



**INDEPENDENT REVIEW COMMITTEE
2023 ANNUAL REPORT TO UNITHOLDERS OF**

<p>Canso Credit Income Fund Lysander TDV Fund Lysander-Canso Balanced Fund Lysander-Canso Corporate Value Bond Fund Lysander-Canso Bond Fund Lysander-Canso Short Term and Floating Rate Fund Lysander-Canso U.S. Short Term and Floating Rate Fund Lysander-Canso Equity Fund Lysander-Canso U.S. Credit Fund Lysander-Canso Broad Corporate Bond Fund Lysander-Canso Corporate Treasury Fund Lysander-Canso Corporate Treasury <i>Activ</i>ETF Lysander-Canso Floating Rate <i>Activ</i>ETF</p>	<p>Lysander-Canso U.S. Corporate Treasury Fund Lysander-Crusader Equity Income Fund Lysander-Patient Capital Equity Fund Lysander-Seamark Balanced Fund Lysander-Seamark Total Equity Fund Lysander-Slater Preferred Share Dividend Fund Lysander-Slater Preferred Share <i>Activ</i>ETF Lysander-Triasima All Country Equity Fund Lysander Balanced Income Fund Lysander-Fulcra Corporate Securities Fund Lysander-Canso Credit Opportunities Fund Lysander-Canso All Country Long/Short Equity Fund (formerly Lysander-Triasima All Country Long/Short Equity Fund)</p>
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The Independent Review Committee (the “IRC”) of the funds listed above (the “Lysander Funds”) is pleased to submit this Report to unitholders of the Lysander Funds for the year ended December 31, 2023. The IRC was formally established on June 23rd, 2010.

Lysander Funds Limited (the “Manager”) is the investment fund manager of the Lysander Funds.

MEMBERS OF THE LYSANDER INDEPENDENT REVIEW COMMITTEE

The following chart sets forth the name of each member of the IRC as of the date of this report, such member’s length of service on the IRC and such member’s other IRC memberships:

Member Name	Length of Service	Does Member serve on the IRC of any other Fund Family?
Bill Schultz (Chair)	First appointed on December 11, 2014	Yes, for the Manager’s affiliate Canso Fund Management Ltd.
Jim McGill	First appointed on July 12, 2011	Yes, for the Manager’s affiliate Canso Fund Management Ltd.
Paul E. Fahey	First appointed on June 23, 2010	Yes, for the Manager’s affiliate Canso Fund Management Ltd.
Ruth Gould	First appointed on January 31, 2017	Yes, for the Manager’s affiliate Canso Fund Management Ltd.

Each member of the IRC is independent of the Manager and the Lysander Funds.

SECURITY HOLDINGS OF THE LYSANDER IRC

- (a) As of December 31, 2023, the percentage of outstanding units of any series or class of the Lysander Funds owned directly or indirectly, in aggregate by all members of the IRC, did not exceed 10%.

- (b) As of December 31, 2023, no member of the IRC beneficially owned, directly or indirectly, any class of voting or equity securities of the Manager.
- (c) As of December 31, 2023, no member of the IRC beneficially owned directly or indirectly, any class or series of voting or equity securities of a person or company that provides services to the Lysander Funds or to the Manager.

IRC COMPENSATION AND INDEMNITIES

The total amount of the fees and expenses of the Independent Review Committee members paid by all the funds for which Lysander is the fund manager for the year ended December 31, 2023, was \$56,932.92. The amount was allocated among the Lysander Funds in proportion to the Lysander Funds' assets in a manner that the Manager considers to be fair and reasonable.

The initial IRC compensation was set by the Manager. Thereafter, the members of the IRC review and determine the IRC compensation on an annual basis while taking the following into consideration:

- the number, nature, and complexity of the investment funds for which the IRC acts;
- the nature and extent of the workload of each member of the IRC, including the commitment of time and energy that is expected from each member;
- industry best practices, including industry averages and surveys on IRC compensation;
- the best interest of the investment funds; and
- the recommendation, if any, of the Manager.

No indemnities were paid to the IRC members during this period.

CONFLICT OF INTEREST MATTERS

National Instrument 81-107 – *Independent Review Committee for Investment Funds* requires the IRC to review all conflict of interest matters identified and referred to the IRC by the Manager and, if the IRC considers all applicable conditions are met, to give an approval or a positive recommendation, depending on the nature of the conflict of interest matter. In certain cases, the IRC may give its approval or positive recommendation in the form of standing instructions to the Manager to enable the Manager to act in the particular conflict of interest matter on a continuing basis.

Approvals

As permitted by Canadian securities legislation, the Lysander Funds may be relieved from certain investment restrictions and practices in securities legislation provided that, among other things, the approval of the IRC is obtained before engaging in the relevant transaction. In accordance with the requirements in National Instrument 81-102 *Investment Funds* and NI 81-107 and exemptive relief granted by the Canadian securities regulatory authorities, for the period from January 1, 2023 to December 31, 2023, the IRC has provided approval for the Lysander Funds, subject to terms and conditions, to purchase securities from or sell securities to another investment fund or discretionary

account managed by the Manager or an affiliate of the Manager (referred to as inter-fund trades or cross-trades).

The IRC is required to advise the applicable securities regulatory authorities if it determines that a cross trade was not made in accordance with the conditions of its approval. No such reports to securities regulatory authorities were required in 2023.

Positive Recommendations

This section provides a brief summary of other conflict of interest matters that have been identified and referred by the Manager to the IRC, and for which the IRC gave its positive recommendation, for the period from January 1, 2023 to December 31, 2023.

Change of Portfolio Manager for Lysander-Canso All Country Long/Short Equity Fund

Triasima Portfolio Management Inc. resigned as portfolio manager of Lysander-Triasima All Country Long/Short Equity Fund (now Lysander-Canso All Country Long/Short Equity Fund). The Manager proposed to appoint Canso Investment Counsel Ltd. (“Canso”), an affiliate of the Manager, as successor portfolio manager of the Fund. As Canso is an affiliate of the Manager, this change in portfolio manager could be considered as a potential conflict of interest between the Manager and the Fund. The Manager referred to the IRC this proposed change and obtained the IRC’s positive recommendation.

Automatic Securities Disposition Plan for the Manager to sell units of Canso Credit Income Fund (CCIF)

The Manager owned Class A units of CCIF which the Manager wished to sell in the secondary market. As the investment fund manager, the Manager is an insider of CCIF. The Manager proposed to set up an Automatic Securities Disposition Plan (ASDP) for the sale of its CCIF units, in accordance with the guidance of the Canadian Securities Administrators as set out in Staff Notice 55-317 *Automatic Securities Disposition Plans*. The Manager referred to the IRC this proposed sale of CCIF units through the ASDP. The Manager obtained the IRC’s positive recommendation.

Other conflict of interest matters where the IRC gave its positive recommendation by way of standing instructions

Below are other conflict of interest matters referred to the IRC by the Manager where the IRC gave its positive recommendation by way of standing instructions:

- Valuation (of portfolio securities)
- Short term trading
- Employee trading
- Gifts and entertainment
- NAV error correction
- Allocation of fund expenses

- Allocation of investment opportunities
- Proxy voting
- Use of client brokerage commissions/soft dollars
- Fund-on-funds investments
- Unitholder transactions error correction
- Exception to redemption notice timing requirements
- Material non-public information and prohibition on insider trading

The IRC is not aware of any instance where the Manager acted in a conflict of interest matter referred to the IRC for which the IRC did not provide a positive recommendation or where the Manager acted in a conflict of interest matter but did not meet a condition imposed by the IRC in its recommendation.

Respectfully submitted this 26th day of March, 2024.

(Signed) "William Schultz"

William Schultz
Chairman of the Independent Review Committee