

Semi-Annual Management Report of Fund Performance
As at June 30, 2024

Lysander-Slater Preferred Share Dividend Fund



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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-Slater Preferred Share Dividend Fund (the “Fund”) contains financial highlights for the period ended June 30, 2024 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, 2024. 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 seek to generate income while preserving investor capital by investing primarily in preferred securities of Canadian issuers that are listed on a Canadian stock exchange.

Investment Strategies

The Fund’s portfolio manager is Slater Asset Management Inc. (“Portfolio Manager” or “Slater”). The Fund’s portfolio is primarily invested in preferred shares of Canadian issuers listed in Canada, using fundamental and credit research. The Fund will not be leveraged. The Fund may invest (at the time of purchase)

up to 30% of its assets in foreign securities. 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 six-month period ended June 30, 2024 were 14.14% for Series A and 14.46% for Series F. The S&P/TSX Preferred Share Index was up 14.19% during the same period.

The net assets of the Fund were approximately \$83.5 million at June 30, 2024 from \$62.7 million at the beginning of the period. There were net subscriptions of approximately \$13.0 million during the period.

Following last year’s persistent high inflation, the Bank of Canada cut interest rates by a quarter of a percentage point in May 2024, with the overnight lending rate sitting at 4.75% at the end of the period. As a result, the CAD 5-year bond yield (“benchmark” for fixed rate preferred share resets) finished at 3.4%, only slightly down from the 3.57% level it was at the beginning of the period. The strong bond yields helped support fixed rate resets that were due for reset as they received 200-400 basis points higher current yield pick-up as they received a new higher dividend rate.

Furthermore, favourable demand/supply dynamics continued to be the star theme for the Preferred Share market’s positive performance with approximately \$5 billion in Preferred Shares being called for redemption in 2024. Redemptions of certain

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preferred shares from TD, BMO, CIBC, and RBC surprised the market and helped spark a rally as Slater expects all of these bank resets to be called upon their next reset date.

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

Slater's view is that the Canadian Preferred Share market remains at an attractive level with bond yields remaining above 3% and continued favorable demand/supply dynamics. However, the market is due for a slight pullback after being up over 25% since October 2023. Another risk to Slater's outlook is that a severe recession occurs, resulting in extreme downward pressure on bond yields.

With this in mind, the Fund has reduced exposure to resets that are fully valued and approaching par value and to other mid-level investment grade resets that have duration risks. The Fund increased its exposure to high spread and dividend rate resets in the OTC \$1000 Preferred Share market that are more defensive to 18.4% at the end of the period

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 \$355,132 (including HST) in management fees to the Manager for the period ended June 30, 2024 (June 30, 2023 - \$309,828).

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 \$161,231 (including HST) to the Portfolio Manager for the period ended June 30, 2024 (June 30, 2023 - \$136,944).

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-2024	31-Dec-2023	31-Dec-2022	31-Dec-2021	31-Dec-2020	31-Dec-2019
Net assets per unit¹						
Net assets, beginning of period	\$ 7.80	\$ 7.57	\$ 9.67	\$ 7.84	\$ 8.33	\$ 8.53
Operations:						
Total revenue	0.23	0.44	0.42	0.42	0.41	0.47
Total expenses	(0.06)	(0.12)	(0.13)	(0.14)	(0.11)	(0.13)
Realized gains (losses)	0.46	(0.97)	(0.32)	1.08	(1.29)	(1.09)
Unrealized gains (losses)	0.47	1.20	(1.77)	0.84	0.64	0.85
Total increase (decrease) from operations²	\$ 1.10	\$ 0.55	\$ (1.80)	\$ 2.20	\$ (0.35)	\$ 0.10
Distributions:						
From income (excluding dividends)	\$ (0.20)	\$ (0.01)	\$ -	\$ -	\$ -	\$ -
From dividends	-	(0.33)	(0.30)	(0.24)	(0.34)	(0.32)
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	(0.08)	-	-
Total distributions^{2 3}	\$ (0.20)	\$ (0.34)	\$ (0.30)	\$ (0.32)	\$ (0.34)	\$ (0.32)
Net assets, end of period^{2 3}	\$ 8.69	\$ 7.80	\$ 7.57	\$ 9.67	\$ 7.84	\$ 8.33
Ratios and supplemental data						
Net asset value ⁴	\$ 12,198,253	\$ 11,093,819	\$ 12,818,292	\$ 19,517,906	\$ 17,676,754	\$ 25,827,659
Units outstanding	1,402,998	1,421,796	1,693,176	2,018,179	2,254,836	3,101,718
Management expense ratio ⁵	% 1.52	% 1.53	% 1.49	% 1.52	% 1.56	% 1.54
Management expense ratio before waivers or absorption	1.52	1.53	1.49	1.52	1.56	1.54
Portfolio turnover rate ⁶	41.6	109.8	82.1	121.8	157.7	84.8
Trading expense ratio ⁷	0.14	0.34	0.24	0.43	0.60	0.40
Net asset value per unit, end of period	\$ 8.69	\$ 7.80	\$ 7.57	\$ 9.67	\$ 7.84	\$ 8.33

Notes

- 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.
- 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.
- 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.

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Series F

Period ended	30-Jun-2024	31-Dec-2023	31-Dec-2022	31-Dec-2021	31-Dec-2020	31-Dec-2019
Net assets per unit¹						
Net assets, beginning of period	\$ 7.95	\$ 7.70	\$ 9.80	\$ 7.92	\$ 8.38	\$ 8.58
Operations:						
Total revenue	0.23	0.45	0.42	0.42	0.43	0.47
Total expenses	(0.04)	(0.07)	(0.08)	(0.09)	(0.07)	(0.08)
Realized gains (losses)	0.20	(0.96)	(0.27)	1.07	(1.24)	(1.08)
Unrealized gains (losses)	0.70	1.20	(1.88)	0.68	0.71	0.76
Total increase (decrease) from operations²	\$ 1.09	\$ 0.62	\$ (1.81)	\$ 2.08	\$ (0.17)	\$ 0.07
Distributions:						
From income (excluding dividends)	\$ (0.22)	\$ (0.01)	\$ -	\$ -	\$ -	\$ -
From dividends	-	(0.36)	(0.32)	(0.24)	(0.36)	(0.36)
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	(0.10)	-	-
Total distributions^{2 3}	\$ (0.22)	\$ (0.37)	\$ (0.32)	\$ (0.34)	\$ (0.36)	\$ (0.36)
Net assets, end of period^{2 3}	\$ 8.87	\$ 7.95	\$ 7.70	\$ 9.80	\$ 7.92	\$ 8.38

Ratios and supplemental data						
Net asset value ⁴	\$ 71,330,682	\$ 51,598,167	\$ 51,316,465	\$ 78,535,564	\$ 47,850,514	\$ 53,479,670
Units outstanding	8,037,536	6,489,051	6,661,345	8,011,843	6,043,971	6,379,154
Management expense ratio ⁵	% 0.96	% 0.94	% 0.92	% 0.96	% 0.99	% 0.98
Management expense ratio before waivers or absorption	0.96	0.94	0.92	0.96	0.99	0.98
Portfolio turnover rate ⁶	41.6	109.8	82.1	121.8	157.7	84.8
Trading expense ratio ⁷	0.14	0.34	0.24	0.43	0.60	0.40
Net asset value per unit, end of period	\$ 8.87	\$ 7.95	\$ 7.70	\$ 9.80	\$ 7.92	\$ 8.38

Notes

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- 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.
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- 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.
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Management Fees

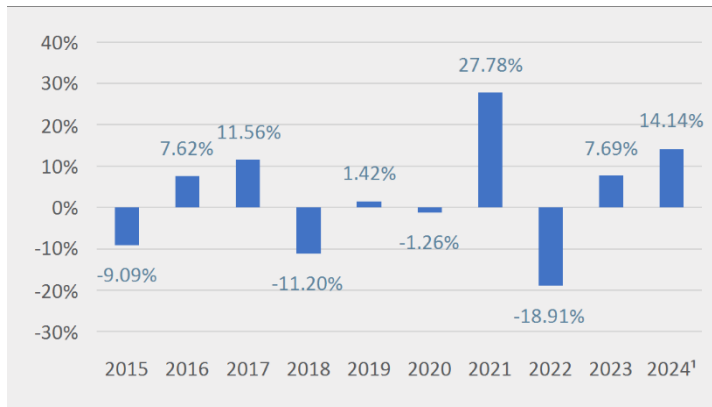
The Manager provides or arranges the provision of all general management and administrative services required by the Fund, and as described in the section “Related Party Transactions” above.

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 1.25% per annum for Series A units and at a rate of 0.75 % per annum for Series F units.

Service fees or trailing commissions of a maximum of 0.50% per annum are paid on Series A units to dealers. This comprises approximately 40% of the management fee of Series A units.

Year-by-Year Returns

Series A

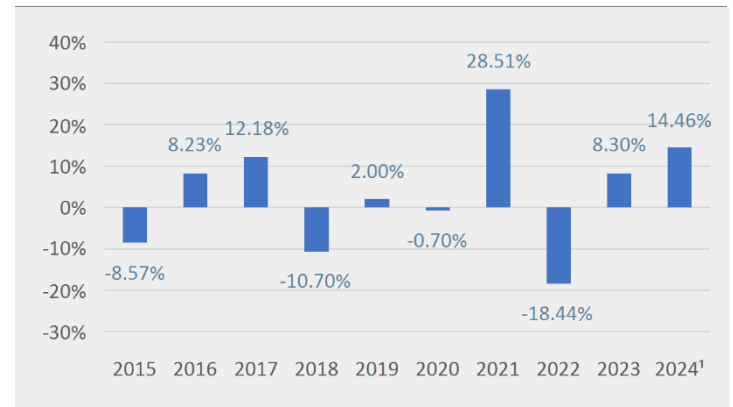


Past Performance

The Fund became a reporting issuer on December 30, 2014. Accordingly, returns are shown for the relevant period/years as indicated below.

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.

Series F



¹ 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	
Manulife Financial Corp.	9.5	Canadian Equities	1.2
Toronto-Dominion Bank	8.4	Canadian Fixed Income	1.0
Bank Of Montreal	8.3	Cash and Cash Equivalents	3.0
Royal Bank Of Canada	8.0	Other Assets less Liabilities	0.3
Canadian Imperial Bank of Commerce	7.9	Preferred Shares	94.5
Pembina Pipeline Corp.	5.7	Total	100.0
Enbridge Inc.	5.6	Sector	
Sun Life Financial Inc.	5.4	Cash and Cash Equivalents	3.0
Fairfax Financial Holdings Ltd	4.7	Communication Services	1.4
TC Energy Corp.	4.2	Energy	18.8
Great-West Lifeco Inc.	4.1	Financials	62.2
Power Financial Corp.	3.8	Industrials	0.6
Cenovus Energy Inc.	3.2	Other Assets less Liabilities	0.3
Cash and Cash Equivalents	3.0	Utilities	13.7
Canadian Utilities Ltd.	2.9	Total	100.0
Altagas Ltd	2.7		
Emera Inc.	2.4		
Capital Power Corp.	2.1		
Fortis Inc.	1.5		
Transalta Corp.	1.5		
BCE Inc.	1.1		
Royal Bank Of Canada (Debt)	1.0		
Purpose High Interest Savings	0.8		
Thomson Reuters Corp.	0.6		
Northland Power Inc.	0.5		
Total	98.9		



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