

Semi-Annual Management Report of Fund Performance
As at June 30, 2025

Lysander Balanced Income 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 Balanced Income Fund (the “Fund”) contains financial highlights for the period ended June 30, 2025 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, 2025. 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 above average, long-term total returns consisting of both income and capital gains by investing primarily in a portfolio of fixed income securities and equities.

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 consists of a combination of fixed income securities and equity securities. The Portfolio Manager is responsible primarily for the overall asset allocation and cash management of the Fund’s portfolio.

Fixed income securities may include evidences of indebtedness of governments, government agencies, supranational agencies and companies, trusts and limited partnerships from anywhere in the world. Fixed income securities are selected based on a “bottom up” approach focusing on individual securities using an assessment of expected future return versus risk. The weight of any particular security in the Fund will also be based on an assessment of the security’s maximum downside in a bankruptcy or similar event. There are no limits on the percentage of the Fund’s fixed income portfolio that can be invested in securities rated below BBB by a rating agency or that are not rated.

Equity holdings may consist of equity securities from anywhere in the world. The investment approach is based on selecting a portfolio of stocks believed to meet a combination of qualitative fundamental selection criteria, attractive financial parameters and other positive attributes.

The Fund may invest up to 100% of its net 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

During the period, 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.

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The Fund returns for the six-month period ended June 30, 2025 were 2.50% for Series A and 2.93% for Series F.

The net assets of the Fund were approximately \$4.6 million at June 30, 2025 from approximately \$4.4 million at the beginning of the period. There were net subscriptions of approximately \$53.8 thousand during 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

Early in the period, markets in both Canada and the US experienced a brief honeymoon period, driven by greater economic growth expectations following the inauguration of US President Trump. However, economic growth expectations were pared back later in the period, and replaced with greater levels of economic uncertainty with the announcement of certain US trade and economic policies - namely, the announcement of the "Liberation Day" reciprocal tariffs in the US on April 2nd, and the subsequent pause on those tariffs announced on April 9th; and the announcement of the One, Big, Beautiful Bill in the US on May 20, 2025.

During the period, the Bank of Canada reduced its overnight policy rate twice, each by 25bps, to end the period at a level of 2.75%. In their March 2025 policy rate announcement, the Bank of Canada noted: "Economic growth in the first quarter of 2025 will likely slow as the intensifying trade conflict weighs on sentiment and activity".

During the period, the Federal Reserve (the "Fed") kept the upper bound of the Fed Funds Target Rate steady at a level of 4.5%. The Fed's policy stance reflected cautiousness over mixed economic data releases – especially between "soft" survey-based data and "hard" real economic data – and the potential for a resurgence of inflation.

The bond side of the Fund maintains a sizeable position in short dated, liquid government securities as both credit and interest rate risks remained elevated. The Fund participated in four new high-quality issues during the period as there continues to be a preference for high quality given a lack of compensation for lower quality bonds. New issues include A-rated Honda Canada Finance, AA-rated MetLife Global Funding and AA-rated senior unsecured issues of BNS and TD. The weight in AAA/AA

securities is 43.0%. These higher quality, liquid positions will allow the Fund to take advantage of future market opportunities. The weight in BB and below securities is 11.7% as spreads on high yield bonds remain expensive.

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 \$19,154 (including HST) in management fees to the Manager for the period ended June 30, 2025 (June 30, 2024 - \$18,535).

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 \$9,415 (including HST) to the Portfolio Manager for the period ended June 30, 2025 (June 30, 2024 - \$9,201).

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-2025	31-Dec-2024	31-Dec-2023	31-Dec-2022	31-Dec-2021	31-Dec-2020
Net assets per unit¹						
Net assets, beginning of period	\$ 12.41	\$ 11.52	\$ 11.49	\$ 12.82	\$ 11.13	\$ 10.71
Operations:						
Total revenue	0.23	0.49	0.59	0.35	0.35	0.39
Total expenses	(0.12)	(0.24)	(0.23)	(0.24)	(0.25)	(0.22)
Realized gains (losses)	0.01	0.20	1.51	0.79	0.58	(0.32)
Unrealized gains (losses)	0.19	0.93	(1.20)	(1.62)	1.10	0.76
Total increase (decrease) from operations²	\$ 0.31	\$ 1.38	\$ 0.67	\$ (0.72)	\$ 1.78	\$ 0.61
Distributions:						
From income (excluding dividends)	\$ (0.08)	\$ (0.11)	\$ (0.07)	\$ (0.06)	\$ -	\$ (0.01)
From dividends	-	(0.16)	(0.10)	(0.07)	(0.09)	(0.16)
From capital gains	-	(0.15)	(0.41)	(0.47)	-	-
Total distributions^{2 3}	\$ (0.08)	\$ (0.42)	\$ (0.58)	\$ (0.60)	\$ (0.09)	\$ (0.17)
Net assets, end of period^{2 3}	\$ 12.63	\$ 12.41	\$ 11.52	\$ 11.49	\$ 12.82	\$ 11.13
Ratios and supplemental data						
Net asset value ⁴	\$ 79,866	\$ 76,294	\$ 19,293	\$ 6,580	\$ 6,972	\$ 6,010
Units outstanding	6,323	6,150	1,675	573	544	540
Management expense ratio ⁵	% 2.00	% 1.97	% 1.98	% 1.99	% 1.98	% 1.99
Management expense ratio before waivers or absorption	2.33	2.59	2.83	7.05	2.39	2.61
Portfolio turnover rate ⁶	3.8	88.9	77.6	85.0	57.0	119.6
Trading expense ratio ⁷	-	-	0.04	0.18	0.13	0.10
Net asset value per unit, end of period	\$ 12.63	\$ 12.41	\$ 11.52	\$ 11.49	\$ 12.82	\$ 11.13

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 Accounting Standards as issued by the International Accounting Standards Board ("IASB").
- 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 ("MER") is based on the total expenses of the period ended, including the Fund's proportionate share of the MER, if any, of any underlying fund in which the Fund has invested, and is expressed as an annualized percentage of daily average net asset value 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 ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. Where the Fund invests in any underlying fund, the TER includes the Fund's proportionate share of the commissions of any underlying fund in which the Fund invested.

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Series F

Period ended	30-Jun-2025	31-Dec-2024	31-Dec-2023	31-Dec-2022	31-Dec-2021	31-Dec-2020
Net assets per unit¹						
Net assets, beginning of period	\$ 11.26	\$ 10.49	\$ 10.84	\$ 12.85	\$ 11.15	\$ 10.73
Operations:						
Total revenue	0.21	0.44	0.45	0.32	0.35	0.39
Total expenses	(0.06)	(0.12)	(0.13)	(0.15)	(0.15)	(0.13)
Realized gains (losses)	0.01	0.21	0.73	0.68	0.59	(0.32)
Unrealized gains (losses)	0.18	0.76	(0.36)	(2.04)	1.11	0.83
Total increase (decrease) from operations²	\$ 0.34	\$ 1.29	\$ 0.69	\$ (1.19)	\$ 1.89	\$ 0.77
Distributions:						
From income (excluding dividends)	\$ (0.12)	\$ (0.12)	\$ (0.13)	\$ (0.09)	\$ (0.04)	\$ (0.04)
From dividends	-	(0.20)	(0.18)	(0.10)	(0.16)	(0.23)
From capital gains	-	(0.19)	(0.71)	(0.63)	-	-
Total distributions^{2 3}	\$ (0.12)	\$ (0.51)	\$ (1.02)	\$ (0.82)	\$ (0.20)	\$ (0.27)
Net assets, end of period^{2 3}	\$ 11.47	\$ 11.26	\$ 10.49	\$ 10.84	\$ 12.85	\$ 11.15
Ratios and supplemental data						
Net asset value ⁴	\$ 4,499,749	\$ 4,367,915	\$ 4,310,622	\$ 4,041,849	\$ 4,457,681	\$ 3,775,428
Units outstanding	392,419	387,843	410,845	372,723	347,005	338,516
Management expense ratio ⁵	% 1.15	% 1.13	% 1.14	% 1.15	% 1.14	% 1.15
Management expense ratio before waivers or absorption	1.48	1.69	1.49	1.65	1.54	1.78
Portfolio turnover rate ⁶	3.8	88.9	77.6	85.0	57.0	119.6
Trading expense ratio ⁷	-	-	0.04	0.18	0.13	0.10
Net asset value per unit, end of period	\$ 11.47	\$ 11.26	\$ 10.49	\$ 10.84	\$ 12.85	\$ 11.15

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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- This information is provided at the end of the period shown.
- The management expense ratio ("MER") is based on the total expenses of the period ended, including the Fund's proportionate share of the MER, if any, of any underlying fund in which the Fund has invested, and is expressed as an annualized percentage of daily average net asset value 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 ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. Where the Fund invests in any underlying fund, the TER includes the Fund's proportionate share of the commissions of any underlying fund in which the Fund invested.

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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 1.50% 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 0.75% per annum are paid on Series A units to dealers. This comprises approximately 50% of the management fee of Series A units.

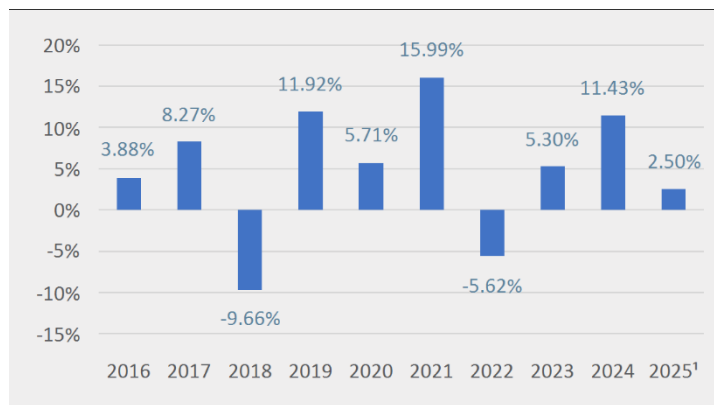
Past Performance

The Fund became a reporting issuer on December 31, 2015. Accordingly, returns are shown for the relevant period/years as indicated below. Effective December 23, 2019, the portfolio manager of the Fund changed from Triasima Portfolio Management Inc. to Canso Investment Counsel Ltd. Commencing on the same date, Triasima Portfolio Management Inc. was appointed sub-advisor to Canso Investment Counsel Ltd. in respect of the Fund. Effective January 31, 2021, the portfolio manager of the Fund changed from Canso Investment Counsel Ltd. to Lysander Funds Limited. Commencing on the same date, Canso Investment Counsel Ltd. was appointed sub-advisor to Lysander Funds Limited in respect of the Fund. Triasima Portfolio Management Inc. remained as a sub-advisor to the Fund. Effective December 22, 2022, the portfolio manager of the Fund changed from Lysander Funds Limited to Canso Investment Counsel Ltd., and the Fund ceased to have sub-advisors. These changes could have affected the performance of the Fund had these changes been in effect throughout the performance measurement period.

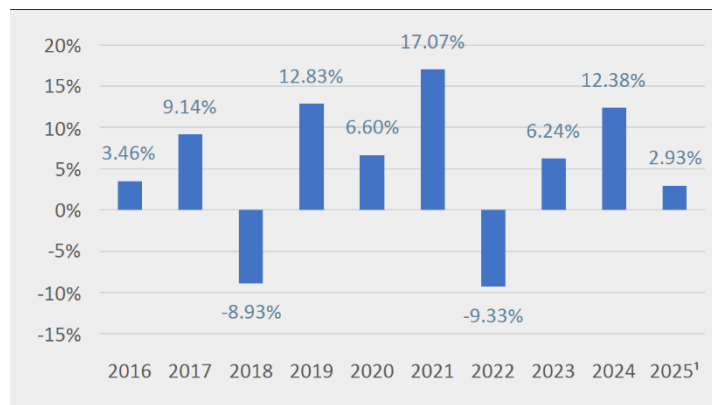
The performance information assumes that any distributions are reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. Past performance does not necessarily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

Year-by-Year Returns

Series A



Series F



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		
Government of Canada (Debt)	%	31.7	Canadian Equities	%	26.4
Manulife Financial Corp. (Equity)		7.9	Canadian Fixed Income		45.1
TC Energy Corporation (Equity)		6.6	Cash and Cash Equivalents		0.4
Sun Life Financial Inc. (Equity)		6.3	Foreign Fixed Income		10.2
Enbridge Inc. (Equity)		4.2	Inflation Bonds		1.6
Air Canada (Debt)		3.4	Mortgage Backed Securities		5.7
TD Bank Group (Debt)		3.4	Other Assets less Liabilities		0.4
BCE Inc. (Equity)		3.4	Preferred Shares		7.0
Scotia Capital Inc. (Debt)		3.2	Private Placements		3.2
The Hertz Corp. (Debt)		3.1	Total	%	100.0
Bank of Nova Scotia (Debt)		2.8	Sector		
Toyota Credit Canada Inc. (Debt)		2.7	Cash and Cash Equivalents	%	0.4
Metropolitan Life Global Funding (Debt)		2.3	Communication Services		3.6
Royal Bank of Canada (Debt)		2.2	Consumer Discretionary		7.7
Definity Financial Corp. (Equity)		2.1	Consumer Staples		6.7
Loblaw Companies Ltd. (Equity)		1.9	Energy		12.7
Avis Budget Car Rental (Debt)		1.7	Financials		34.5
MCAP Corp. (Debt)		1.3	Government		32.4
Spirit AeroSystems Inc. (Debt)		1.2	Industrials		1.6
RBC Dominion Securities Inc. (Debt)		1.1	Other Assets less Liabilities		0.4
TransCanada Pipelines Ltd. (Debt)		1.1	Total	%	100.0
Government of USA (Debt)		0.7			
Pet Valu Holdings Ltd. (Equity)		0.6			
New York Life Global Funding (Debt)		0.6			
Bank of Montreal (Debt)		0.5			
Total	%	96.0			



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