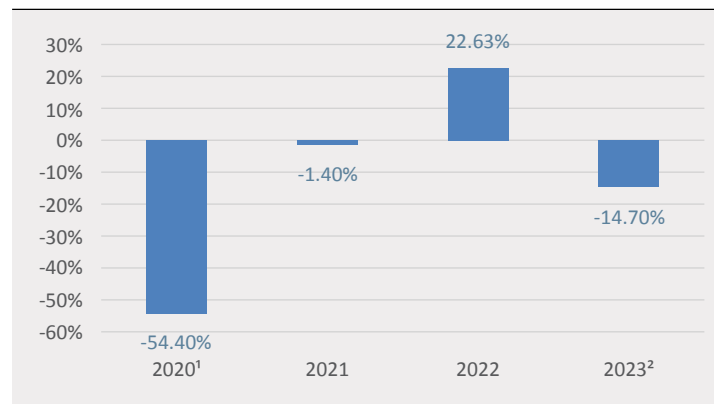
Series F



Long Portfolio



Short Portfolio



1 For the period May 11 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		
Long positions:			Canadian Equities		
Cash and Cash Equivalents	%	12.1		%	19.8
Super Micro Computer Inc.		6.9	Canadian Fixed Income		22.9
Msa Safety Inc.		5.6	Canadian Securities Sold Short		(9.8)
Autozone Inc.		5.3	Cash and Cash Equivalents		12.1
Hershey Co/The		4.8	Foreign Equities		93.5
Home Trust Co (Debt)		4.8	Foreign Securities Sold Short		(36.6)
John Deere Canada Fnd In (Debt)		4.7	Other Assets less Liabilities		(6.3)
Royal Bank Of Canada (Debt)		4.6	Private Placements		4.5
Toyota Credit Canada Inc. (Debt)		4.5	Total	%	100.0
Manulife Bank Of Canada (Debt)		4.4	Sector		
Toronto Hydro Corp. (Debt)		4.4	Cash and Cash Equivalents	%	12.1
Abc-Mart Inc.		4.3	Communication Services		9.3
Itochu Corp.		4.2	Consumer Discretionary		17.6
Vertex Pharmaceuticals Inc.		4.1	Consumer Staples		22.4
Badger Meter Inc.		4.1	Energy		(6.2)
Mitsui & Co Ltd		4.0	Financials		20.4
Harmonic Inc.		3.8	Industrials		19.4
General Mills Inc.		3.8	Information Technology		0.7
Mckesson Corp.		3.6	Materials		(0.1)
Arthur J Gallagher & Co		3.5	Other Assets less Liabilities		(6.3)
Fomento Economico Mexicano Sab		3.5	Real Estate		6.4
Sumitomo Mitsui Financial Grou		3.3	Utilities		4.4
TF Administradora, S. de R.L. de C.V.		3.3	Total	%	100.0
WWE		3.2			
Savaria Corp		3.2			
Total	%	114.0			
Total Portfolio Long Positions	%	146.4			
Total Portfolio Short Positions		(46.4)			



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