

Interim Financial Statements (unaudited)
For the six month periods ended June 30, 2019 and 2018

Lysander-Canso Balanced Fund



Lysander-Canso Balanced Fund

Interim Financial Statements Six-Month Period Ended June 30, 2019 (unaudited)

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Lysander-Canso Balanced Fund

Interim Statements of Financial Position (unaudited)

As at	30-Jun-19	31-Dec-18
Assets		
Financial assets at fair value through profit or loss*	\$ 29,757,940	\$ 30,611,316
Cash and cash equivalents	34,622	1,091,338
Due from investment dealers	96,817	–
Accrued interest	82,485	98,911
Receivable from forward exchange contracts	40,214	–
Subscriptions receivable	13,250	20,816
Dividends receivable	1,810	10,862
Total assets	\$ 30,027,138	\$ 31,833,243
Liabilities		
Redemptions payable	\$ 57,060	\$ 3,230
Accrued expenses	45,156	47,435
Payable on forward exchange contracts	–	39,044
Total liabilities	\$ 102,216	\$ 89,709
Net assets attributable to holders of redeemable units	\$ 29,924,922	\$ 31,743,534
Net assets attributable to holders of redeemable units, per series		
Series A	\$ 11,666,420	\$ 13,883,005
Series F	18,258,502	17,860,529
Total net assets	\$ 29,924,922	\$ 31,743,534
Number of redeemable units outstanding		
Series A	830,700	1,044,425
Series F	1,154,568	1,190,381
Net assets attributable to holders of redeemable units per unit		
Series A	\$ 14.04	\$ 13.29
Series F	15.81	15.00
* Financial assets at fair value through profit or loss at cost	\$ 36,510,275	\$ 38,217,302

Interim Statements of Comprehensive Income (unaudited)

For the periods ended	30-Jun-19	30-Jun-18
Income		
Interest for distribution purposes	\$ 218,554	\$ 233,421
Dividend income	340,392	202,986
Other income	1,412	1,464
Realized and unrealized gain (loss) on investments		
Net realized gain on investments sold	801,272	2,301,321
Net realized (loss) on foreign currency	(15,562)	(26,690)
Change in (depreciation) unrealized on foreign currency	(59)	(68)
Change in appreciation (depreciation) unrealized on forward contracts	79,258	(23,649)
Change in appreciation (depreciation) unrealized on investments	869,552	(591,524)
Total operating income	\$ 2,294,819	\$ 2,097,261
Expenses		
Management fees	\$ 188,226	\$ 251,826
Transaction costs	15,901	29,361
Fund administration fees	9,598	13,507
Filing fees	8,500	6,451
Audit fees	4,084	4,359
Unitholder reporting expense	1,709	1,789
Regulatory fees expense	1,452	1,037
Bank charges	702	457
Legal fees	500	–
Independent review committee fees	300	608
Custodial fees	(300)	5,951
Blended HST expense	–	9,695
Total operating expenses	\$ 230,672	\$ 325,041
Withholding tax	\$ 37,062	\$ 15,654
Total net operating expenses	\$ 267,734	\$ 340,695
Change in net assets attributable to holders of redeemable units from operations	\$ 2,027,085	\$ 1,756,566
Change in net assets attributable to holders of redeemable units from operations, per series		
Series A	\$ 837,214	\$ 817,453
Series F	1,189,871	939,113
Change in total net assets	\$ 2,027,085	\$ 1,756,566
Change in net assets attributable to holders of redeemable units from operations per unit		
Series A	\$ 0.89	\$ 0.70
Series F	1.01	0.86

Lysander-Canso Balanced Fund

Interim Statements of Changes in Net Assets Attributed to Holders of Redeemable Units (unaudited)

All Series

For the periods ended	30-Jun-19	30-Jun-18
Net assets attributable to holders of redeemable units, beginning of period	\$ 31,743,534	\$ 41,226,302
Change in net assets attributable to holders of redeemable units from operations	2,027,085	1,756,566
Distributions to unitholders of redeemable units		
From net investment income	\$ (323,434)	\$ (101,692)
From management fee rebate income	(1,383)	(1,464)
	\$ (324,817)	\$ (103,156)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Series A	\$ 71,968	\$ 723,017
Series F	929,407	3,033,169
Total proceeds	\$ 1,001,375	\$ 3,756,186
Cost of units redeemed		
Series A	\$ (3,113,102)	\$ (3,204,604)
Series F	(1,714,821)	(2,791,949)
Total cost	\$ (4,827,923)	\$ (5,996,553)
Reinvested distributions		
Series A	\$ 68,794	\$ 1,035
Series F	236,874	93,140
Total reinvested	\$ 305,668	\$ 94,175
Change in net assets attributable to holders of redeemable units for the period	\$ (1,818,612)	\$ (492,782)
Net assets attributable to holders of redeemable units, end of period	\$ 29,924,922	\$ 40,733,520

Series A

For the periods ended	30-Jun-19	30-Jun-18
Net assets attributable to holders of redeemable units, beginning of period	\$ 13,883,005	\$ 20,649,347
Change in net assets attributable to holders of redeemable units from operations	837,214	817,453
Distributions to unitholders of redeemable units		
From net investment income	\$ (80,460)	\$ -
From management fee rebate income	(999)	(1,035)
Total distributions	\$ (81,459)	\$ (1,035)
Redeemable unit transactions		
Proceeds from redeemable units issued		
	\$ 71,968	\$ 723,017
Cost of units redeemed	(3,113,102)	(3,204,604)
Reinvested distributions	68,794	1,035
Total redeemable	\$ (2,972,340)	\$ (2,480,552)
Change in net assets attributable to holders of redeemable units for the period	\$ (2,216,585)	\$ (1,664,134)
Net assets attributable to holders of redeemable units, end of period	\$ 11,666,420	\$ 18,985,213

Series F

For the periods ended	30-Jun-19	30-Jun-18
Net assets attributable to holders of redeemable units, beginning of period	\$ 17,860,529	\$ 20,576,955
Change in net assets attributable to holders of redeemable units from operations	1,189,871	939,113
Distributions to unitholders of redeemable units		
From net investment income	\$ (242,974)	\$ (101,692)
From management fee rebate income	(384)	(429)
Total distributions	\$ (243,358)	\$ (102,121)
Redeemable unit transactions		
Proceeds from redeemable units issued		
	\$ 929,407	\$ 3,033,169
Cost of units redeemed	(1,714,821)	(2,791,949)
Reinvested distributions	236,874	93,140
Total redeemable	\$ (548,540)	\$ 334,360
Change in net assets attributable to holders of redeemable units for the period	\$ 397,973	\$ 1,171,352
Net assets attributable to holders of redeemable units, end of period	\$ 18,258,502	\$ 21,748,307

Lysander-Canso Balanced Fund

Interim Statements of Cash Flows (unaudited)

For the periods ended	30-Jun-19	30-Jun-18
Cash flows from (used in) operating activities		
Change in net assets attributable to holders of redeemable units from operations	\$ 2,027,085	\$ 1,756,566
Adjustments for:		
Foreign exchange loss on cash and cash equivalents	-	2
Net realized (gain) on sales of investments	(801,272)	(2,301,321)
Change in unrealized (appreciation) depreciation on investments	(853,651)	620,885
Change in unrealized depreciation on foreign currency	59	68
Purchases of investments	(5,685,349)	(8,849,717)
Proceeds from sale and maturity of investments	8,193,648	10,859,759
Redemptions payable	53,830	(40,843)
Accrued interest	16,426	16,649
Dividends receivable	9,052	(789)
Subscriptions receivables	7,566	-
Accrued expenses	(2,279)	(1,708)
Payable on forward exchange contracts	(39,044)	-
Receivable from forward exchange contracts	(40,214)	23,649
Due from investment dealers	(96,817)	-
Due to investment dealers	-	480,000
Net cash from (used in) operating activities	\$ 2,789,040	\$ 2,563,200
Cash flows from (used in) financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	\$ (19,149)	\$ (8,981)
Proceeds from issuances of redeemable units	1,001,375	3,756,186
Amounts paid on redemption of redeemable units	(4,827,923)	(5,996,553)
Net cash from (used in) financing activities	\$ (3,845,697)	\$ (2,249,348)
Foreign exchange (loss) on cash and cash equivalents	\$ (59)	\$ (70)
(Decrease) Increase in cash and cash equivalents during the period	(1,056,657)	313,852
Balance of cash and cash equivalents, beginning of period	1,091,338	86,291
Cash and cash equivalents at the end of period	\$ 34,622	\$ 400,073
Supplementary disclosures on cash flow from operating activities		
Interest received	\$ 233,640	\$ 250,067
Dividends received	349,444	202,198
Withholding tax	37,062	15,654
Interest paid	702	457

Interim Schedule of Investment Portfolio as at June 30, 2019 (unaudited)

Par Value/Number of Shares	Average Cost (\$)	Fair Value (\$)	
Asian Equities (4.5%)			
2,383	Nintendo Co Ltd	\$ 329,516	\$ 1,142,901
12,400	Tata Motors Ltd. ADR	217,236	189,670
Total		\$ 546,752	\$ 1,332,571
Canadian Equities (36.5%)			
502,300	Bombardier Inc.	\$ 1,113,943	\$ 1,105,060
41,900	Canfor Pulp Products Inc.	442,845	450,006
34,700	Cenovus Energy Inc.	404,255	400,785
3,455,958	Clearstream Energy Services Inc.	1,210,380	181,437
90,700	David's Tea Inc.	144,203	154,413
18,023	Enbridge Inc.	693,033	852,488
62,200	Encana Corporation	398,074	417,984
4,500	Linamar Corp	215,640	219,960
31,319	Manulife Financial Corp.	659,871	745,392
123,200	Maxar Technologies Ltd.	3,285,180	1,268,960
630,000	Second Cup Ltd.	2,396,353	1,071,000
41,450	SNC Lavalin	1,385,731	1,097,596
415,852	Torstar Corp.	1,888,129	382,584
2,703	Xplornet Comm Inc. Warrants Series A Sept 30, 2020 144A	147,675	256,929
963	Xplornet Comm Inc. Warrants Series B Sept 30, 2020 144A	21,176	36,606
1,421	Xplornet Comm Inc. Warrants Series C Oct 25, 2023 Restricted	547,319	670,623
585	Xplornet Comm Inc. Warrants Series D Oct 25, 2023	119,398	296,591
183,910	Yellow Pages Limited	2,590,700	1,302,083
Total		\$ 17,663,905	\$ 10,910,497
Canadian Fixed Income (11.7%)			
111,000	Bombardier Inc. 7.875% Apr 15, 2027 (USD) 144A	\$ 147,596	\$ 145,909
96,700	ClearStream Energy Services Inc. 8% Mar 23, 2026	96,700	82,195
134,696	CP Rail (amort) 6.91% Oct 1, 2024	163,939	152,168

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Lysander-Canso Balanced Fund

Interim Schedule of Investment Portfolio as at June 30, 2019 (unaudited)

Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)	Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)
Canadian Fixed Income (11.7%)							
<i>Cont'd</i>							
67,000	Element Fleet Management 4.25% Jun 30, 2020	64,731	67,168	250,000	TD CB FRN Jun 28, 2023 (3M CDOR + 31)	250,000	251,337
29,000	Element Fleet Management 4.25% Jun 30, 2024	29,000	31,139	92,000	TransCanada Pipelines 8.05% Feb 17, 2039	143,831	144,009
16,000	Enbridge Gas 3.51% Nov 29, 2047	15,988	17,294	257,000	TransCanada Pipelines FRN May 15, 2067 (3M LIBOR+221) (USD)	270,819	260,086
72,000	Enbridge Inc. 4.57% Mar 11, 2044	69,242	78,833	14,000	Union Gas 3.59% Nov 22, 2047	14,181	15,300
66,000	Ford Credit Canada Co. 3.742% May 8, 2023	62,617	66,331	91,000	Union Gas Ltd 4.2% Jun 2, 2044	101,288	108,077
264,000	Ford Credit Canada Co. FRN Jan 10, 2022 (3M CDOR + 303)	264,000	271,767	42,000	Videotron Ltee 5.75% Jan 15, 2026	43,620	44,406
90,000	Ford Credit Canada Co. FRN Mar 21, 2024 (3M CDOR + 314)	90,000	92,889	92,000	Videotron Ltee Sr Notes 5.625% Jun 15, 2025	96,521	98,383
18,959	Hwy 407 (amort) 6.75% Jul 27, 2039	25,151	25,679	45,756	Yellow Pages Digital & Media Solutions Ltd 8.0% Nov 30, 2022	41,439	45,756
109,000	Hwy 407 Jr Secured 7.125% Jul 26 2040	167,942	171,891	31,000	Yellow Pages Digital & Media Solutions Ltd. 10% Nov 1, 2022	30,833	31,804
74,800	Nav Canada (amort) 7.56% Mar 1, 2027	96,776	90,079	Total		\$ 3,373,021	\$ 3,487,927
4,000	Nav Canada 3.209% Sept 29, 2050	4,050	4,340	European Equities (9.7%)			
30,000	Nav Canada 3.293% Mar 30, 2048	30,840	32,906	6,200	Bayer AG - REG	\$ 734,982	\$ 566,043
134,853	Postmedia Network Inc. 8.25% Jul 15, 2021	137,478	134,853	73,660	Commerzbank AG - ORD	1,147,076	693,790
40,000	RBC FRN June 29, 2085(USD)(Q LIMEAN+25)	32,206	41,336	249,150	Royal Bank of Scotland Group PLC - London	1,577,892	916,845
399,000	Shaw Communications Inc. 6.75% Nov 9, 2039	478,282	532,744	44,453	UniCredit S.p.A	1,281,477	720,863
118,000	SNC Lavalin FRN Mar 2, 2021 (Q CDOR + 54)	118,000	115,810	Total		\$ 4,741,427	\$ 2,897,541
32,000	Sobeys Inc. 4.7% Aug 8, 2023	33,360	33,867	Foreign Fixed Income (14.7%)			
9,000	Sobeys Inc. 5.79% Oct 6, 2036	9,659	10,221	569,000	Apple Inc. 2.513% Aug 19, 2024	\$ 567,068	\$ 578,826
101,000	Sobeys Inc. 6.06% Oct 29, 2035	100,739	117,186	282,000	AT&T Inc. 4.85% May 25, 2047	281,148	297,609
137,000	Sobeys Inc. 6.64% Jun 7, 2040	142,193	172,164	282,000	AT&T Inc. 5.10% Nov 25, 2048	280,556	308,158
				113,000	BZ Holdings Inc. 3% May 22, 2022	137,871	147,983
				170,000	Caisse Francaise de Financement Local 5.0% Mar 9, 2020	191,648	173,371
				254,000	Eurofima 4.55% Mar 30, 2027	284,442	296,956
				141,000	GE Capital Corp 5.875% Jan 14, 2038 (USD)	178,480	209,392
				57,000	GE Capital Corp 6.875% Jan 10, 2039 (USD)	78,444	94,021

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Interim Schedule of Investment Portfolio as at June 30, 2019 (unaudited)

Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)	Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)
Foreign Fixed Income (14.7%)							
<i>Cont'd</i>							
8,000	GE Capital Corp FRN Apr 15, 2023 (USD) (Q LIBOR +100)	9,514	10,312	204,102	Merrill Lynch NHA MBS FRN (98003230) Jan 1, 2024 (M CDOR- 16.6)	202,020	202,502
35,000	GE Capital Corp FRN May 5, 2026 (USD) (Q LIBOR +38)	36,799	41,725	146,459	Scotia Capital Inc. NHA MBS (97514157) 2.05% Feb 1, 2024	145,930	147,164
157,000	KFW 5.05% Feb 4, 2025	178,561	183,102	10,627	TD Bank NHA MBS (99007890) 5.375% Nov 1, 2023	11,807	11,818
480,000	Lloyds Bank PLC FRN Jul 11, 2023 (3M CDOR + 55)	480,000	476,648	Total		\$ 805,318	\$ 808,347
8,000	Navient Corp 5.625% Aug 1, 2033 (USD)	7,003	8,774	Preferreds (4.5%)			
99,000	Neder Waterschapsbank 4.55% Mar 16, 2029	105,170	116,770	139,988	BZ Holdings Inc. Series C Preferred Share	\$ 770,503	\$ 827,014
42,000	Neder Waterschapsbank 5.20% Mar 31, 2025	47,907	48,434	410	ClearStream Energy Services Inc. Series 1 Preferred Share	410,000	410,000
177,000	PepsiCo Inc. 2.15% May 6, 2024	176,628	177,315	62,600	M Split Corp. 7.50% Dec 1, 2019 Series C	134,986	125,200
84,000	SES Global Americas Holding 5.3% Mar 25, 2044 144A (USD)	96,030	106,395	Total		\$ 1,315,489	\$ 1,362,214
59,000	SES SA 5.3% Apr 4, 2043 144A (USD)	68,326	75,047	Private Placements (2.0%)			
112,000	Tennessee Gas Pipeline 8.375% Jun 15, 2032 (USD)	161,879	198,818	111,491	Bankers Hall LP (amort) 4.377% November 20, 2023	\$ 122,093	\$ 115,010
557,000	TWDC Enterprises 18 Corp. 2.758% Oct 7, 2024	556,509	573,083	24,800	Green Timbers LP (amort) 6.838% Jun 30, 2037	31,064	32,572
200,000	UniCredit S.p.A Sr Pref 4.625% Apr 12, 2027 (USD) 144A	232,955	265,376	65,694	N.B. Highway (amort) 6.47% Nov 30, 2027	81,371	77,446
Total		\$ 4,156,938	\$ 4,388,115	16,729	North Battleford Power L.P (amort) 4.958% Dec 31, 2032	18,318	18,963
Mortgage Backed Securities (2.7%)							
14,522	First National NHA MBS (99000211) 2.65% Oct 15, 2027	\$ 14,801	\$ 14,914	64,772	ORNGE Issuer Trust (amort) 5.727% Jun 11, 2034	71,108	76,761
389,437	MCAP Service NHA MBS FRN (98001252) July 1, 2020 (M CDOR+35)	389,305	390,411	260,306	Strait Crossing Dev. Inc. (amort) 6.17% Sep 15, 2031	281,280	292,606
41,750	MCAP Service NHA MBS FRN (98003260) Dec 1, 2023 (M CDOR- 6.68)	41,455	41,538	Total		\$ 605,234	\$ 613,358
US Equities (13.2%)							
4,216	Apple Inc.	\$ 622,539	\$ 1,092,759	29,361	BZ Holdings Inc. Convertible Bond Warrants	-	-
169,712	BZ Holdings Inc. Preferred Share Warrants	-	-	162,600	General Electric	2,161,599	2,235,856

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Interim Schedule of Investment Portfolio as at June 30, 2019 (unaudited)

Par Value/Number of Shares Average Cost (\$) Fair Value (\$)

US Equities (13.2%)			
<i>Cont'd</i>			
42,300	SLM Corp	419,192	538,444
961	Wabtec Corporation	98,861	90,311
Total		\$ 3,302,191	\$ 3,957,370
Total investment portfolio (99.5%) \$ 36,510,275 \$ 29,757,940			
	Cash and cash equivalents (0.1%)	\$	\$ 34,622
	Other assets less liabilities (0.4%)		132,360
Net assets		\$	\$ 29,924,922

Foreign Exchange Contracts

CounterParty	Settlement Date	Buy	Par Value	Sell	Par Value	Forward Rate	Current Rate	Unrealized Appreciation (Depreciation)
Canadian Imperial Bank of Commerce ¹	2019-09-18	CAD	\$ 1,821,226	USD	\$ 1,362,000	0.748	0.765	\$ 40,214

Notes

¹ Credit rating of counterparty is A+

Lysander-Canso Balanced Fund

Notes to the interim financial statements for the six-month period ended June 30, 2019 (unaudited)

1. Formation of Fund

The address of the Fund's registered office is 3080 Yonge St., Suite 3037, Toronto, Ontario.

Lysander Funds Limited (the "Manager" or "Lysander") is the manager and trustee of the Fund and is responsible for providing or arranging 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.

Lysander-Canso Balanced Fund (the "Fund"), is an open-end fund formed under the laws of the Province of Ontario by a declaration of trust dated March 27, 2009. The Fund commenced operations on March 31, 2009 and distributed units under a prospectus exemption. The Fund became a reporting issuer on December 23, 2011.

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.

The portfolio manager of the Fund is Canso Investment Counsel Ltd, ("Portfolio Manager"), a company under common control as the Manager.

2. Basis of Presentation

These interim financial statements (the "financial statements") have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB"). These financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and do not include all of the information and disclosures required in the annual financial statements. These financial statements should be read in conjunction with the Fund's annual financial statements and accompanying note disclosures.

The financial statements were authorized for issue by Lysander's board of directors on August 21, 2019.

3. Significant Accounting Policies

The significant accounting policies of the Fund are as follows:

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term investments in an active market with original maturities of three months or less, bank

overdrafts and money market funds with daily liquidity and all highly liquid financial instruments that mature within three months of being purchased.

Financial instruments

The Fund accounts for its financial instruments in accordance with IFRS 9, which include cash and cash equivalents, investments at fair value through profit or loss, accrued interest, reimbursement receivable, subscriptions receivable, redemption payable, due to/from investment dealer, receivable/payable from forward exchange contracts and accrued expenses.

Financial assets and financial liabilities at fair value through profit or loss:

Financial Assets

The Fund classifies its investments in debt and equity securities and open-ended investment funds based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

These financial assets are managed and their performance is evaluated on a fair value basis. The Fund also manages these financial assets with the objective of realizing cash flows through sales. The fund has not taken the option to irrevocably designate any of its equity securities at fair value through other comprehensive income ("FVOCI"). Consequently, these financial assets are mandatorily measured at FVTPL.

Financial Liabilities

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future or on initial recognition are a part of a portfolio of identified financial instruments that the Fund manages together and has a recent actual pattern of short term profit-taking.

All derivatives and short positions are included in this category and mandatorily measured at FVTPL.

The Fund does not apply general hedge accounting to any of its derivatives positions.

Financial assets and financial liabilities at amortized cost:

The financial assets and liabilities measured at amortized cost include cash collateral posted on derivative positions, accrued income, due to and from brokers and other short term receivables and payables.

IFRS 9 introduced the expected credit loss model ("ECL") as the new impairment model for financial assets measured at amortized cost. At each reporting date, the Fund measures the loss allowance on cash collateral held, amounts due from broker, accrued income and other short term receivables at an

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Notes to the interim financial statements for the six-month period ended June 30, 2019 (unaudited)

amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund measures the loss allowance at an amount equal to the 12 month expected credit losses. Given the short-term nature of the receivables and the high credit quality, the Fund has determined that the expected credit loss allowances are not material.

The Fund classifies financial instruments carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified as Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is reclassified as Level 3. The Manager assesses transfers at the time of an event that may cause reason for re-assessment of levelling. The classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. The determination of what constitutes observable requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources. The classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2019 and December 31, 2018, as applicable, is disclosed in the notes to the financial statements of the Fund. Significant transfers between levels are also disclosed in the notes to the financial statements of the Fund, where applicable. The reconciliation of level 3 fair value measurements for the periods ended June 30, 2019 and December 31, 2018, if applicable, are included in the notes to the financial statements of the Fund.

Recognition/Derecognition

At initial recognition, financial assets and liabilities are measured at fair value. Transaction costs on financial assets and liabilities at fair value through profit or loss are expensed as incurred in the statement of comprehensive income.

Subsequent to initial recognition, financial assets and liabilities at fair value through profit or loss are measured at fair value.

Gains and losses arising from changes in their fair value are included in the statement of comprehensive income for the period in which they arise. Dividend or interest income earned on financial assets at fair value through profit or loss and dividend or interest expense on the financial liabilities at fair value through profit or loss are disclosed in a separate line item in the statement of comprehensive income.

Financial assets are derecognized when the contractual rights to the cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities at fair value through profit or loss are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

Investment transactions are accounted for on a trade date basis. Realized gains and losses on the disposition of investments, and unrealized appreciation and depreciation of investments, are determined on an average cost basis and are included in the statement of comprehensive income.

Realized gains and losses related to options are included in net realized gain/(loss) on options at fair value through profit or loss. Realized gains and losses relating to written options may arise from expiration of written options whereby realized gains are equivalent to the premium received and from the exercise of written covered call options in addition to the realized gain or losses from disposition of the related investments at the exercise price of the option.

Fair value measurements

The securities in the Fund's Portfolio are measured at FVTPL. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the period-end date. The quoted market price used for financial assets and financial liabilities of the Fund is the last traded price provided such price is within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Fund will determine the points within the bid-ask spread that are most representative of the fair value. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly

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occurring market transactions on an arm's length basis. The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques commonly used by market participants making the maximum use of observable inputs and relying as little as possible on unobservable inputs. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

Where available, valuation techniques use market observable assumptions and inputs. If such data is not available, inputs may be derived by reference to similar assets in active markets, from recent prices for comparable transactions or from other observable market data. When measuring fair value, the Fund selects the non-market-observable inputs to be used in its valuation techniques, based on a combination of historical experience, derivation of input levels based on similar products with observable price levels and knowledge of current market conditions and valuation approaches. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk. Unlisted debt securities are valued based on observable inputs such as the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data and using standard market convention practices. Unlisted debt securities for which current quotations are not readily available are valued using another valuation technique as described below.

The Fund uses widely recognized valuation techniques for determining the fair value of financial instruments that are not actively traded and quoted. The most frequently applied valuation techniques include: i) discounted value of expected cash flows, ii) relative value, iii) option pricing methodologies, iv) private placement financing technique v) internally developed models and vi) market activity. In some cases, it may be reasonable and appropriate to value at cost, where there has been no material subsequent event affecting value. Discounted

value of expected cash flows is a valuation technique that measures fair value using estimated expected future cash flows from assets or liabilities and then discounts these cash flows using a discount rate or discount margin that reflects the credit and/or funding spreads required by the market for instruments with similar risk and liquidity profiles to produce a present value. When using such valuation techniques, expected future cash flows are estimated using an observed or implied market price for the future cash flows or by using industry standard cash flow projection models. The discount factors within the calculation are generated using industry standard yield curve modeling techniques and models. Relative value models measure fair value based on the market prices of equivalent or comparable assets or liabilities, making adjustments for differences between the characteristics of the observed instrument and the instrument being valued. Option pricing models incorporate assumptions regarding the behavior of future price movements of an underlying referenced asset or assets to generate a probability-weighted future expected payoff for the option. The resulting probability-weighted expected payoff is then discounted using discount factors generated from industry standard yield curve modeling techniques and models. The option pricing model may be implemented using a closed form analytical formula or other mathematical techniques (e.g., binomial tree or Monte Carlo simulation). For more complex instruments and instruments for which there is no active market, fair values may be estimated using a combination of observed transaction prices, if any, consensus pricing services and relevant broker quotes. Consideration is given to the nature of the quotes (e.g., indicative or firm) and the relationship of recently evidenced market activity to the prices provided by consensus pricing services. Private placement financings are instances where a company raises capital through an offering of additional securities in the private markets. Pertinent details of such offering, including the terms of such offering, the issue price, and total capital raised are considered when assessing the reasonability that the issue price of such offering approximates fair value. In contrast to public offerings on a recognized exchange, private placement financings are not available to the general public. The Fund also uses internally developed models, which are typically based on valuation methods and techniques recognized as standard within the industry. Assumptions and inputs used in valuation techniques include benchmark interest rate curves, credit and funding spreads used in estimating discount rates, bond and equity prices, equity index prices, foreign exchange rates, levels of market volatility and correlation. In situations where there is limited market activity for the asset or liability near the measurement date, the most recent transaction price may be used.

Income recognition

Dividend income is recognized when the Fund's right to receive the payment has been established, normally being the ex-

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dividend date. Dividend income is recognized gross of withholding tax, if any.

The interest income for distribution purposes shown on the statement of comprehensive income represents the coupon interest received by the Fund accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis. The interest income for distribution purposes is the tax basis of calculating the interest received and which is subject to tax.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Accounting estimates

In the application of the Fund's accounting policies, the Fund is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. The most significant estimates relate to the valuation of investments. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Net assets attributable to holders of redeemable units

Units issued and outstanding represent the capital of the Fund, with units in each series representing an equal and rateable share in the assets allocated to each series. The management fee rates are different for each of the series. Please refer to Note 6 for discussion of management fee rates. The redeemable units are classified as financial liabilities and are measured at the redemption amounts.

Units of the Fund may be purchased or redeemed at a price per unit equal to the net asset value ("NAV") of a unit of the applicable series of the Fund on each valuation date.

Net asset value per unit

The net asset value per unit of each series of units of the Fund is computed by dividing the NAV of a series of units by the total number of units of the series outstanding at the time. The

Fund's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its NAV for transactions with holders of redeemable units.

Foreign currency translation

Foreign currency amounts are translated into the Fund's functional currency as follows: fair value of investments, forward currency contracts and other financial assets and liabilities, at the closing rate of exchange on each business day; income and expenses, and purchases, sales and settlements of investments, at the rate of exchange prevailing on the respective dates of such transactions.

Foreign currency forward contracts

The value of the foreign currency forward contracts is the gain or loss that would be realized if the position in the forward contract was closed out in accordance with its terms. The unrealized gains or losses on the forward contract are reported as part of the change in unrealized appreciation or depreciation on forwards in the statement of comprehensive income. Foreign currency forward contracts manage exposure to foreign currency gains and losses arising from short and long-term investments denominated in foreign currencies.

Taxation

The Fund is a mutual fund trust within the meaning of the Income Tax Act (Canada). The Fund is subject to tax on its net taxable income, including net realized capital gains, for the calendar year which is not paid or payable to its unitholders as of the end of the calendar year. It is the intention of the Fund to pay all of its net taxable income and net realized capital gains so that the Fund will not be subject to income taxes other than foreign withholding taxes, if applicable. Therefore, no provision for income taxes has been made in these financial statements.

As at December 31, 2018, the Fund had no net capital losses (December 31, 2017 - Nil) and no non-capital losses (December 31, 2017 - Nil)

Distributions

The Fund makes distributions of net income quarterly and any net realized capital gains annually. These are recognized in the statement of changes in net assets attributable to holders of redeemable units.

Critical accounting estimates and judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

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Determination of Functional Currency

'Functional currency' is the currency of the primary economic environment in which the Fund operates. If indicators of the primary economic environment are mixed, then the Fund uses its judgment to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events, and conditions. The Fund's subscriptions and redemptions are denominated in Canadian Dollars ("CAD"). Accordingly, the Fund has determined that the functional currency of the Fund is CAD unless noted otherwise.

Fair Value Measurement of Derivatives and Securities Not Quoted in an Active Market

The Fund may hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined as disclosed in Fair Value Measurement section in Note 3.

Future changes in accounting standards

As of June 30, 2019, there are no future standards that could have a material impact on the Fund.

4. Expenses

The Fund is responsible for the payment of all expenses related to its operations, including but not limited to audit fees, Independent Review Committee fees, fund administration fees, filing fees, redeemable unitholder reporting and custodian fees plus harmonized sales tax. At their discretion, the Manager or the Portfolio Manager may pay certain of the expenses of the Fund but any such payments shall not oblige the Manager or the Portfolio Manager to make similar future payments. All expenses are recognized in the statement of comprehensive income on the accrual basis.

Service fees may be paid by the Manager from the management fees it receives from the Fund. Service fees may be paid to brokers and dealers to compensate them for providing ongoing services to redeemable unitholders holding Series A units, if applicable.

The maximum service fee is 0.75% per annum on the Series A units, exclusive of any applicable taxes.

5. Issuance and Redemption of Units

The Fund is authorized to issue an unlimited number of transferable, redeemable units of beneficial interest, each of which represents an equal undivided interest in the net assets of the Fund. Each unit entitles the holder to the same rights and obligations as a holder of any other unit and no holder of units is entitled to any privilege, priority or preference in relation to any

other holder of units. Each holder of units is entitled to one vote for each whole unit held and is entitled to participate equally with respect to any and all distributions made by the Fund, including distributions of net income and net realized capital gains, if any. On termination or liquidation of the Fund, the holders of outstanding units of record are entitled to receive on a pro rata basis all of the assets of the Fund remaining after payment of all debts, liabilities and liquidation expenses of the Fund. The units of the Fund are issued and redeemed at their NAV.

During the periods ended June 30, 2019 and 2018 the number of units issued, redeemed and outstanding were as follows:

Series A

For the periods ended	30-Jun-19	30-Jun-18
Units outstanding at beginning of period	1,044,425	1,253,517
Redeemable units issued	5,190	42,829
Redeemable units redeemed	(223,844)	(190,925)
Redeemable units issued on reinvestments	4,929	61
Units outstanding at end of period	830,700	1,105,482

Series F

For the periods ended	30-Jun-19	30-Jun-18
Units outstanding at beginning of period	1,190,381	1,112,771
Redeemable units issued	58,393	159,142
Redeemable units redeemed	(109,263)	(148,264)
Redeemable units issued on reinvestments	15,057	4,843
Units outstanding at end of period	1,154,568	1,128,492

6. Related Party Transactions

The Manager is responsible for the day-to-day management of the Fund and its investment portfolio in compliance with the Fund's constating documents. The Manager pays for the investment management services and provides all administrative services required by the Fund. As compensation for its services the Manager is entitled to receive a management fee.

The Manager may offer a reduced management fee to selected investors who (among other considerations) hold large investments in the Fund. This is achieved by reducing the management fee charged to the Fund based on the assets held by such investors and the Fund distributing the amount of the reduction in additional units of the same series of the Fund to the investor.

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Notes to the interim financial statements for the six-month period ended June 30, 2019 (unaudited)

At June 30, 2019, the Manager, the majority shareholder of the Manager, the Manager's directors and officers together with certain immediate family members had an ownership interest in the Fund amounting to 16.4% (December 31, 2018 - 15.5%).

The Manager is entitled to receive from the Fund a management fee which is calculated daily and payable monthly at an annualized rate of up to 1.50% on Series A units and up to 0.75%

on Series F units, exclusive of applicable taxes, based on the net asset value of each respective series.

During the period ended June 30, 2019, the Manager paid the Portfolio Manager, an affiliate of the Manager, \$58,974 (June 30, 2018 - \$75,011) for managing the portfolio of the Fund. As at June 30, 2019 the amount payable to the Portfolio Manager was \$9,266 (December 31, 2018 - \$10,220).

7. Fair Value Hierarchy

The following fair value hierarchy table presents information about the Fund's assets measured at fair value, as described in Note 3, as at June 30, 2019 and December 31, 2018.

As at June 30, 2019	Level 1		Level 2		Level 3		Total
Investments							
Equities	\$	17,962,430	\$	–	\$	2,497,763	\$ 20,460,193
Fixed income		144,063		9,005,701		147,983	9,297,747
Total	\$	18,106,493	\$	9,005,701	\$	2,645,746	\$ 29,757,940

As at December 31, 2018	Level 1		Level 2		Level 3		Total
Investments							
Equities	\$	16,828,416	\$	–	\$	2,532,641	\$ 19,361,057
Fixed income		110,076		10,985,959		154,224	11,250,259
Total	\$	16,938,492	\$	10,985,959	\$	2,686,865	\$ 30,611,316

As at	30-Jun-19		31-Dec-18	
Level 3 reconciliation				
Balance, beginning of period		\$ 2,686,865		\$ 3,362,082
Purchases		–		–
Sales		–		(1,229,212)
Transfers In		–		410,000
Transfers Out		–		–
Realized gains and losses		–		126,732
Change in unrealized appreciation/depreciation		(41,119)		17,263
Balance, end of period		\$ 2,645,746		\$ 2,686,865

The Portfolio Manager's internal valuation team is comprised of individuals from across the functional areas of the firm (Trading, Settlements, Research, Portfolio Management, Compliance, and Fund Administration) who have broad and deep experience in the fair value techniques for debt and equity investments. The team reports to the Chief Investment Officer of the Portfolio Manager and the internal valuation team's valuation processes and results are reviewed by the Portfolio Manager's management on an ongoing basis. Security valuations are discussed on a case-by-case basis with a view to establish the most suitable valuation method. During the period ended June 30, 2019 there were no transfers between levels.

The following sections provides information regarding Level 3 securities. It includes a summary of the valuation techniques used and the sensitivity of the fair value of these securities to changes in input values.

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BZ Holdings Inc. 3% May 22, 2022

Price: \$100.00 USD

Valuation Technique: Internal Model which uses a combination of three techniques: 1) discounted value of expected cash flows, 2) relative value and 3) option pricing methodologies. The output of the model is compared to recent private placement funding rounds to confirm its reasonability.

Unobservable Inputs: The primary unobservable inputs for this security include financial statement data, recent private offering valuation multiples of competitors, and liquidation preference rights.

Change in input values: A reasonably possible change in the key inputs to the model could result in an increase or decrease of 9%, or an increase or decrease in the security price of \$9.00 USD.

BZ Holdings Inc. Series C Preferred Share

Price: \$4.51 USD

Valuation Technique: Internal Model which uses a combination of three techniques: 1) discounted value of expected cash flows, 2) relative value and 3) option pricing methodologies. The output of the model is compared to recent private placement funding rounds to confirm its reasonability.

Unobservable Inputs: The primary unobservable inputs for this security include financial statement data, recent private offering valuation multiples of competitors, and liquidation preference rights.

Change in input values: A reasonably possible change in the key inputs to the model could result in an increase or decrease of 12%, or an increase or decrease in the security price of \$0.54 USD.

BZ Holdings Inc. Convertible Bond Warrants

Price: \$0.00 USD

Valuation Technique: Internal Model which uses a combination of three techniques: 1) discounted value of expected cash flows, 2) relative value and 3) option pricing methodologies. The output of the model is compared to recent private placement funding rounds to confirm its reasonability.

Unobservable Inputs: The primary unobservable inputs for this security include financial statement data, recent private offering valuation multiples of competitors, and liquidation preference rights.

Change in input values: A reasonably possible change in the key inputs to the model could result in an increase or decrease of 0%, or an increase or decrease in the security price of \$0.

BZ Holdings Inc. Preferred Share Warrants

Price: \$0.00 USD

Valuation Technique: Internal Model which uses a combination of three techniques: 1) discounted value of expected cash flows, 2) relative value and 3) option pricing methodologies. The output of the model is compared to recent private placement funding rounds to confirm its reasonability.

Unobservable Inputs: The primary unobservable inputs for this security include audited financial statement data, recent private offering valuation multiples of competitors, and liquidation preference rights.

Change in input values: A reasonably possible change in the key inputs to the model could result in an increase or decrease of 0%, or an increase or decrease in the security price of \$0.

ClearStream Energy Services Inc. Series 1 Preferred Share

Price: \$1,000.00

Valuation Technique: The private placement financing technique.

Unobservable Inputs: The last transacted price unless there is a material subsequent event that warrants a review. The preferred shares were issued on Jan 16, 2018 at \$1,000. There have been no subsequent material events affecting value.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$300.00

Lysander-Canso Balanced Fund

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Xplornet Comm Inc. Warrants Series A Sept 30, 2020 144A

Price: \$95.05

Valuation Technique: The private placement financing technique.

Unobservable Inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities and the exchange ratio of warrants for common shares.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$28.51.

Xplornet Comm Inc. Warrants Series B Sept 30, 2020 144A

Price: \$38.01

Valuation Technique: The private placement financing technique.

Unobservable Inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities and the exchange ratio of warrants for common shares.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$11.40.

Xplornet Comm Inc. Warrants Series C Oct 25, 2023 Restricted

Price: \$471.94

Valuation Technique: The private placement financing technique.

Unobservable Inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities and the exchange ratio of warrants for common shares.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$141.58.

Xplornet Comm Inc. Warrants Series D Oct 25, 2023

Price: \$506.99

Valuation Technique: The private placement financing technique.

Unobservable Inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities and the exchange ratio of warrants for common shares.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$152.10.

8. Risk Management

The Fund's activities expose it to a variety of financial risks in the normal course of operations. These include credit risk, liquidity risk, and market risk. The value of the investments in the Fund's portfolio can fluctuate as a result of changes in interest rates, general economic conditions, supply and demand conditions relating to specific securities, or news relating to a specific issuer. In order to manage risk, the Portfolio Manager will diversify the portfolio based on industry and credit rating category. Significant risks that are relevant to the Fund are discussed below.

Credit risk

Credit risk is the risk of financial loss that could arise from a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. The Fund's main exposure to credit risk consists of investments in debt instruments, such as bonds. The Fund is also exposed to counterparty risk from other assets, such as amounts due from investment dealer or subscriptions receivable. To manage this risk, the Portfolio Manager monitors the Fund's credit exposure and counterparty credit ratings.

The Fund measures credit risk and lifetime ECLs related to these trade receivables using historical analysis and forward looking information in determining the ECL.

As at June 30, 2019 and December 31, 2018, the Fund had directly invested in debt instruments with the following credit ratings:

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As a % of net assets		30-Jun-19	31-Dec-18
Credit exposure			
AAA	%	5.3	8.3
AA		3.4	4.2
A		6.8	7.2
BBB		11.7	11.3
BB		1.6	2.4
B		0.7	0.9
CCC		0.5	0.1
Not Rated		5.6	5.2

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations, including any redemption of units for cash. The Fund is exposed to possible daily redemptions at the then current NAV per unit. Liquidity risk is managed by investing a significant portion of the Fund's assets in investments that are traded in an active market and that can be readily sold. All liabilities of the Fund are due within one year.

The following table presents the Fund's liabilities according to their maturity date as at June 30, 2019 and December 31, 2018:

As at 30-Jun-2019	Less Than One Month	1-3 Months	3 Months – 1 Year
Liquidity exposure			
Redemption Payable	\$ 57,060	\$ -	\$ -
Accrued expenses	-	45,156	-
As at 31-Dec-2018	Less Than One Month	1-3 Months	3 Months – 1 Year
Liquidity exposure			
Redemption Payable	\$ 3,230	\$ -	\$ -
Accrued expenses	-	47,435	-
Payable on forward exchange contracts	-	39,044	-

Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a fund asset will fluctuate because of changes in market interest rates. To manage interest rate risk, the Portfolio Manager monitors exposures and maintains the portfolio duration within the limits specified in the investment policies and objectives of the Fund. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

The table below summarizes the Fund's exposure to interest rate risks based on the remaining term to maturity of the investments.

	Less than 1 year	1-5 years	More than 5 years
Interest rate exposure			
June 30, 2019	\$ 173,371	\$ 2,832,283	\$ 6,292,093
December 31, 2018	320,001	3,805,830	7,124,428

If interest rates had increased or decreased by 1% at June 30, 2019, with all other variables remaining constant, net assets of the fund would have decreased or increased by approximately \$557,865 (December 31, 2018 - \$606,533).

Currency risk

Currency risk arises when the value of investments denominated in currencies other than CAD fluctuate due to changes in exchange rates. The currency risk will typically be hedged by entering into foreign currency forward contracts, however some moderate currency exposure may be assumed if deemed to be beneficial to the Fund. In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Lysander-Canso Balanced Fund

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The table below summarizes the Fund's net exposure (before hedging, if any) to currency risk as at:

		30-Jun-19		31-Dec-18	
Currency exposure					
US Dollars	%	22.5	%	18.4	
Other		13.6		13.7	

As at June 30, 2019, if the CAD had strengthened or weakened by 1% in relation to the above currencies, with all other factors remaining constant, the Fund's net assets would have decreased or increased by 0.4% (December 31, 2018 - 0.3%).

Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in a market or market segment. This risk is managed through a careful selection of securities and other financial instruments within the parameters of the investment strategy and by maintaining a well-diversified portfolio. Exposure to price risk arises from investments in equity securities. In practice, actual results will differ from this sensitivity analysis and the difference could be material.

As at June 30, 2019, approximately 68.4% (December 31, 2018 - 60.0%) of the Fund's net assets were invested in equity securities. If prices of these investments had increased or decreased by 5% as at June 30, 2019 with all other factors remaining constant, net assets would have increased or decreased, by approximately \$1,023,010 (December 31, 2018 - \$968,053).



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