

Annual Management Report of Fund Performance

As at December 31, 2023

Lysander-Patient Capital Equity Fund



Lysander-Patient Capital Equity Fund

Annual Management Report of Fund Performance as at December 31, 2023

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-Patient Capital Equity Fund (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’s objective is to provide long-term capital growth by investing primarily in equity securities anywhere in the world.

Investment Strategies

The Fund’s portfolio manager is Patient Capital Management Inc. (“Portfolio Manager” or “PCM”). The Fund invests primarily in equity securities, including those of foreign issuers. The Fund typically gains exposure to equity securities of issuers located outside North America by investing in American depositary receipts (“ADRs”). The Fund is not constrained by geographic or sector considerations. The Fund will not be leveraged. The

portfolio manager’s investment philosophy is based on long-term absolute value, with the goal of preservation of capital while earning returns. 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

The Fund returns for the year ended December 31, 2023 were 6.6% for Series A and 7.8% for Series F.

The net assets of the Fund were approximately \$12.1 million at December 31, 2023 from \$10.5 million at the beginning of the year. There were net subscriptions of approximately \$1.3 million during the year.

During the second half of 2023, global equity markets posted positive returns. The S&P 500 and MSCI (USD) World Index performance was driven in large part by a handful of large technology companies including Apple, Google, Meta, Nvidia and Telsa. TSX underperformed the American and global indices due to its relative underweight in the technology sector. During the year, the portfolio added to existing positions in BCE Inc., Bank of Montreal, Bank of Nova Scotia, Canadian Imperial Bank of Commerce, Canadian Utilities, Linamar, TD Bank and Verizon Inc. New positions in Firm Capital Mortgage Investment Corp. and Firm Capital Property Trust were established during 2023. Meta Platforms (formerly Facebook) was sold in the second half of 2023.

Lysander-Patient Capital Equity Fund

Annual Management Report of Fund Performance as at December 31, 2023

As of October 31, 2021, the mandate of the fund was changed to a value-based philosophy. At year end, the positioning of the Fund by style, market capitalization and sector are consistent with the Fund's fundamental investment objectives and strategies.

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

Equity markets continued their upward trend in the second half of 2023. Optimism was largely based on the expectation that the Central Bankers had concluded their interest rate hikes and that inflation was on its way to the two percent target rate. Investors drove equity prices up as they anticipate several interest rates cuts in 2024.

Artificial Intelligence ("AI") was a significant driver of market sentiment in 2023. The shares of companies that had direct or indirect exposure to AI increased in value dramatically. The perceived benefits of AI along with the expected decline in interest rates propelled several large technology companies to extremely high valuations. Indeed, a significant percentage of the increase in the S&P 500 and MSCI World Index was due to substantial price increases by just a few high technology companies.

The U.S. economy showed significant growth in the second half of 2023. This increase primarily reflected rises in consumer spending and inventory investment. The U.S. labor market ended the year strong, creating more than 200,000 jobs in December and nearly 2.7 million jobs in all of 2023. The strong employment environment and increasing personal income resulted in robust consumer spending.

In Canada, economic growth was muted. The economy slowed in the second half of 2023 as businesses and households continued to adjust to higher borrowing costs. Real gross domestic product (GDP) was essentially unchanged in the second quarter of 2023 after expanding in the first. As well, household spending and employment growth moderated during the last six months of 2023.

While inflation was a concern at the start of the year, the rate of inflation cooled significantly in 2023. The Federal Reserve acknowledged that the rise in interest rates was starting to take

effect leading some Central Bankers to suggest there could be a pause in interest rate increases in 2024. Equity investors jumped on these remarks and began to believe that inflation would fall and that a "soft economic landing" or a mild recession would occur in 2024. Consequently, equity markets experienced strong returns in 2023.

The Fund continues to be well positioned for current market conditions. As of December 31, 2023, the Fund's total portfolio yield was 5.5% at year end. In addition, the portfolio's overall characteristics compare favorably to major benchmarks such as the S&P 500 index and S&P/TSX Composite index. The Fund's return relative to its benchmarks was held back by its large cash balances during the year. Also, the Fund was underrepresented in the high performing technology sector. The Fund's value based investment philosophy will stand up well as interest rates normalize and valuations return to historical means.

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 \$110,930 (including HST) in management fees to the Manager for the year ended December 31, 2023 (December 31, 2022 - \$95,578).

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 \$51,436 (including HST) to the Portfolio Manager for the year ended December 31, 2023 (December 31, 2022 - \$44,256).

Lysander-Patient Capital Equity Fund

Annual Management Report of Fund Performance as at December 31, 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.

Lysander-Patient Capital Equity Fund

Annual Management Report of Fund Performance as at December 31, 2023

Financial Highlights

Series A

Year ended	31-Dec-2023	31-Dec-2022	31-Dec-2021	31-Dec-2020	31-Dec-2019
Net assets per unit¹					
Net assets, beginning of year	\$ 12.40	\$ 12.73	\$ 12.55	\$ 13.04	\$ 11.29
Operations:					
Total revenue	0.59	0.35	0.39	0.40	0.38
Total expenses	(0.28)	(0.27)	(0.30)	(0.26)	(0.33)
Realized gains (losses)	0.21	-	3.32	0.02	0.74
Unrealized gains (losses)	0.34	(0.57)	(0.14)	(1.57)	2.11
Total increase (decrease) from operations²	\$ 0.86	\$ (0.49)	\$ 3.27	\$ (1.41)	\$ 2.90
Distributions:					
From income (excluding dividends)	\$ (0.11)	\$ (0.03)	\$ -	\$ -	\$ -
From dividends	(0.26)	(0.11)	(0.08)	(0.06)	(0.01)
From capital gains	(0.14)	-	(0.85)	-	(0.51)
Total distributions^{2 3}	\$ (0.51)	\$ (0.14)	\$ (0.93)	\$ (0.06)	\$ (0.52)
Net assets, end of year^{2 3}	\$ 12.71	\$ 12.40	\$ 12.73	\$ 12.55	\$ 13.04

Ratios and supplemental data					
Net asset value ⁴	\$ 676,684	\$ 785,347	\$ 47,997	\$ 141,306	\$ 300,049
Units outstanding	53,253	63,336	3,769	11,262	23,003
Management expense ratio ⁵	% 2.13	% 2.13	% 2.13	% 2.14	% 2.55
Management expense ratio before waivers or absorption	2.29	2.42	2.33	2.57	2.83
Portfolio turnover rate ⁶	1.80	0.01	72.92	41.05	62.18
Trading expense ratio ⁷	0.02	0.01	0.09	0.07	0.10
Net asset value per unit, end of year	\$ 12.71	\$ 12.40	\$ 12.73	\$ 12.55	\$ 13.04

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.

Lysander-Patient Capital Equity Fund

Annual Management Report of Fund Performance as at December 31, 2023

Series F

Year ended	31-Dec-2023	31-Dec-2022	31-Dec-2021	31-Dec-2020	31-Dec-2019
Net assets per unit¹					
Net assets, beginning of year	\$ 11.86	\$ 12.07	\$ 12.61	\$ 13.22	\$ 11.48
Operations:					
Total revenue	0.58	0.31	0.36	0.42	0.41
Total expenses	(0.13)	(0.12)	(0.14)	(0.12)	(0.19)
Realized gains (losses)	0.19	(0.01)	3.57	(0.11)	0.61
Unrealized gains (losses)	0.28	(0.35)	(0.83)	(0.54)	1.61
Total increase (decrease) from operations²	\$ 0.92	\$ (0.17)	\$ 2.96	\$ (0.35)	\$ 2.44
Distributions:					
From income (excluding dividends)	\$ (0.12)	\$ (0.03)	\$ -	\$ -	\$ -
From dividends	(0.30)	(0.12)	(0.26)	(0.29)	(0.23)
From capital gains	(0.17)	-	(4.57)	-	(0.64)
Total distributions^{2 3}	\$ (0.59)	\$ (0.15)	\$ (4.83)	\$ (0.29)	\$ (0.87)
Net assets, end of year^{2 3}	\$ 12.18	\$ 11.86	\$ 12.07	\$ 12.61	\$ 13.22
Ratios and supplemental data					
Net asset value ⁴	\$ 11,444,565	\$ 9,737,044	\$ 5,538,476	\$ 3,090,046	\$ 3,815,598
Units outstanding	939,328	821,039	458,876	245,030	288,714
Management expense ratio ⁵	% 1.00	% 1.00	% 0.99	% 0.99	% 1.42
Management expense ratio before waivers or absorption	1.16	1.28	1.41	1.47	1.74
Portfolio turnover rate ⁶	1.80	0.01	72.92	41.05	62.18
Trading expense ratio ⁷	0.02	0.01	0.09	0.07	0.10
Net asset value per unit, end of year	\$ 12.18	\$ 11.86	\$ 12.07	\$ 12.61	\$ 13.22

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.

Lysander-Patient Capital Equity Fund

Annual Management Report of Fund Performance as at December 31, 2023

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.

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.

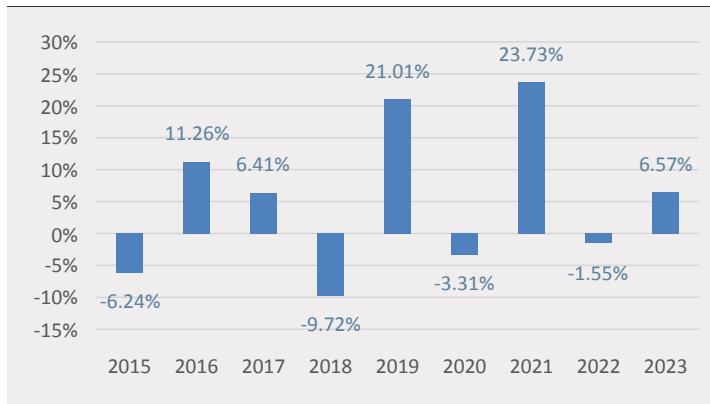
Past Performance

The Fund became a reporting issuer on December 30, 2014. As at December 9, 2021, the Fund no longer had any Series O units outstanding. Accordingly, returns are shown for the relevant period/years as indicated below. On November 1, 2021, the portfolio manager of the fund changed from 18 Asset Management Inc. to Patient Capital Management Inc. and the investment objective of the fund no longer had a Canadian equity securities focus. These changes could have affected the performance of the fund had these changes been in effect throughout the performance measurement period.

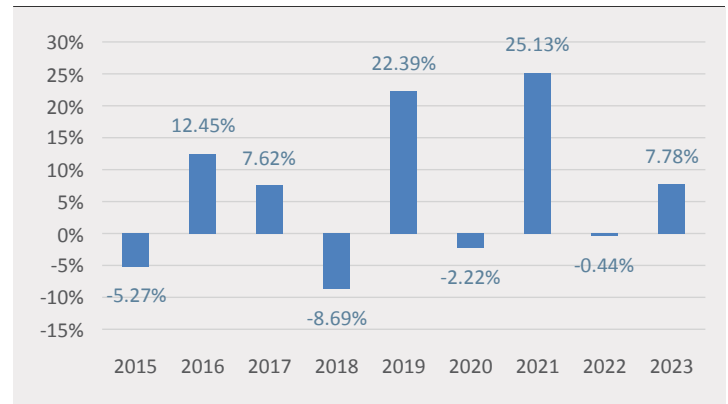
The performance information assumes that any distributions are reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. Past performance does not necessarily indicate how the series will perform in the future.

Year-by-Year Returns

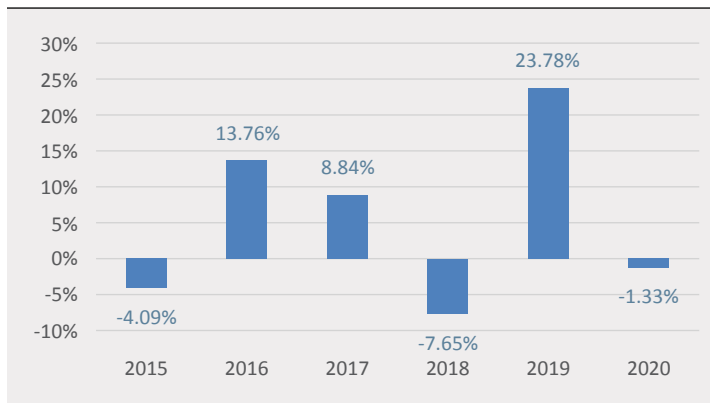
Series A



Series F



Series O



Lysander-Patient Capital Equity Fund

Annual Management Report of Fund Performance as at December 31, 2023

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, 2023		1 Year		3 Year ²		5 Year ²		Since Inception ³
Annual Compound Return								
Series A ¹	%	6.57	%	9.09	%	8.72	%	4.81
Series F ¹		7.78		10.32		9.95		5.98
S&P/TSX Composite Total Return Index ⁴	%	11.75	%	9.59	%	11.30	%	7.29

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 2023 TSX Inc. All Rights Reserved.

Lysander-Patient Capital Equity Fund

Annual Management Report of Fund Performance as at December 31, 2023

Summary of Investment Portfolio

		% of NAV			% of NAV
Top 25 Issuers			Asset Mix		
Cash and Cash Equivalents	%	33.6	Canadian Equities	%	50.5
Canadian Imperial Bank of Commerce		6.5	Cash and Cash Equivalents		33.6
Canadian Utilities Ltd.		6.2	Foreign Equities		15.2
Linamar Corp.		5.8	Other Assets less Liabilities		0.7
Bank Of Nova Scotia		5.5	Total	%	100.0
Verizon Communications Inc.		5.4	Sector		
Bank Of Montreal		5.3	Cash and Cash Equivalents	%	33.6
Honda Motor Co Ltd		5.2	Communication Services		15.0
Toronto-Dominion Bank		5.1	Consumer Discretionary		11.1
BCE Inc.		5.1	Energy		3.3
Firm Capital Property Trust		4.5	Financials		25.6
WPP Plc		4.5	Other Assets less Liabilities		0.7
Canadian Natural Resources Ltd		3.3	Real Estate		4.5
Firm Capital Mortgage Investment Corp.		1.7	Utilities		6.2
Royal Bank Of Canada		1.5	Total	%	100.0
Total	%	99.2			



3080 Yonge Street, Suite 4000
Toronto, ON M4N 3N1
www.lysanderfunds.com

® Lysander Funds is a registered trademark of Lysander Funds Limited