

Annual Management Report of Fund Performance

As at December 31, 2023

Lysander-Canso Corporate Treasury ActivETF



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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 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-Canso Corporate Treasury ActivETF (the “Fund”) contains financial highlights for the year ended December 31, 2023 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, 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 4000, Toronto, Ontario, M4N 3N1, by visiting our website at www.lysanderfunds.com or at SEDAR+ at www.sedarplus.ca.

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 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’s return for the year ended December 31, 2023 was 4.4%.

The net assets of the Fund were approximately \$4.1 million at December 31, 2023 from \$2.5 million at the beginning of the year. There were net subscriptions of approximately \$1.5 million and cash distributions of \$54 thousand 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.

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Recent Developments

The U.S. Federal Reserve's ("the Fed") about-face on interest rates in the fourth quarter fueled a rally in almost every asset class, from speculative technology shares to junk bonds. The Treasury market posted its first annual gain since 2020 as slowing inflation bolstered views that the Fed's campaign of interest rate increases was seemingly over. The Fed acknowledged that economic activity had slowed, and job gains moderated. The Fed also prepared a potential path towards rate cuts.

The market may have gotten ahead of itself as investors clamored to invest cash before year end. The market is forecasting six quarter-point rate cuts throughout 2024. Investors have also been puzzled by the failure of a widely anticipated recession to materialize.

The Bank of Canada is concerned that inflationary pressures are broad-based. Economic growth stalled during the middle quarters of 2023 as higher interest rates were restraining consumer spending. The labour market is easing, and job creation has slowed. Wages are still rising at an elevated rate despite a modest increase in the unemployment rate.

During the year, the Fund focused on maintaining its position in short-dated, liquid securities. The Fund established weights in high-quality, short-term corporates including a Senior Unsecured note of Bank of Montreal and participated in a new 3-year floating rate issue of TransCanada Pipelines at a spread of Corra +140. As at year end, the Fund continues to be very high quality and liquid with over 92% in AAA/AA rated issues and 77% in Government of Canada bonds. At the end of the year, the Fund's duration was 0.9 years with a yield to maturity of 4.5%.

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 \$9,744 (excluding HST) in management fees to the Manager for the year ended December 31, 2023 (December 31, 2022 - \$2,222).

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 \$5,505 (including HST) to the Portfolio Manager for the year ended December 31, 2023 (December 31, 2022 - 1,255)

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

Year ended	31-Dec-2023	31-Dec-2022
Net assets per unit¹		
Net assets, beginning of year	\$ 10.05	\$ 10.00*
Operations:		
Total revenue	0.12	0.04
Total expenses	(0.04)	(0.01)
Realized gains (losses)	0.14	0.02
Unrealized gains (losses)	0.22	0.03
Total increase (decrease) from operations²	\$ 0.44	\$ 0.08
Distributions:		
From income (excluding dividends)	\$ (0.05)	\$ (0.02)
From dividends	-	-
From capital gains	(0.09)	(0.01)
Return of capital	-	-
Total distributions^{2 3}	\$ (0.14)	\$ (0.03)
Net assets, end of year^{2 3}	\$ 10.35	\$ 10.05
Ratios and supplemental data		
Net asset value ⁴	\$ 4,140,706	\$ 2,512,575
Units outstanding	400,000	250,000
Management expense ratio ⁵	% 0.38	% 0.38
Management expense ratio before waivers or absorption	1.96	2.82
Portfolio turnover rate ⁶	134.5	62.18
Trading expense ratio ⁷	-	-
Net asset value per unit, end of year	10.35	10.05
Closing market price per unit ⁴	\$ 10.36	\$ 10.09

Notes

* The Fund commenced operations on August 26, 2022.

1 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.

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.

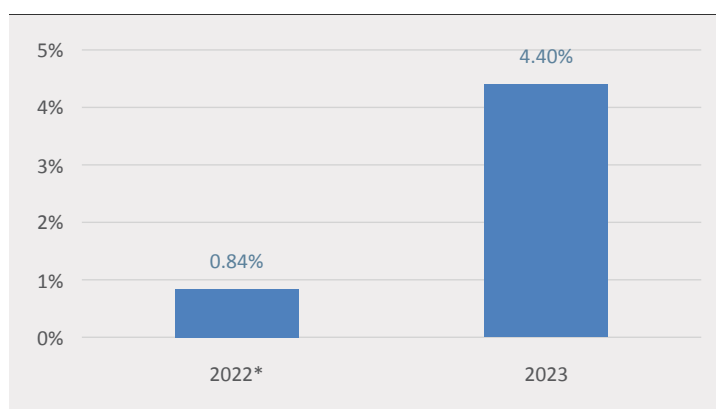
In consideration for such services, the Manager receives a management fee, based on the net asset value of the fund, calculated daily and payable monthly. The Fund pays a management fee at a rate of 0.25% per annum.

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



* For the period August 26 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 ICE BofA 0-1 Year Canada Government Index (CAD) (the "Index").

For year ended December 31, 2023		1 Year		Since Inception ²
Annual Compound Return				
Lysander-Canso Corporate Treasury ActivETF ¹	%	4.40	%	3.90
ICE BofA 0-1 Year Canada Government Index (CAD) ³	%	4.50	%	4.07

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 Period from August 26, 2022 to December 31, 2023. Since inception returns are annualized.

3 Any unauthorized use or disclosure is prohibited. Nothing herein should in any way be deemed to alter the legal rights and obligations contained in agreements between any ICE Data Services entity ("ICE") and their clients relating to any of the Indices or products or services described herein. The information provided by ICE and contained herein is subject to change without notice and does not constitute any form of representation or undertaking. ICE and its affiliates make no warranties whatsoever either express or implied as to merchantability fitness for a particular purpose or any other matter in connection with the information provided. Without limiting the foregoing ICE and its affiliates makes no representation or warranty that any information provided hereunder are complete or free from errors omissions or defects. All information provided by ICE is owned by or licensed to ICE. ICE retains exclusive ownership of the ICE Indices including the ICE BofAML Indexes and the analytics used to create this analysis ICE may in its absolute discretion and without prior notice revise or terminate the ICE information Indices and analytics at any time. The information in this analysis is for internal use only and redistribution of this information to third parties is expressly prohibited. Neither the analysis nor the information contained therein constitutes investment advice or an offer or an invitation to make an offer to buy or sell any securities or any options futures or other derivatives related to such securities. The information and calculations contained in this analysis have been obtained from a variety of sources including those other than ICE and ICE does not guarantee their accuracy. Prior to relying on any ICE information and/or the execution of a security trade based upon such ICE information you are advised to consult with your broker or other financial representative to verify pricing information. There is no assurance that hypothetical results will be equal to actual performance under any market conditions. THE ICE INFORMATION IS PROVIDED TO THE USERS "AS IS." NEITHER ICE NOR ITS AFFILIATES NOR ANY THIRD PARTY DATA PROVIDER WILL BE LIABLE TO ANY USER OR ANYONE ELSE FOR ANY INTERRUPTION INACCURACY ERROR OR OMISSION REGARDLESS OF CAUSE IN THE ICE INFORMATION OR FOR ANY DAMAGES RESULTING THEREFROM. In no event shall ICE or any of its affiliates employees officers directors or agents of any such persons have any liability to any person or entity relating to or arising out of this information analysis or the indices contained herein.

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Summary of Investment Portfolio

		% of NAV
Top 25 Issuers		
Canadian Government	%	77.3
Apple Inc.		6.3
Hydro One Inc.		5.9
Met Life Global Funding I		4.9
Bank of Montreal		3.6
Transcanada Pipelines		0.3
Cash and Cash Equivalents		0.1
Total	%	98.4

		% of NAV
Asset Mix		
Cash and Cash Equivalents	%	0.1
Fixed Income		98.3
Other Assets less Liabilities		1.6
Total	%	100.0
Sector		
Cash and Cash Equivalents	%	0.1
Energy		0.3
Financials		8.5
Government		77.3
Information Technology		6.3
Other Assets less Liabilities		1.6
Utilities		5.9
Total	%	100.0



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